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1 October 1985

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BOLIVIA

LEFT VANISHING FROM POLITICAL SCENE, SAYS WRITER

La Paz EL DIARIO in Spanish 16 Aug 85 p 2

[Article by Jose Maria Centellas: "Hushed Left"]

[Text] The Bolivian left has become a shadow. It has almost disappeared from the political scene. It is only visible in communiques and bulletins.

It is so decrepit that it languishes in its own pride that lifted it up like an intellectual mountain, discursive, rhetorical, filled with slogans but void of substance.

The POR [Revolutionary Workers Party] and the PCB [Bolivian Communist Party] have brandished ideologies using the same style and content with intensely orthodox and hypnotizing dullness for half a century. They have aroused passions and agitated illusions for these last 20 years since revolutionary nationalism fell along with democracy in 1964 and the practice of coups d'etat became enthroned.

In the last 10 years, from 1971 on, a tactical passion for electoral frenzy was evident in the analysis of Bolivian reality. It was indispensable to unite progressive nationalism with the Marxist currents to continue the "unfulfilled tasks of the National Revolution." Therefore, the PCB, PIR [Party of the Revolutionary Left] and MIR [Movement of the Revolutionary Left] began to climb on the shoulders of the MNR [National Revolutionary Movement] and, with its assistance, set themselves up as representatives of the people, dominating part of the government and part of the Congress.

They did this with the coined phrases of national liberation philosophy: "to carry out liberating tasks; to eliminate the peso's dependence on the dollar"; to design liberating foreign policies; and to serve the interest of liberation of the masses. It destroyed illusions, blackening the philosophy with wordy functionality. The end was very sad, sadder than when they committed the same error for the first time: to hang Villarroel.

From 1982 to 1985, they hanged the people through the inflation of distress, despair of the family and collective hunger.

The elections were like the day of judgment. The left saw its political accounts reconciled. This showed that it never had any strength. Its popular

support was merely due to the agitation of a few activists. It was clever prestidigitation, brandishing and using the union as its tool.

The polarization of the elections was not as expected, a competition between the international left and the modern liberalism of the right. It was a fight between revolutionary nationalism and modern liberalism: the MNR versus the ADN [Nationalist Democratic Action].

The "left" poured out of the turbulent masses to be left on shore like a current of water spews out slag to purify itself.

Well, the important thing is that there is a new political scene. This left has just lost its legal identity. The court can officially erase it in the next election.

How many are they and who are they? It was crude arithmetic. The people in their wisdom added up the results and left it defenseless. Evaluations and new positions should arise from this defenselessness to modify the current phenomenology of partisan politics.

Where are they and what did they do? How can they be typified after a government with few ideas and programs designed a rightist policy in the name of the left with a greater capacity to destroy than create during its 3 years?

It is hard to believe that they did not do anything. Even the cogovernment is copied from 1952 but with less talent and worker mystique and more group interests rather than collective interests. Class interest comes first and then national interests.

Many will be able to survive if they redefine themselves, especially that "residual left" committed to internationalism. The others can find another road. The MIR-Zamora will follow the road of social democracy which is also internationally committed. What is left is the same plan that the people sensed with their votes: the bipolarism of the national left against the modern liberalism of Banzerism in the presence of the "international left" that will look for its place even though it is dying.

7717

CSO: 3348/906

BOLIVIA

# PCB EXTRAORDINARY CONGRESS FORMALIZES SPLIT

La Paz EL DIARIO in Spanish 15 Aug 85 p 4

[Text] Unbeknownst to communist leaders Jorge Kolle, Marcos Domic, Humberto Ramirez and Jorge Ibanez, the Muscovite Communist Party practically sealed its division.

In a press conference called by the leaders of the PC [Communist Party]--Ramiro Barrenechea, Fernando Fuentes, Emil Balcazar, Carlos Soria Galvarro and other representatives of different national sectors--the conclusions and resolutions approved at the First Extraordinary Congress held in this city from 2 to 4 August were announced.

Ramiro Barrenechea, who was elected first general secretary of the PC, indicated that the basis of these conclusions is the "decision to redeem the Communist Party line for the revolution, cutting its ties to the rightist sectors that had taken over its structure and direction."

Participation by the PC in a united cell of the Bolivian left with the MIR [Movement of the Revolutionary Left]-Masses, the Popular Patriotic Bloc and the 4 March Coordinating Committee was also ratified. He said contacts were established "with other political organizations like the MIR-Bolivia Libre, the PS-1 [expansion unknown] and the MRTK-L [expansion unknown] whose consistency and maturity have been proven in the popular struggles."

He stated that it is urgent for the popular movement to consolidate a coherent and solid political instrument capable of being the vanguard in the struggle for power by the popular, anti-oligarchical and anti-imperialist revolution on the road to socialism and able to organize forces to advance victoriously.

Asked if these decisions mean the division of the PC, he said that the unawareness of Kolle, Domic, Ramirez and Ibanez simply means that they do not have any ideological, political or organic relationship with the PC which they tried to destroy and strip of its revolutionary nature.

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CSO: 3348/906

BOLIVIA

# SANTA CRUZ-TRINIDAD ROAD PROJECT RECEIVES FONPLATA FUNDS

La Paz PRESENCIA in Spanish 15 Aug 85 p 1

[Text] Santa Cruz, 14 Aug--FONPLATA [Financial Fund of Plata Basin] based in Sucre will provide a credit of \$19.5 million to pave the Santa Cruz-Trinidad highway. Jorge Capobianco, president of CORDECRUZ [Santa Cruz Development Corporation], reported that this morning.

He said that the credit had just been approved at the annual meeting of FONPLATA being held now in Brasilia. A delegate from CORDECRUZ is attending that meeting. He informed the top official of CORDECRUZ of the approval of the credit this morning.

The loan had been jointly negotiated in Sucre some time ago by CORDECRUZ and CORDEBENI [Beni Development Corporation].

Actually, paving the road will require an investment of 36 million pesos. Consequently, \$17.5 million contributed by CORDECRUZ and the general national treasury as national counterpart will be added to the credit of \$19.5 million granted by FONPLATA.

Capobianco expressed satisfaction at the approval of the credit from FONPLATA and said that he had communicated this decision to the top officials of CORDEBENI.

According to the report, approval of the loan was based on the great economic importance that this road will have in the multimodal connection between Buenos Aires and Manaus in the extreme north of Brazil.

Earth-moving for the highway is practically finished but there was damage from the recent rains, especially in the San Ramon area.

CORDECRUZ machinery is now working to repair the damage caused by the rains. This work, according to the report, will continue until the road is completely repaired.

Once the credit is disbursed, paving will begin. This highway will be the backbone of the departments of Santa Cruz and Beni.

BOLIVIA

EAST-WEST RAILWAY CONNECTION VENTURE TO BECOME REALITY

La Paz HOY in Spanish 15 Aug 85 p 5

[Text] The government will promote the connection of the eastern and western railway networks with foreign financing. The preliminary negotiations to obtain this financing have begun, according to President Victor Paz Estenssoro yesterday.

The president maintained that there are firms interested in making this project a reality. It will connect the towns of Santos (Brazil) and Arica (Chile) through Bolivian territory.

Paz Estenssoro indicated: "It is one of our projects that responds to the importance of structural connections. It would create a job source during the recovery period." He added that once this segment is finished, it would also represent a source of railway labor absorption.

Paz Estenssoro referred to materialization of that objective in response to a demand made by leaders of the Confederation of Railway Workers and Affiliated Branches during a meeting held in the Red Room of the Government Palace.

He revealed that the country's renewable water resources will also be exploited for hydroelectric generation projects. He felt that this sector was important for national development.

The president noted that these projects will be carried out "as soon as we attain some success" in overcoming the crisis in the country and "economic and financial measures advance."

As to the requests of the railway leaders, he stated that the government will respect the comanagement implanted in that sector, the self-management in basic and complementary Social Security for the railway workers and the tenure of the officials.

As to the request to return the building that the Ministry of Interior occupies in order to construct a railroad clinic, he said that this decision will be studied carefully.

He maintained that the government's attention is now focused on overcoming current problems. He added that national problems must be taken care of first, then those of a labor group or sector.

The president noted: "If national interest comes first, prospects are opened for all labor sectors. I hope you understand this position." He exhorted the railway workers to be serious in their relations with the government.

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BOLIVIA

#### MINERS STEP UP DEMANDS FOR PROJECT DECREE

La Paz HOY in Spanish 15 Aug 85 p 5

[Text] The Bolivar Polymetallurgical Project will become viable as soon as possible since it is a feasible project. There is confidence that it can generate a production value of approximately \$53 million per year.

Mario Paulsen, technical undersecretary of mining, gave this information to HOY. He added that due to the change in government, it is necessary to take some steps before the government adopts this decision.

However, according to this official, the Ministry of Mining has every intention of promoting this project which will permit COMIBOL [Mining Corporation of Bolivia] to diversify and strengthen its economy.

#### Revisions

Paulsen revealed that the project had already been revised several times, including in the Projects Committee of the Ministry of Planning and Coordination. It was accepted in all of them.

According to information provided by the previous government, the cabinet was expected to make a decision after the document was submitted for its consideration. There could not be a supreme decree until that was done although the workers of the Bolivar mining enterprise had been promised one.

#### Workers

The workers had gone on strike and half of them (250 people) marched to the city of La Paz in order to pressure the government to issue that decree.

After various promises, they returned to their base (Bolivar mine in Poopo Province, Oruro Department). However, after a week of work, they again went on strike, demanding that the government fulfill its promises. The strike still continues (after more than a month).

HOY learned from reports that a contingent of those workers is coming to the capital again today, probably to demand approval of the mentioned decree.

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BOLIVIA

# ITALY TO FINANCE COCHABAMBA AIRPORT

La Paz PRESENCIA in Spanish 15 Aug 85 p 7

[Text] Cochabamba, 14 Aug--The Italian technical committee that came here a few days ago to compile data and directly observe prospects for constructing a new airport in this capital gave a favorable report to its government, according to the person in charge of that program.

Therefore, the Italian Government would be in the position to approve the financing and technical assistance needed to carry out that project which is considered very important to the district and the country. The people of Cochabamba are happy about this.

Carlos Rico, the general manager of the executing unit, indicated that he received a telephone call from the Italian officials. They informed him that the report on the results of their stay in Bolivia, especially in Cochabamba, to consider the execution of that project in the southern part of this capital has already been presented.

As is known, the Italian technicians said before returning to Rome that the Italian Government would announce its official and final decision by the end of this month or the beginning of September on whether it would sign an agreement with the Bolivian Government to execute that project.

The recent statement by the prefect of the department, Col German Lema Araoz, that Dr Paz Estenssoro's government will carry out that project has also pleased labor, civic and popular circles. As will be recalled, in his election campaign, Paz Estenssoro promised Cochabamba that the new airport would be constructed.

The directorate of the executing unit went to La Paz the day before to contact the minister of aeronautics, minister of finance and minister of planning to advance negotiations on signing the agreement with the Italian consortium.

They announced that they will ask the minister of finance to pay the owners of the land in La Maica 150 billion pesos and to dictate a supreme decree on signing the agreement with Italy.

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BOLIVIA

BRIEFS

PRIN DISCORD--The PRIN [Revolutionary Party of the National Left] is experiencing internal discord, according to one member, Edgardo Vasquez. Vasquez explained that the PRIN sector to which he belongs disagreed with Juan Lechin Oquendo's participation in the last presidential election. That sector did not agree with Lechin Oquendo running for president, a situation that was deplored by one part of the party, according to Edgardo Vasquez. [Excerpt] [La Paz HOY in Spanish 13 Aug 85 p 16] 7717

CSO: 3348/906

BRAZIL

GOVERNMENT FEAR OF BRIZOLA-BACKED ELECTION VICTORIES VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Aug 85 p 3

[Article by C.C.]

[Text] Brasilia--Obviously, there is no panic, at least for the moment. But it is the engineer's name which is uttered the most in government circles by ministers, advisers and President Jose Sarney himself when there is speculation about the future. The New Republic fears Governor Leonel Brizola somewhat the way children fear hobgoblins. What is heard most is the danger that party divisiveness, particularly in the Democratic Alliance, might favor the party chief, beginning with the elections for mayor of the capital. The fear is that he might succeed in bringing about the election of candidates of the PDT [Democratic Workers Party], not only in Rio de Janeiro but also in Porto Alegre, Curitiba, Belo Horizonte and some other capital of the northeast. From that point on, he would be in better position to speed up preparations for the presidential election, using this as a smoke screen while, in reality, attempting to broaden the base of his 1988 campaign. He would seek to repeat such victories or at least increase them in elections for governors, gaining most of the seats in the future Congress and Constitutional Assembly. With this...

Here we have the mistake made by the New Republic. With this alone, nothing would be gained; Brizola would still be just one among many candidates, and even in the case of a few victories in the states, he could not count on party machinery at the level of the PMDB and PFL. In reality, he is gambling with the possible failure of the regime--with a worsening of social tensions and the economic crisis, factors depending exclusively on action by the government. In other words, instead of being intimidated, the New Republic should have more confidence in itself. It should pay less attention to hypothetical fears and have confidence in its capability of achievement.

If the Sarney regime proceeds logically, even without accomplishing miracles, the candidate who will represent it at the 1988 elections will be unbeatable. It does not appear easy to unite the PMDB and PFL in a single presidential candidacy, but it will not be impossible. Or was it not much more difficult and traumatic to reach a logical understanding in the election of Tancredo Neves and Jose Sarney? Certain candidacies said to be of the "savior" type flourished only in chaos and general turmoil, and that of Leonel Brizola does

not appear to be the only one. Or are there not already arguments in and outside Sao Paulo about seeing former President Janio Quadros become the only antidote capable of neutralizing the Rio governor? They are trying to conjure up the werewolf against the hobgoblin instead of simply sending the children out to play ball, have an afternoon snack or go to school.

The important thing to point out is that, while the New Republic is not exorcising the phantoms through its own action (which is understandable for some time to come inasmuch as it was just established on 15 March), Leonel Brizola is trying to play the role of Messiah or savior. Or he is seeking to occupy those spaces. It is not necessary to unleash a "blitz" against him and much less to establish fronts and pacts capable of isolating him. Without laying siege to Rio de Janeiro. It is enough to let him be involved in his own problems, if a solution to the national problems can be found and put into effect.

For, on the other side of the coin, perhaps the PDY also has problems. Examples of this are multiplying, in Congress and in Rio de Janeiro State, from the political to the social and economic. The facts speak for themselves.

As for the presidential succession, that is far away, although some of the chess pieces are already being moved with that in mind. Minister Auerliano Chaves, obviously aspiring to be a candidate, opens his arms now and then and throws a few cups in the china closet, concerned with maintaining the unusual position which he held until almost the eve of the past presidential decision. He does not want to repeat the previous error, which was to disappear (or be out of sight) on the beach letting himself be surpassed by the idiosyncrasy of Gen Joao Figueiredo. Rather than float, he swims vigorously and takes powerful strokes, waiting to see if his breath will last. In the PFL we have another hypothesis, that of Minister Marco Maciel, who, without being from Minas Gerais like his opposing companion, prefers to work in silence but with competence. They have not yet clashed, but it is possible that this will occur when it is time to consider the permanent direction of the new party, not yet definitely determined.

In the PMDB, ironically with regard to the biggest national party, the process is not so clearcut. Obviously, Ulysses Guimaraes is the natural candidate, despite residual protests made with respect to his return to the chairmanship of the party. He will have to overcome some of the most difficult obstacles. In 1989, when the new president will take the oath of office, Guimaraes will be 72 years old, and the trauma of the events which occurred with Tancredo Neves could do him harm, despite the fact that the one has nothing to do with the other. After all, Adenauer, Churchill, de Gaulle, John XXIII, Gandhi and many other statesmen of recent times reached the peak of their capability and served their countries best after passing 7 decades. If that argument is used against Ulysses, there is no doubt that it will also be valid against Franco Montoro, 12 months older than Ulysses. And the PMDB will be without definite options. There is talk of Fernando Henrique Cardoso, but, in addition to the necessity of winning the election for mayor of Sao Paulo, he would now have to cope with prejudicial contentions which associate him with sectors which are more to the left. Paulo Brossard would be one option, in case he

would be moved from the General Advisory Council of the Republic, which convenes this week, to the Senate in 1986 or, if even sooner, he occupies the position of head of the Ministry of Justice with the provisional resignation of Fernando Lyra.

Only if the natural equation of the PMDB and PFL fails, will the Manichaeist shadow of a succession disputed between Leonel Brizola and Janio Quadros become denser, an outmoded videotape of an ideological struggle begun 25 years ago, one which, sincerely speaking, the country does not deserve to see again.

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CSO: 3342/249

BRAZIL

GOVERNMENT CONCERNED OVER PFL SUPPORT OF QUADROS CANDIDACY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Aug 85 p 7

[Article by Carlos Chagas]

[Text] Declarations from almost all of the ministers of the PFL [Liberal Front Party], supporting the decision of the party's regional directorate in Sao Paulo to back Janio Quadros for the position of mayor of the capital are continuing to give rise to clashes and perplexities in the government. In this case, it is not a question of criticism or value judgments with respect to the independence and necessity of the liberals to assert themselves, here and there following isolated paths of the PMDB [Brazilian Democratic Movement Party] in the struggle for mayoralties. Those options are considered capable of explanation despite certain inconveniences for the Democratic Alliance.

The problem, as Fernando Lyra says, is that the Janio Quadros candidacy is an atypical case. According to the minister of justice, the former president could destabilize the process developed with so much difficulty, for he does not have any commitments with the New Republic, nor will he have with the PFL despite his promises. For, if he did not fulfill the most elementary of all tasks as head of the government in 1961...

Lyra is of the opinion that the forces which are opposing the present regime are closely united around Janio Quadros--forces which would like to see a return to authoritarianism, those, among others, which are disillusioned. It was not for nothing that support was given by the PDS [Social Democratic Party] and Paulo Maluf to the candidacy of the former president, and here things become complicated. How do we explain the participation in the same project of those who reject the New Republic and the ministers of that government, its biggest contributors?

In truth, the viewpoint of the minister of justice is not unique, nor is it the predominant one. There are others, beginning with ministers Aureliano Chaves, Paulo Lustosa, Olavo Setubal and Marco Maciel. The last one has reservations, that is, he accepts the decision of his Sao Paulo companions in theory but is not willing to come out personally and publicly for the candidacy of Janio Quadros. The foreign affairs minister, also cautious, does not deny the candidate his support but prefers to remain isolated at the Planalto Central. It is Lustosa and Aureliano who went the farthest. It

hardly seems true that they attended the meetings of the PTB [Brazilian Labor Party]-PFL alliance in Sao Paulo, but it could be so.

The ministers of the PMDB are reacting in different ways and at different degrees. Although Fernando Lyra brandishes his Indian club and cudgels Janio Quadros and, indirectly, all those who support him, including the PFL ministers, the others prefer to reduce the impact of harsher commentaries. However, it is felt that the liberals are striving to facilitate the election of their candidate, Senator Fernando Henrique Cardoso, to the mayoralty of Sao Paulo and, more than that, to bring about the implosion of the Democratic Alliance.

In the middle of everything we have President Jose Sarney. Publicly, he will not reveal his position. But he must absolutely maintain his political-party base in Congress as well as a unified government. Although no controversial decisions are foreseen for this year in the Chamber and Senate, it is always dangerous to submit to majorities which begin to influence the course of events. A hodge-podge of groups in parties and the creation of a number of new inscriptions can be absorbed and is even natural in times of transition and adaptation as at present, but who can guarantee that their support structures will not deteriorate, crumble and disappear?

The picture is repeated in other states, including Minas Gerais where the PFL will have a candidate and the PMDB another, although the Democratic Alliance is operating in many states. However, it is obvious to the government that the biggest beneficiary of all this imbroglio continues to be Governor Leonel Brizola with his sights turned toward the presidential election of 1988 and occupying space at the expense of the division of his opponents. Perhaps this is what worries Jose Sarney the most.

8568

CSO: 3342/249

BRAZIL

NEW PROFILE SOUGHT BY DIVIDED, WEAKENED PDS

Rio de Janeiro O GLOBO in Portuguese 4 Aug 85 p 7

[Article by Joao Bosco]

[Text] Brasilia--The PDS [Social Democratic Party], still polarized into two groups--those behind Minister of Communications Antonio Carlos Magalhaes and those supporting the leadership of Deputy Paulo Maluf--will decide this week on the direction to be followed by its cadres and on its future in the New Republic. This coming Tuesday and Wednesday, the chairmen of the state directorates and the leaders in the state legislative assemblies will meet with the party's top leadership in Brasilia to settle the issues dividing what was once the largest party in the West.

Now reduced to 138 deputies and 21 senators, the PDS is feeling intensely the internal struggle for what remains. And what remains is by no means negligible: it is still the party with the most members throughout the country (2.7 million of them) and the only one to be organized in all of Brazil's over 4,000 municipalities. That constitutes a splendid asset and one that the minister of communications intends to place in the service of the government by transforming it into an auxiliary organization for Sarney.

Two groups are reacting to that strategy by Antonio Carlos Magalhaes: one led by Deputy Paulo Maluf and the other, which calls itself independent, being represented by the party chairman, Senator Amaral Peixoto (Rio de Janeiro). The only confessed dissidents are the 10 federal deputies from Bahia, who have ties with the minister of communications.

The party national convention, being the most representative forum, is the natural center for discussions to determine the stand the party should adopt. But since the convention is in danger of being postponed again, an informal and majority decision will have to be made at the meetings on Tuesday and Wednesday to prevent a decision on the PDS' course of action in Congress from also being postponed.

The issue is no longer the burning embers from the clash over the presidential succession that pitted Maluf's supporters against his opponents. It is more than that: it is control of the party. Minister of Communications Antonio

Carlos Magalhaes is making no secret of his strategy: he is launching forceful attacks on the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party] and insisting on "striking head on" at the PDS National Convention. His logic is simple: the idea is to create a split (he has no chance of winning a quarrel with Maluf's group) and lure PDS dissidents and the moderate wing of the PMDB into a centrist party under his control--one intended to provide congressional support for the Sarney administration, thus affirming his own leadership in the government. It is a crucial gamble and one reflecting the former governor of Bahia's most outstanding traits: boldness, capability, and a good measure of aggressiveness.

Antonio Carlos has his candidate for party chairman: Deputy Nelson Marchezan, recently elected chairman of the PDS Regional Directorate in Rio Grande do Sul. Marchezan is supported by the party bloc in his state and by Governor Jair Soares, and his slate already has a name: the "Suggestion Slate."

The deputy and former party leader is rejected by Maluf's supporters, and his candidacy may lead Senator Amaral Peixoto to decline reelection: Amaral has said more than once that he will accept reelection only as part of a slate of consensus. The slate he is trying to negotiate would include himself--Amaral Peixoto--as chairman and former Minister Jarbas Passarinho as secretary general. With that accomplished, it would be necessary only to fill the party's National Directorate and its National Executive Committee with an equal number of representatives from the groups opposing one another.

If Amaral Peixoto declines reelection, Deputy Paulo Maluf's group will support former Minister Jarbas Passarinho for chairman, since it considers him impartial and politically qualified. Passarinho does not reject that support, although he is remaining discreet in his statements concerning the quarrel. He has never supported Maluf, but neither has he ever attacked the defeated candidate for president of the republic. Because of that, he moves freely among the Sao Paulo deputy's supporters.

But none of those arguments indicates a solution to the impasse: Antonio Carlos Magalhaes always refers to Senator Amaral Peixoto in complimentary terms and pledges his solidarity, but the senator is not his candidate. The minister of communications has already chosen his slate: Marchezan for chairman and Deputy Rondon Pacheco for secretary general. The most believable prediction is that the PDS ranks will be even further depleted following what appears to be an inevitable clash.

#### Rank and File Want Party in Opposition

With Bahia the only exception, all the PDS state directorates and leaders in the state legislative assemblies will advocate a stance of "moderate" opposition for the party on the 6th and 7th of this month. That is the stand being taken by most of the leaders consulted, and it is in harmony with the position adopted by the current National Executive Committee and the party leaders in the Chamber of Deputies and the Senate.

The chairmen of the regional directorates in Minas Gerais (State Deputy Cyro Maciel), Sergipe (Manoel Conde Sobral), Alagoas (Theobaldo Barbosa), Pernambuco (Federal Deputy Ricardo Fiuza), Paraiba (Federal Deputy Ernany Satyro), Rio Grande do Norte (former Governor Lavoisier Maia), Ceara (Federal Deputy Flavio Marcilio), Piau (Federal Deputy Jose Luiz Maia), Maranhao (Senator Joao Castelo), and Para (Senator Aloysio Chaves) have already drawn up their proposals for the meeting, and they all advocate a PDS in the opposition. Rio de Janeiro is following the lead of the chairman of the PDS, Senator Amaral Peixoto, in the same direction.

The reasoning by the top leadership and the rank and file is the same: the result of the vote in the electoral college, which had broad popular support, means that the people have placed the PDS in the opposition. The need to change the party's image (not its acronym) also makes that move into the opposition necessary. The top leadership and the regional leadership both feel that the PDS has been stigmatized as the party that supported the successive authoritarian governments and that it came to be labeled "Malufist" during the consolidation of the political opening-up.

The natural erosion that the administration--and, by extension, the PMDB--is going to suffer as a result of managing the economic crisis now scourging the country is the trump card being counted on by PDS congressmen and leaders at all levels to establish a new image for the party in public opinion.

Deputy Benito Martini, chairman of the PDS Regional Directorate in Sao Paulo, says forcefully: "The PDS always supported the government but never participated in it. We are not responsible for the actions of the previous administrations, because we never played a part in the decisions."

A change of image does not necessarily mean a change of acronym. Few people in the PDS support that idea (one of them being the secretary general, Armando Pinheiro, who is also a candidate for mayor of Sao Paulo).

"What is necessary is to accept the disgrace, not change the acronym," says the former speaker of the Chamber of Deputies and (Maluf's) vice presidential candidate, Deputy Flavio Marcilio, who is also chairman of the PDS Regional Directorate in Ceara.

Marcilio's thinking runs counter to that of the majority of the regional leaders we consulted. The reaction of the majority is: "It does no good to change the acronym without changing our stance."

Some deputies and regional leaders are going to recommend at the meeting on the 6th and 7th that the party adopt a posture of inflexible opposition to the Sarney administration, but they are in the minority. For the present, only Deputies Amaral Netto (Rio de Janeiro) and Marcelo Linhares (Ceara) and the chairmen of the party's regional directorates in Rio Grande do Norte (Lavoisier Maia) and Minas Gerais (Cyro Maciel) are advocating systematic opposition. All the others agree on the idea of "responsible opposition," meaning vigilance and monitoring of the administration's acts.

Prisco Viana, PDS leader in the Chamber of Deputies, asserts: "We will never do what we criticized the PMDB for in the past--that is, be the opposition for the sake of opposition just to achieve power by irresponsible means."

1 October 1985

## BRAZIL

## RECORD PUBLIC DEFICIT, INFLATION DARKENS ECONOMIC OUTLOOK

Sao Paulo VEJA in Portuguese 14 Aug 85 pp 90-91

[Text] The relief was short-lived. After the first few moments of discreet hopefulness with the drop in the inflation rate, the first hallmark of Jose Sarney's government, the economic scene darkened again, barely a month after implementation of a package to cut expenditures and raise taxes. The measure was touted at the time as a real beginning at putting the government's economic house in order. Taxes did in fact go up, but the black box containing the figures for July, opened last week by the Treasury Ministry, gave no cause for encouragement. Spending remains out of control, presses at the Central Bank are printing more and more money, and inflation, the best barometer of the state of the economy, will be a dreaded double digit again this month.

The background for this setback is the same as it was when Sarney first came to power: explosive growth of the government deficit, which has already climbed to almost 36 trillion cruzeiros, a 676 percent increase in absolute terms over the figure for the same period last year under General Joao Figueiredo's government. Even allowing for inflation, which has more than tripled prices in the same period, Sarney's performance is considerably worse than Figueiredo's: in real terms, the deficit has increased by 139%. Inflation seems to be headed for an 11 percent rate in August in spite of the tax hike imposed on taxpayers as the latest of a series of measures which never covers government spending.

The Getulio Vargas Foundation in Rio de Janeiro, the organization responsible for determining Brazil's monthly inflation rate, would consider it an accomplishment to hold inflation at 10 percent this month. But the struggle at the Treasury's Special Secretariat for Pricing and Supplies is to hold the rate at or below 10.5 percent. If this fails, the monthly inflation rate under the Sarney government, for the first time, will equal or exceed the rate for the same period last year under the Figueiredo government.

## Huge Press Runs

"The central problem in the economy of Brazil is uncontrolled government growth," said Treasury Minister Francisco Dornelles. "Eliminating the government's deficit is something we Brazilians ourselves must do, not the

International Monetary Fund." Dornelles' agony as the minister responsible for paying the entire government's bills is failure to collect enough revenue every month to cover expenditures. The difference is paid by printing money, which greatly fuels inflation, and by selling government bonds, which forces interest rates to go up.

The large number of bonds issued this year already comes to almost 27 trillion cruzeiros, a level which the government had projected for December. From this point forward, the number of government bonds in circulation on the market, which is now some 130 trillion cruzeiros, will increase even further in areas of government financial planning, as will the printing of money. The problem is that the Treasury will stop relying on revenues collected by taxation to cover unbudgeted expenditures. The government's surplus tax revenues will be spent in paying civil service salary increases to compensate for inflation, increased agricultural subsidies and debts owed by State enterprises.

"Since there will be no more Treasury surpluses," says a study by the Treasury Ministry, "it seems unlikely that the fiscal situation can be brought under control and it will thus be necessary to print large amounts of money and sell government bonds." The solution proposed by the Treasury Ministry's study: "Substantial cuts in Treasury spending and strict ceilings on agricultural subsidies." Neither measure should be taken. Planning Minister Joao Sayad, the government official who approves spending, fears that further cuts could cause a recession. "Sayad believes that "The cuts already made at state enterprises were acceptable and prudent."

Agricultural subsidies have also been large, notwithstanding complaints from some growing regions. Subsidies for the government purchase of agricultural products alone come to 9.8 trillion cruzeiros from January to July this year, 2,775.6 percent above the same period last year, allowing for inflation. This is a percentage increase rarely seen under any government. Other items also continue to rise. Social Security, for example, is running a higher deficit every month: it jumped from 256 billion cruzeiros in April to 671 billion in July. Even so, Social Security Minister Waldir Pires claims that his agency has a surplus of over a trillion cruzeiros, which neither Dornelles or Sayad can find in their records.

#### Washing his Hands

On the basis of this alleged surplus, Pires asked Sarney for permission to give a 20 percent bonus to Social Security employees, among the most poorly paid government labor grades. This was his way out of the lengthy walkout by Social Security personnel. In this case, Sayad thought that he had gone too far and told Pires that his request simply could not be met. "President Sarney is the one who will decide," Pires said curtly.

Sayad is concerned about paying the civil service: in seven months, its budget went from 8 trillion to over 40 trillion cruzeiros. He also foresees high costs for servicing the Treasury's financial burden, especially the foreign debt, another critical factor in the government's bulging deficit.

The solution, in his opinion, is to reduce interest payments to creditors. The problem is that this requires the bankers' consent. John Reed, an American, President of Citibank, Brazil's largest creditor, doesn't like the idea.

On a trip to Brasilia and Sao Paulo last week, Reed confirmed that the country's short-term debts, which come to 16 billion dollars and would have been due August 31, have been deferred for another ninety days. Planalto breathed a sigh of relief at this news. However, Reed shrugged off the possibility of new loans. "Brazil will not need new money for the next three or four years," he said. He also criticized the Brazilian economy, which he called "confused."

He had his reasons. Henri Philippe Reichstul, the Managing Secretary for State Enterprises, who reports to Sayad, is talking about raising public rates to improve Treasury revenue and reduce the deficit. Joao Luis da Silva Dias, head of SEAP, who reports to Dornelles, disapproves of this idea. Dias says, "The purpose of these rates is to cover the cost of providing service and pay off the investment, not to collect money from the taxpayers."

In the face of ever-increasing spending, precarious government bookkeeping and sleight-of-hand voodoo tricks like Waldir Pires' alleged surplus in Social Security, and the government's unwillingness to trim unnecessary spending and cut back to the bare essentials, it is now admitted at Planalto that no agreement with the IMF will be reached until next year. "We are still talking, but it will be difficult to conclude an agreement this year," says economist Luis Paulo Rosenberg, Sarney's economic adviser. It's the same old story: even the New Republic is handling things awkwardly."

8844

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BRAZIL

COUNTERTRADE MAY RESOLVE IMBALANCE IN TRADE WITH MALAYSIA

Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Aug 85 p 15

[Article by Heraldo Vaz]

[Text] In 1984, Brazil's deficit in its bilateral trade with Malaysia--a member of ASEAN--was on the order of \$42.5 million, and there are no signs that equilibrium is going to be restored to the situation this year. On the contrary, according to data from CACEX [Foreign Trade Department], the results for the first 4 months of 1985 show that the deficit increased by over 50 percent in comparison with the same period last year, reaching a total of \$19 million (imports of \$28.8 million and exports of \$9.8 million).

The disequilibrium in the trade balance is caused by petroleum imports, which became part of the bilateral negotiations in 1983, when they cost the Union \$26.3 million. In the following year, the figure jumped to \$82.3 million (up 211 percent), and for the first 4 months of 1985, it was already up to \$27.5 million. Because of that, Raja Ismail Mohamed, Malaysia's commercial attache, believes that an increase in countertrade operations may be the logical way to balance trade relations between the two countries.

He says that in his country "there is a section of the Ministry of Industry and Commerce with a central information office to facilitate countertrade operations, especially where government purchases are involved." In market terms, Malaysia can absorb basic products and "is also interested in importing services," says Raja Ismail Mohamed, citing the example of a Yugoslav firm that won a contract in international bidding to build a highway in exchange for rubber, dende oil, and tropical wood.

The commercial attache recognizes that Brazil's level of achievement "in technology and advanced projects" is now "very good," and he believes that the sale of services "would provide an interesting opportunity" for Brazilian firms to expand their range of activity: "It is merely up to Brazilian businessmen to explore that market potential more thoroughly."

According to Raja Ismail, Brazilian food exporters should realize that Malaysia is not self-sufficient in food and must import about \$1.5 billion worth of foodstuffs every year. The commercial attache says: "Meat and sugar

are two basic products on that list." And the tendency to import processed foods such as orange juice, tomato puree, and so on is growing stronger.

He feels that to the extent that Brazilian exporters are competitive in placing their products on the Malaysian market, they will be taking a big step toward entering a major market with about 200 million inhabitants--that is, the population of the six countries making up ASEAN (Thailand, Singapore, the Philippines, Indonesia, Brunei, and Malaysia itself). Malaysia's government regards Brazil as its most important economic partner in South America and has maintained a trade office in Sao Paulo for the past 4 years: "the only one in the region," says Raja Ismail.

He says that the function of that office is to find purchasers for Malaysian exports and to answer inquiries by Brazilian exporters who can meet his country's needs.

#### Trade Balance

The list of products imported from Malaysia is limited to only 10 items, while Brazilian exports to that country total about 90 products--that is the average that has been maintained in bilateral trade between the two countries over the past 3 years.

In 1982, Brazil's exports totaled \$19 million, and its imports came to \$4.5 million, generating a surplus of \$14.5 million for Brazil. In 1983, however, the addition of Malaysian petroleum to the items in the trade balance resulted in a deficit of \$3.7 million (the result of exports totaling \$26.4 million and imports of \$30.2 million). And last year the Brazilian deficit rose to \$42.5 million (exports of \$43 million and imports of over \$85 million).

#### Main Products

According to data from CACEX, the main Brazilian products exported to Malaysia during the first 4 months of 1985 consisted of steel plate and iron ore (\$1.4 million), central processing units (\$353,000), magnetic disks (\$141,000), and video terminals (\$77,000), while the chief products moving in the other direction consisted of natural or pressed rubber (\$641,000), latex (\$504,000), and, mainly, petroleum (\$27.5 million).

A list of the major exporting firms--also provided by CACEX--shows that from January to May of this year, Samarco had the most sales to Malaysia (totaling \$4.1 million), followed by the Vale do Rio Doce Company (\$3.8 million), USIMINAS [Minas Gerais Iron and Steel Mills, Inc.] (\$1 million), IBM of Brazil (\$931,000), the Brazilian Mines Association (\$865,000), Ferteco Mining, Inc. (\$775,000), Villares Steels (\$460,000), Cotia Trading (\$455,000), the Mouran Packinghouse Company (\$293,000), and the Souza Cruz Cigarette Company (\$175,000).

11798

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1 October 1985

## BRAZIL

## POLL REFLECTS GROWING PUBLIC CONFIDENCE IN ECONOMY

Rio de Janeiro O GLOBO in Portuguese 17 Aug 85 p 3

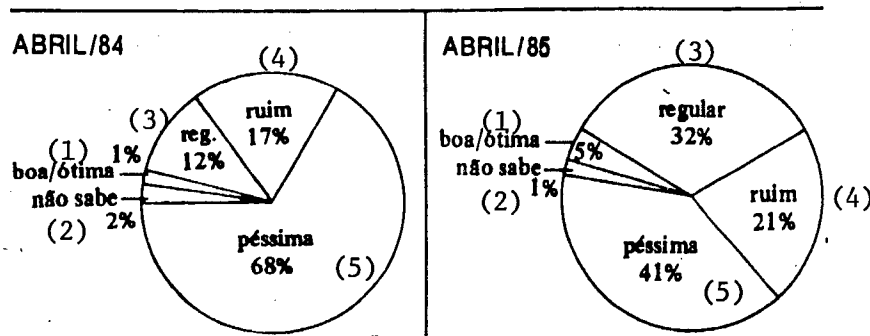
[Text] With regard to one of the most important sectors of the nation, the officials of the new regime can feel pleased: the national economy is now in better shape than it was during the previous regime.

For several years, Standard, an advertising agency, has been conducting a kind of specialized research by telephone (listening post) on the country's various problems and institutions--using flexible criteria: science and technology as an institution, for example, or the arts in general. In the case of Brazil's economy, in 1984 a great number of people (68 percent) considered the economy to be in very bad state. But that number fell significantly to 41 percent just 1 year later (April 1985). The good/very good index rose five times: only 1 percent considered the national economy in that category in 1984; in 1985 that figure rose to 5 percent.

Inflation has been one of the most worrisome problems in recent years--and not infrequently the most worrisome--in every kind of research in Brazil, regardless of the sector involved. After a long period in which the darkest pessimism dominated all the manifestations on the future of the inflationary process, in January of this year a surprisingly small number of people believed that inflation would rise to any great extent (about 35 percent compared with 75 percent 2 years previously). And 12 percent of those polled in April 1985 believed that inflation "was going to drop a little," a figure which throughout 1983, for example, remained at zero decimal something.

## Average Brazilian Less Pessimistic

(Change of opinion from one year to the next: only 41 percent now consider the economy to be very bad.)



KEY: (1) Good/very good (4) Bad  
(2) Does not know (5) Very bad  
(3) As usual

That relative optimism at the beginning of the New Republic was reflected even through satisfaction with the family life-style, an item generally treated with great urgency. It is seen that in April of this year 84 percent of the men polled through the listening post were divided among the options: "more or less satisfied" (60 percent), "very satisfied" (18 percent) and "completely satisfied" (6 percent). Among the women polled, the figure turned out to be 83 percent, divided as follows: 56 percent, 22 percent and 5 percent.

As for confidence in institutions, both men and women now have more confidence in science and technology than in the family, if it is possible to compare those two things. The difference is small but worthy of note. Among the men, 92 percent have a lot or quite a lot of confidence in science and technology, 84 percent in the family and 55 percent in the church. Among the women the corresponding figures are 88 percent, 85 percent and 70 percent.

It is possible to have confidence in the government without having confidence in the public services. This is certainly true when one considers that old failings in the public services are still occurring during the first months of the new regime. In this respect, 72 percent of the men have confidence in the present regime, but only 28 percent have confidence in the public services. Among the women the figures are 67 percent and 35 percent. As for parties and unions, the figures are still lower: 36 percent of the men and 41 percent of the women have confidence in the parties; 38 percent of the men and 49 percent of the women have confidence in the unions. The army inspires confidence to the extent of 70 percent of the men and 66 percent of the women; as for confidence in the police, the figures are 26 percent for both men and women.

Men and women have more confidence in the press than in advertising; 74 percent of the men have a lot or quite a lot of confidence in the press compared with 72 percent in advertising. As for the women, 68 percent have confidence in the press, but only 64 percent have confidence in advertising.

Another possibility questionable comparison is between the university and the arts. But the listening post survey made an approximation and came up with these figures: 61 percent have confidence in the university, but 79 percent have confidence--this was the term used in the survey--in the arts. For the women, the figures turned out to be 57 percent and 74 percent.

Large companies inspire confidence among 61 percent of the men and 59 percent of the women. Lastly, the medical community, which was subjected to criticism because of recent strikes, now enjoys the confidence, according to the survey, of 62 percent of the men and 61 percent of the women.

8568

CSO: 3442/249

BRAZIL

# INPE CONSTRUCTS LABORATORY FOR TESTING FUTURE SATELLITES

Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Jul 85 p 20

[Text] The integration and test laboratory being built by the INPE (National Institute of Space Research) in Sao Jose dos Campos, a city located 97 kilometers from Sao Paulo, should be completed by April of next year. The unit, which will cover an area of 10,000 square meters, is essential to development of the Brazilian Complete Space Mission (MECB), which is scheduled to launch four satellites into space between 1989 and 1993. Their domestic manufacturing content will total 80 percent in terms of cost.

The satellites--two for the collection of weather data and two for remote sensing--will be placed in space by the future Satellite Launch Vehicle (VLS). At the end of last year, the INPE's Space Activities Institute (IAE) successfully launched the Sonda IV rocket, which will be one of the stages of the VLS, from the base at Barreira do Inferno in Natal, capital of Rio Grande do Norte.

According to the director of the INPE's Technical Infrastructure Division, 40-year-old Clovis Solano Pereira, the laboratory being built by the institute will simulate the environment into which the future satellites will be launched. The objective, the scientist explains, "is to ensure reliability and expand the technical know-how involved in the Brazilian program." The laboratory is expected to cost \$16 million, including construction of the building, but the technical equipment to be used at the unit will have a domestic manufacturing content of no more than 15 percent. Even so, according to Solano Pereira, "the laboratory will ensure us of basic autonomy as far as the space program is concerned, since without it we would have to use foreign laboratories."

To become operational, the INPE laboratory requires special conditions in terms of vibration proofing, control of cleanliness, and industrial hydraulics. The principal equipment to be used in testing satellites and components will come from France, Canada, the FRG, and the United States.

11798  
CSO: 3342/244

BRAZIL

BRIEFS

GOVERNORS ON AD BREAKUP--Sao Paulo--The collapse of the present party structure is almost inevitable as a result of the breakup of the Democratic Alliance in the large states--with the exception of Pernambuco--during the elections for mayor of the various capitals. This prediction comes from Gov Hugo Napoleao of Piaui, Gov Divaldo Suruagy of Alagoas and Gov Roberto Magalhaes of Pernambuco, who met yesterday in the first seminar of national integration promoted by the JORNAL DO BRASIL in Maksoud Plaza. Of the three, Magalhaes is the only one who believes that the party structure will change before the 1986 election. He says that he does "not even like to think" about a Constitutional Assembly which would meet without the influence of national leaders: "There is a danger that the new constitution would not represent the national will and that the Constitutional Assembly would repeat the errors of the previous ones which passed legislation dissociated from our reality. For this reason, they did not represent a viable instrument of authentic Brazilian democracy," he said. In Hugo Napoleao's opinion, the new parties will be formed around five basic trends: reactionary, center-Right, center-Left, socialist and Marxist. Magalhaes did not enter into detail about the probable party restructuring, while Suruagy forecast that the restructuring will occur on the basis of wings which are center-Liberal, conservative Right, moderate Left and radical Left. "At this point," Napoleao observed, "I do not know if President Sarney is not already thinking about the new party structure which is sure to come." The three governors agree that, despite changes in municipal governments resulting from the dissolution of the Democratic Alliance, support of the Sarney regime is not threatened. In their opinion, the Federal Government is coming out well, with general acceptance which includes public opinion and political circles. [Text] [Rio de Janeiro O GLOBO in Portuguese 14 Aug 85 p 2] 8568

ANTARCTIC RESEARCH ACTIVITIES--Brasilia--In its next expedition to the Antarctic, Brazil's research program will include the areas of the atmospheric sciences (tests with stratospheric balloons and studies on atmospheric circulation in the area) and the terrestrial sciences (measurement of the Antarctic current). This information came from the National Council for Scientific and Technological Development (CNPQ); it was also stated that, with this objective in mind, an agreement was signed between that organization and the Interministerial Commission for Ocean Resources, responsible for the coordination of Brazilian policy with regard to the Antarctic. Research in those areas, for which the CNPQ will allocate 488 million cruzeiros, "is essential for knowledge about that area; it will also furnish grants for future commercial exploration of sources of high food value, such as krill, a sort of Antarctic shrimp." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Aug 85 p 22] 8568  
CSO: 3342/249

CHILE

ACADEMIC GROUP LEADER ON UNIVERSITY AUTONOMY, STUDENT UNREST

Santiago EL MERCURIO in Spanish 14 Jul 85 p D-3

[Interview with Patricio Basso, chairman of the Association of Academics of the University of Chile, by Raquel Correa; date and place not specified]

[Text] Since graduating from the University of Chile with his degree in civil engineering, he has done nothing except teach and engage in research. He has taken time out only to start his family and earn a doctorate at the University of Grenoble in France. But beyond numbers (he is a professor of Ordinary Differential Equations and Digital Engineering Methods), Patricio Basso is interested in ideas. Admitting to "Christian Democratic militancy from a very young age," he was one of the leaders in what he describes as "the battle by democrats to prevent the communists from taking over the university" under the previous government. And under the current government--but now as chairman of the Association of Academics--he is continuing to defend his university.

In addition to discharging that responsibility, he is a full-time member of the conflict-ridden School of Physical Sciences and Mathematics.

[Question] Do you accept Juan Antonio Poblete as your dean?

[Answer] He was legally appointed.

[Question] And do you participate in the demonstrations by academics against him?

[Answer] Yes. Every Thursday at 2:30.

[Question] The academics march every Thursday at 2:30 with banners and shouting...?

[Answer] Without shouting. The only verbal expression we engage in is the singing of the university anthem. Then we march silently around the dean's building. Then we go back to our offices.

[Question] Why all that?

[Answer] All that because the school's academic community feels outraged by the appointment of Dean Poblete against the wishes of the academics.

[Question] Are you going to continue doing this until the dean is removed?

[Answer] For the time being, it seems so.

[Question] Do you feel it is exemplary and edifying to the students for their teachers to participate in acts of defiance and disorder against authority?

[Answer] Struggling for what one believes in sets a good example.

[Question] Regardless of the way in which it is done?

[Answer] No. There are legitimate means and illegitimate means. Doing everything legitimate to see that what one believes in becomes a reality is a good lesson.

[Question] Have you looked for other ways to present your concerns to the university authorities? Have you tried to go talk to the rector?

[Answer] In the case of the Engineering School, the rector met with the School Council last week. Since those talks are still going on, the agreements they may reach have not been made public.

[Question] It has been learned that the dean is offering to resign next April in exchange for acceptance of a few appointments made by him.

[Answer] I feel that the School Council will not accept that solution because the appointments made involve more than the problem of people: they involve the implementation of a certain specific university policy. But the problem with Dean Poblete is far from being the University of Chile's most important problem.

#### Student Mobilization

[Question] What is the main problem?

[Answer] How to contribute to national development.

[Question] How does the student agitation being noted in the universities contribute to national development?

[Answer] Student agitation hinders this work to some extent. But the work is hindered even more by a paralyzed school with Poblete as dean. The other part

of it--the student disturbances--got a lot of press and attracted a great deal of public attention, but we continued our research work with no problems as long as the police stayed away. When they hit us with tear gas, we could not continue working. Student agitation as such does not hinder the academic work we do in laboratories and with computers.

[Question] In other words, you worked peacefully while the students were shouting and confronting the police with sticks, linchacos, rocks, and faces covered with balaclava helmets?

[Answer] First of all, it was not the students. Not all the students used rocks. I never saw any linchacos. I did see balaclava helmets and rocks, and sometimes barricades as well.

[Question] Dean Poblete said that there were even Molotov cocktails.

[Answer] I never saw any. When student demonstrations were going on inside the school, the worst problem was that of noise. When the boys were going out on the street, we academics would usually try to dissuade them. The police would also throw bombs inside, with rocks coming and going. I saw carabineros throwing rocks. And it is a matter of mathematics: the quantity of rocks inside the school would not be enough to keep a battle going for 2 hours. The only explanation is that the rocks were being thrown back from outside.

[Question] It is said that those acts are organized by the Communists--that people come from other schools, some of which are not part of the university.

[Answer] I have never seen anyone from outside the school except security personnel.

[Question] Inside?

[Answer] Outside. Those inside are not known. I believe that there are different motivations among the students, but there are doubtless motivations having to do with the university and also some with political content, meaning objection to the political regime prevailing in Chile. I feel that none of those things is serious, because the students should be able to debate those topics as long as they do so in accordance with the methodology proper to academic work: without rocks, sticks, or barricades.

[Question] Why doesn't it happen in that manner?

[Answer] Because the boys feel increasingly powerless due to the fact that their demands are not being satisfied.

[Question] Don't they have other channels? They have a student organization elected by them, but the rector is refusing to talk to them until they condemn violence.

[Answer] The truth is that if there is no pressure--not necessarily violent--there is no success in getting conditions in the university changed. We had

to call a consultation by the academic sector to get the University Council to put out a statement recognizing the importance of participation and promising that the academics would be consulted concerning certain regulations that are going to be studied.

[Question] Specifically, do you approve of the student mobilization actions?

[Answer] I respect the student movement's autonomy as regards the choice of its structures of government and the methods of action it finds appropriate. Personally, I disapprove of the use of violent methods to achieve one's goals.

[Question] The chairman of the Federation of Students of the University of Chile, Yerko Ljubetic, told the magazine HOY that "there must be student disobedience leading, if necessary, to the ungovernability of the university." Do you agree with that stand?

[Answer] I believe that the opposite path must be followed. Everything possible must be done--using university methods--to make the university governable again.

[Question] The chairman of FECH [Student Federation of Chile] has also said that "it is necessary to bring about the conditions for a prolonged strike at the university that will be part of a process of increasing mobilization."

[Answer] A strike at the university is possible if all paths leading to a solution of the problems are closed off. The School of Engineering had scheduled a strike this week. It was called off because the rector met with the delegation of academics. But when it is seen that all doors are closed, well.... What we want to do prevent the University of Chile from collapsing.

[Question] Before getting on that subject, let's finish with the topic of violence. This week there were violent takeovers at Lycee 12 and the Catholic University of Valparaiso...

[Answer] I condemn violence, but I feel that situations must not be analyzed on the basis of their effects without looking at their causes so as to try to remedy them. It may be that in some cases, political groups are attempting to manipulate the students, but manipulation is feasible only when objective elements exist to make it possible. We are wrong if we limit ourselves to noting events and condemning their effects without studying their causes and trying to resolve them.

[Question] Is it true--as the authorities have claimed--that there are instructors promoting Marxism in their classes and handing out poor grades to students who do not agree with them?

[Answer] That is untrue. It is another thing for Marxism as such to be a subject for academic analysis. It has to be, because it is a part of culture.

[Question] What is your opinion regarding political proselytizing in the classroom?

[Answer] I am against proselytizing by instructors in class, regardless of the ideological coloring involved. No instructor should use his classroom for any kind of proselytizing.

#### Basic Problem

[Question] In your opinion, what is the main problem in Chilean universities in general and in the University of Chile in particular?

[Answer] I prefer to talk about my own university. The problem in the University of Chile is that it is politically controlled: it is the government that dictates general policies through the rector appointed by the chief of state. That control was institutionalized by the bylaws that were issued in January 1982 because, in practice, they give all power to the rector.

[Question] The rector, General Soto Mackenney, claims that he has no delegated powers and that his powers are very limited under the bylaws--that it is the board of directors that has authority.

[Answer] I will prove to you that the University of Chile is still controlled. Article 10 of the bylaws states that "the rector of the University of Chile is the highest authority in the university except in matters specifically reserved for the board of directors." And the powers specifically reserved for the board of directors number 14, 2 of which are not operative as long as provisional article 13 of the Political Constitution of the State is in effect (those two concern the right to present the president of the republic with a list of three candidates for appointment as rector and the removal of the rector; in the meanwhile, those powers are exclusive to the president of the republic). Of the 12 powers that remain, 10 can be exercised by the board of directors only on the advice of the rector, and they can be rejected only by a two-thirds vote by the board of directors. And it must be considered that the first board of directors is responsible only to the president of the republic. That leaves two powers for the board of directors: it can state its opinion of the rector's annual report--and only that: it cannot accept or reject that report--and it can request of the rector or through him the records it considers necessary for the exercise of its powers. In practice, the board of directors does not in any way limit the powers of the rector.

[Question] How about the University Council?

[Answer] The deans are responsible only to the rector. Their representativeness in electing two-thirds of the board of directors reflects the opinion of the rector who appointed them. It has therefore been demonstrated--as we say in mathematics--that the bylaws institutionalize the system of delegated rectors.

[Question] The rector has claimed that "when the foundations of the new institutionality are in operation, the presence of nonacademic rectors will no longer be necessary." And he listed those foundations: the Academic System, the General Regulations Governing Schools, the Regulations Governing the School Council, and the Administrative Bylaws of the University.

[Answer] I will give you a nonacademic answer. It is like saying that you are going to tie someone's hands and feet, put a rock around his neck, and then throw him in the water to swim.

[Question] Are you saying that an academic system is equivalent to tying a person down? That regulations governing schools...

[Answer] The Regulations Governing Schools were written in accordance with the vertical authoritarianism of the system. The academic system, which is essential, was drawn up without participation by the academics.

[Question] What degree of participation do the academics enjoy in the decisions made by the university?

[Answer] Exactly none. The decisionmaking mechanism is absolutely vertical: from a rector and appointed University Council to an advisory council of appointed deans and appointed School Council to an advisory council of appointed department heads. And if the bylaws are not amended, neither will there be any participation under the permanent system. With bylaws like these, the entire battle that took place under the previous government to prevent an ideologically committed university would have been futile.

#### Collapse

[Question] Is the University of Chile collapsing, in your opinion, because it has a delegated rector?

[Answer] It is a very broad and deep problem. The collapse is due to the loss of human resources, the elimination of important areas of knowledge--basically in the field of social science--the loss of ideological pluralism, and the increasing deterioration of laboratories and equipment due to the lack of investment and equipment replacement. In nearly 12 years of government intervention, the University of Chile has been the victim of neoliberal ideas applied to culture, and that has meant letting it go to seed because--in the opinion of the economic authorities--it represented a cultural monopoly. There was an explicit decision by the government--a decision implemented by the delegated rectors--to let the University of Chile go to seed and reduce its relative influence. So this collapse by the university is the result of government policy.

[Question] Is it contrary to the system of competition between universities?

[Answer] I consider it harmful. What there must be is cooperation between universities, not competition. The idea of a national university exercising all-embracing cultural influence in the country has been destroyed.

[Question] In France, Italy, and the United States--to mention only a few countries--there are no national universities.

[Answer] In Chile it was a historical reality--a necessary cultural tradition. When I talk about a national university, I am not thinking of it in a territorial sense, but from the standpoint of the state's responsibility

for the country's cultural development as reflected in a university that turns out over 50 percent of Chile's scientific research and provides theater, ballet, a symphony orchestra, and so on.

#### Academic Consultation

[Question] What factors limit the university's autonomy?

[Answer] There is no autonomy today in the University of Chile. It is lost from the moment that the rector is appointed by the chief of state and holds all the power in his hands.

[Question] What are your objections to the rector?

[Answer] We have no objections to him personally. He is very gentlemanly and affable. The objection is to the system of delegated rectors, which violates the autonomy of the university.

[Question] Would you prefer that he be a civilian?

[Answer] It makes no difference. The problem is not whether he is a civilian or a military man. The problem is whether the rector should or should not be appointed by the authorities, although the fact that he is a military man adds certain negative professional distortions.

[Question] How would you like to see the university authorities chosen?

[Answer] The rector should be elected by the academics through organic and hierarchically arranged mechanisms. The deans should be also be elected by the academics in their own schools in an organic and hierarchical manner. The association and myself in particular believe that the university is not a democratic republic where the "one man-one vote" rule applies. Instead, it is a hierarchical organization based on learning. I feel that a minimum academic level should be required of those entitled to vote. The University Front to which I belonged in the days of Popular Unity was opposed to cogovernment and voting by nonacademic personnel. That is my personal stand.

[Question] The academics will be consulted within the next few days to see whether they want the bylaws amended to permit "full participation by instructors in decisions by the university." Doesn't this support the aspiration for cogovernment?

[Answer] We believe in university autonomy--that is, in self-government by the university's academic community. What the academics are being asked is whether they want the bylaws amended to allow full, organic, and hierarchized participation specifically in the academic field as regards the determination of policies, the making of decisions, and selection of the authorities.

[Question] Is it up to the Association of Academics to propose amendment of the bylaws?

[Answer] No. Plainly not. The academics are being asked only to express their wishes. It would be contrary to our view of autonomy for a group of academics--no matter how numerous--to arrogate to themselves the right to propose the necessary amendments. If the majority agrees, a transitional period should be established in which the academic community would analyze and study, in a structured and organic manner, the amendments to be added to the bylaws. Next month, the associations of academics of the different universities will analyze the basic problems represented by the General Law on Universities and the budget.

[Question] Does the membership of the Association of Academics of the University of Chile consist solely of opponents?

[Answer] We do not ask any academic about his political ideas. In any case, there are schools where 90 percent of the academics belong to the association. Unless it is considered that that represents the percentage of opposition. In fact, the only thing that impels us is the desire to rescue the university from slaughter.

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CSO: 3348/818

CHILE

## FORMER SLUM RESIDENTS HAVE HOUSES BUT NO JOBS AT NEW SITE

Santiago EL MERCURIO in Spanish 15 Jul 85 p C-5

[Text] The first 80 residents to be moved from the Cardenal Raul Silva Henriquez camp, who have been transferred to the Las Turbinas property in the Lo Espejo sector, are satisfied at having their own building lots with some of the essential services already installed.

With their slope-roofed houses a sparkling blue ("they are the same ones we had before, but we painted them with paint that was given to us"), they complain that one of the main problems now facing them is the lack of work.

One of those we interviewed said: "We used to work at the POJH, but we lost our jobs there when we moved."

The lots average 110 square meters in size, and each has a septic tank, drinking water, and an electric pole line. At a later stage, they will be provided with sanitary units through the program for serviced building sites, which is being financed through an agreement with the IBD (Inter-American Development Bank), according to the Ministry of Housing and Urbanization. The minister will visit the site within the next few days.

Maria Martinez, mother of two, said: "We are more free of worry than we were in the camp, where we were dependent on each other. There is no question that we live much better here. There we had to carry water, while now we have sinks right in the house. There is lighting in the streets, but not here. That is why I am in the dark."

### Main Problem

Mariluz Concha, also the mother of two, said: "It isn't what we wanted, but I have to admit that there is no comparison with our life before. The main problem is that those of us who used to belong to the POJH lost our jobs, and most of us are single mothers with children to educate and feed."

She pointed out: "Worst of all is the fact that these lots will be in the new municipality of Lo Espejo, which hasn't started up yet. For the moment, we can't go to it with our problems."

Another resident, who asked not to be identified, disclosed that "when it was decided to eradicate the Silva Henriquez camp, the authorities promised that every head of a household would keep his job."

The resident added: "We agree with this solution. We live well, and the nights are quiet: there are no police incidents or anything."

Another of those resettled pointed out that the land was not level and that floors and pilings, or poles, were needed to raise the houses and keep out dampness and the water that drains into them.

The residents also drew our attention to the inconvenience caused by a channel that runs through the eastern part of the settlement, which has 80 houses. They said that on rainy days, the channel overflows with all the ensuing problems.

One of the residents said: "If this continues, we will take our shovels and pickaxes and make the water flow into the settlement located opposite ours."

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GUATEMALA

PRESIDENTIAL CANDIDATES GIVE BRIEF PLAN OF GOVERNMENT

Guatemala City EL GRAFICO in Spanish 27 Jul 85 pp 5, 55

[Article by Solares Jr.]

[Text] Guatemala City, 26 Jul--The Candidates Forum organized by the Guatemalan Rotary Club in Asuncion was considered a complete success. It was attended by the seven presidential candidates and their wives. The objective was to raise money for a very important charitable project: the Bank of Marcapasos.

It will help people with heart conditions who do not have the economic resources to seek medical attention.

Dr Carlos Gabriel Ramila opened the forum. Jose Rodolfo Perez Lara was moderator and the closing was done by engineer Jorge Luis Arzu, president of the Guatemalan Rotary Club in Asuncion. Juan Luis Martinez, public relations, did the general coordination.

The presidential candidates entered with their wives in the midst of loud applause from the audience. Once the speeches began, no demonstration of support was permitted. The participants were asked not to make direct or indirect allusions to their opponents. These measures meant that the forum was very orderly and harmonious. It was a valuable example of the democratic coexistence that is sought.

The participating presidential candidates and their wives were as follows:

Jorge Serrano Elias (PDCN [expansion unknown]) and Magda Bianchi de Serrano; Vinicio Cerezo Arevalo (DCG [Guatemalan Christian Democracy]) and Raquel Blandon de Cerezo; Jorge Carpio Nicolle (UCN [National Center Union] and Marta Arrivillaga de Carpio; Mario Sandoval Alarcon (MLN [expansion unknown]) and Lisy Madrazo de Sandoval; Lionel Sisniega Otero (PUA [Anticommunist Unification Party]) and Silvia Concepcion Cordero de Sisniega; Mario David Garcia (CAN [Authentic Nationalist Central Organization]) and Maria Elena Coutino de Garcia; and Mario Solorzano Martinez (PSD [expansion unknown]) and Braulia Elisa Thillet de Solorzano.

## Outstanding Points of Government Programs

This was the subject of the questions the presidential candidates were asked. They drew lots to determine the order of their responses.

Serrano Elias: He proposes the need to implement an emergency plan to be developed in the first 90 days of government, in addition to other short, medium and long-term projects. His government program includes two basic aspects: the national system of rural development which covers education, health, production and financing; and consolidation of democracy, offering incentives and guarantees to social organization.

Mario Solorzano: As representative of the leftist sectors, the PSD candidate proposes /agrarian reform/ [in boldface]. He indicates that it is not possible to speak of change for the country until the system of land ownership is changed. However, he assures that this reform would not be aimed at destroying the large productive estate but would be based on nonproductive state lands and "the lands that have been given to the military and civilian elite who have been in the government." He thinks that the state enterprises should not be sold and that Guatemala must maintain its policy of neutrality toward the Central American conflict.

Cerezo Arevalo: He proposes to seek a great national agreement. As to health problems, he stated that man should be cared for as the basic instrument of production in the country. It is also necessary to fight infant mortality. Cerezo also said: "If changes are not made, Guatemala will not have answers."

Sisniega Otero: The PUA talks about basic amendments to the Labor Code, authorization of work for minors, elimination of minimum wages, stimulus to agriculture, creation of mounted police, preventive health, water purification plants and sewage processing, quality control for the production of food and medicines and construction of a dry interoceanic canal and a pipeline.

Mario David: The CAN candidate acknowledged that he not only seeks power but wants to stand out in history as the best president Guatemala ever had. He is opposed to contracting new loans and believes that the state enterprises should be sold and/or liquidated. His program focuses on security, health, education and communications.

Jorge Carpio Nicolle: The centrist leader indicated that one of the most serious problems is insecurity. This led to capital flight and less local and foreign investment. He stated that, during his government, there would not be any policies aimed at a single sector. He proposes basic goals like the recovery of national liquidity, renegotiation of the foreign debt and complete support, incentives and stimulus for exports. Political, economic and administrative decentralization is another of his projects to democratize and revitalize the country, making it more efficient. He guarantees complete government support for the Indian altiplano. He also suggests decentralization in the health sector and more preventive medicine programs to decongest the hospitals and make them more efficient. There would be more health posts, dispensaries, etc.

Sandoval Alarcon: To the MLN candidate, the current crisis is due to the fact that the development programs that had been designed in 1945 have ended.

Sandoval Alarcon emphasizes security, given the East-West conflict that is spreading to Central America. He proposes guarantee insurance for national and foreign capital. He also proposes sharing the responsibility for the health sector with private social service institutions. He promised that he will donate his salary as president during his first year of government to a charitable institution. He will try to get his ministers to donate 25 percent of theirs for the same objective.

7717

CSO: 3248/497

GUATEMALA

ASSEMBLY DENIES VOTE TO GUATEMALANS LIVING ABROAD

Guatemala City PRENSA LIBRE in Spanish 14 Aug 85 p 15

[Text] The addition of a chapter to the bill on the electoral law and political parties so that Guatemalans living abroad can vote in presidential elections was rejected by the full ANC [National Constitutional Assembly] yesterday.

With a quorum of 50 representatives, only 17 of the UCN [Union of the National Center] voted for it. There was some question so the deputies stood up, confirming that only 17 had voted in favor of it.

That chapter which contained 10 articles is one of the most controversial subjects being debated in the ANC. It was discussed in two sessions with 46 deputies--the majority from the UCN--speaking in defense of the chapter.

The quorum had disintegrated before the vote but the president had the deputies who were in the corridors of the building come in so that this matter could be concluded.

The arguments of those who fought the battle were based on the fact that the 500,000 Guatemalans who live abroad, for political reasons or to seek better "economic horizons," maintain ties with Guatemala. The majority have left their families here and send them large amounts of dollars every month.

It was argued that they have the right to express their will by electing the president and vice president of the republic and national deputies. Granting them a vote is not a gift but a right. Election boards could be set up in the embassies or consulates.

The opponents repeated that this lent itself to political manipulation. The parties could not send inspectors to all the election boards set up in different countries.

They also indicated that, in any case, this chapter must be handled in another part of the law when voting is discussed, not the formation of election boards.

Basically, they argued that the proposal was illegal, incorrect and unfeasible because it had already been rejected. It was a ruse to try and have it approved. It had to be presented as a revision, not a new chapter. Also it would go against the legal status of the other country where the elections were held. This would violate the law of the other country. It also had some gaps.

1 October 1985

## GUATEMALA

## BANK ANNOUNCES NEW LINES OF CREDIT FOR INDUSTRY

Guatemala City PRENSA LIBRE in Spanish 1 Aug 85 p 3

[Text] The Bank of Guatemala has contracted lines of credit totaling \$324.5 million for the private sector to use to pay for imports of indispensable goods and services for the national production system.

There was a press conference at the Bank of Guatemala yesterday held by: Carlos Mendez, director of the International Department; Julio Noriega, assistant director; and Carlos Echeverria, assistant chief of the international financial organizations section.

Some \$191.3 million out of these lines of credit contracted through commercial banks have already been used for this program which began in 1982. The rest remains to be used.

This program arose after the foreign debt worsened in 1979 evidenced by an accelerated loss of foreign currency. The program made it possible to contract lines of credit from international organizations and institutions in order to have optional sources of foreign currency to take care of the demand for foreign currency in the private sector.

The officials of the Bank of Guatemala said that, in order to encourage national productive activity, a line of credit was contracted with the IDB to form the \$60 million FRI-BID [Industrial Revitalization Fund-IDB]. This finances the import of raw materials, parts, materials and accessories necessary for the industrial production of exports or replacement of imports for the national industrial sector.

This credit is repayable in 13 years at an interest rate of 9.5 percent per year. The final steps to expand the contracted line by \$70 million are now under way. These resources could become available this month to continue supporting the national industrial sector. The Bank of Guatemala is also responsible for the administration of a line of credit contracted with the World Bank to finance investment projects--that is, the import of machinery and equipment as well as the necessary services for their installation. This financial credit totals \$20 million, repayable in 17 years.

Lines of credit contracted with U.S. banks guaranteed by the CCC [Commodity Credit Corporation], a U.S. Government financial entity which guarantees those

banks up to 98 percent of the credits they grant the country for imports of U.S. agricultural-livestock products, were also reported on. From 1982 until 30 June 1985, \$120.6 million had been used and \$23 million are left since an expansion of \$20 million was negotiated recently with that entity.

There are other lines of credit contracted with Eximbank of China, the Central Bank of Argentina, PROEXPO [Export Promotion Fund] of Colombia and the Central Bank of Venezuela. The necessary information for their use can be obtained at the Credit Department of the Bank of Guatemala. It was also announced that a guarantee agreement was contracted with the AID for lines of credit with foreign banks totaling \$25 million. This is for imports for national production with emphasis on industrial activity and is part of the U.S. Eximbank program of guarantees.

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GUATEMALA

EXPLOSION, FIRE DAMAGE ESCUINTLA HYDROELECTRIC PLANT

Guatemala City PRENSA LIBRE in Spanish 12 Aug 85 p 4

[Article by Alvaro Galvez Mis]

[Text] The electrical interconnection system of the country will have 5,000 kilowatts less for several months as a result of the severe damage caused to the hydroelectric substation in San Luis Buena Vista, Escuintla. One of the main pressure pipes blew up which led to a fire.

The plant's machine house was flattened by mud, sand and rocks. The short circuit caused by the pipe explosion extensively damaged the command control systems, the energy distribution structure, the turbines and other parts necessary for the good operation of the small hydroelectric plant.

As of yesterday, the precise amount of damage could not be determined but the engineers who made the preliminary evaluations stated that losses could reach much more than \$300,000 since all the machinery and parts have to be imported.

How Events Happened

According to stories obtained at the site by this reporter, the fire was caused by the destruction of one of the main pipes that feed water to the turbines of the hydroelectric plant.

The pipe could have exploded due to age since it was put in more than 125 years ago. The water flow stopped very close to the terminal at the machine house and a hole opened up.

A large amount of dirt and rocks blew up in the air. Large currents of water spread and broke through the machine house, dragging along mud and sand which flattened it.

According to one of the workers, the currents caused the short circuit which, in turn, caused the fire. It burned almost 40 minutes before the firemen arrived and got it under control.

Workers Esteban Perez and Transito Herrarte who take care of the plant indicated that they "fortunately managed to save their lives." If they had not left the machine house in time, they would have died.

They were inside the substation and began to hear a noise. They said it was "similar to the cries of prehistoric animals. It got louder as it approached the machines."

We barely managed to save ourselves when the pressure pipe very close to the last filter (before the water reaches the turbines) blew up with a loud noise as if someone "had thrown a bomb at the hydroelectric plant."

This reporter could see that the explosion lifted large chunks of dirt and big stones over about 50 square meters. A cement structure used to get down to the machines was picked up 5 meters, according to witnesses, and then fell on the entrance shed.

The stones and mud accumulated inside the substation caused perhaps the greatest damage to the machines. Yesterday the workers took out about 15 centimeters of mud.

The interventor of INDE [National Institute of Electrification], Gen Oscar Sandoval Torres, was at a home very close to this station. There was an attempt to interview him about this matter but several armed men who surrounded the building said: "No, it was the general's day of rest."

One of the workers at the station who did not give his name revealed that San Luis produces more than 5,000 kilowatts which is distributed to communities in Escuintla Department.

However, the flow of electricity was normalized yesterday since the hydroelectric plant involved is part of the national interconnection cable. This means that "if one plant suffers some damage, it is immediately replaced by the others which are incorporated into the national electrical network."

The San Luis station is fed by waters channeled from San Pedro Martir River. After traveling some 4 kilometers, the water reaches the dam and then is pressured through (already old) pipes to the turbines.

It was one of those pipes that did not resist the pressure and exploded.

Technicians from INDE stated that the station will remain out of commission for several months.

There are no immediate prospects of the turbines going back into operation. The engineers at the institution will make the first analyses today to establish the precise damage.

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GUATEMALA

BRIEFS

NATIONAL POLICE REPORT--In the 2 months the National Police has been under the command of the general director, commissioner Jose Felix Alvarez Arevalo, it has arrested 7,059 people accused of murder, kidnapping and breaking the law, captured 147 drug traffickers and recovered 523 vehicles of the 625 stolen. Professor Mario Ramirez Ruiz, official spokesman of the National Police, held a press conference Thursday afternoon to announce the analysis made by that institution based on the 2 months since commissioner Alvarez Arevalo assumed command. He indicated: The work was considered successful since the general director meets every day in his office with the chiefs of the different police corps in the capital as well as the interior of the country. His recommendations in the fight against crime have been clear but it has not been easy. Crime has even infiltrated the institution itself. Therefore, general director Alvarez Arevalo ordered 245 policemen dismissed. They were caught breaking the law, protected by their uniform and the power they held. The analysis of the work done in the last 2 months shows that the police captured 7,059 people accused of various crimes and 147 drug traffickers and seized 1,500 pounds of cocaine, 2,000 pounds of marijuana and 1,000 marijuana plants. He indicated that Interpol was a major participant by discovering the million-dollar cocaine shipment seized in Miami, United States. [Excerpts] [Guatemala City PRENSA LIBRE in Spanish 10 Aug 85 p 29] 7717

ARMY COMMAND CHANGE--According to our informants, at least 100 officers in the intermediate cadres of the Army will be rotated to different posts. They explained that the rotation will become effective today, 1 August. The most important changes will be made in the Commanders Council. Even Col Pablo Nuila Hub who was chief of staff was transferred to be commander of the strategic military base of Poptun in El Peten on the border with Belize. Army spokesmen explained that, according to the military laws, the chief of state has the authority to make the changes he considers necessary. Colonel Nuila Hub replaces Col Luis Tobar Martinez who will become commander in Zacapa. He relieves Col Luis Paredes Najera who goes to Retalhuleu. At that military base, he will replace Col Raul Dehesa who is transferred to Chiquimula. The former commander of that base, Col Luis Enrique Mendoza Garcia, becomes commander of the paratroopers in San Jose, Escuintla, replacing Col Julio Cesar Ruano who will take Nuila Hub's former position. Finally, Col Hector Leonidas Hernandez, former commander of the Huehuetenango base, will become commander of the Roving Military Police replacing Col Raul Molina Bedoya who goes to Huehuetenango. [Excerpt] [Guatemala City EL GRAFICO in Spanish 1 Aug 85 p 3] 7717

CSO: 3248/497

GUYANA

REPORTAGE ON EVENTS FOLLOWING, REACTION TO BURNHAM'S DEATH

PPP Call for Unity

Georgetown MIRROR in English 11 Aug 85 p 2

[Editorial: "Time for National Unity"]

[Text]

**THE** People's Progressive Party, for many years, has stressed the need for a broad based government; about eight years ago it set out proposals for the formation of a National Patriotic Front and Government. These proposals have been the basis for discussion at various levels since they were made. Although a National Patriotic Government seems the most logical way of resolving the problems of the country, there are obviously various impediments to the acceptance of such a proposal.

**AT** the 22nd Congress of the PPP held last week-end, the central document under discussion, the Central Committee Report, again went into that question. The Report enunciated the fact that a broad-based government is essential on four grounds -- economic, socio-psychological, political and security.

**KNOWN** to everyone is the fact that the economy is in a very grave state, with all sections of society alienated as never before. Thus, the broader the base of the decision-making process, the easier it may be in solving the economic and financial problems.

**THE** socio-psychological necessity for a broad based government arises from the still prevalent fears of racial insecurity and the reality of the practice of discrimination. The PPP, largely because of its correct tactics and strategy, its patience and persistence, has made steady progress in achieving racial and working class unity. A broad based National Patriotic Government would not only proclaim racial equality, which on paper is useless, but by its very composition, guarantee its being put into practice. The PPP's winner-does-not-take-all policy meets this criterion and demonstrates that Party's serious approach to the problem.

**IN** its Report to Congress, the PPP reiterated the necessity for unity. 'But we do not want unity only for the sake of unity. Unity must serve the people; therefore, it must have a progressive-revolutionary content. That is why we have stated that our National Patriotic Front must be based on democracy, anti-imperialism and socialist-orientation,' said the Report.

1 October 1985

AT this particular stage in Guyana's history, when changes are so vital to the future, it is unrealistic for those in positions of power to think only of consolidating and expanding their power. This they may do — but at what cost to the nation! A heavy hand backed by the security forces can, and has in many countries, kept unpopular regimes in office. But time and life have a way of catching up and evening off such conditions. We have only to look around at our neighbours in Latin America today, where many power structures have failed because of the want of involvement of the masses, the denial of democratic process and the ultimate collapse of the fragile structure with mainly a military base.

GUYANA is a country with a future for its people if its development could be carried out in a planned, practical and democratic manner. One of the key questions is the involvement of the people and this has been lacking for a very long time due to the alienation that is prevalent. Alienation is wide-spread because the democratic process has been shunted aside.

WE compliment the PPP for holding resolutely and steadfastly to its advocacy of a broad based government based on a National Patriotic Front of all progressive forces in our society. We see it as the best way out of the impasse which exists at present. It is hoped that other social forces will give it the same consideration that the PPP has done.

#### Questions About Death

Georgetown OPEN WORD in English 12 Aug 85 pp 1, 2

[Text]

President Linden Forbes Sampson Burnham, who in his lifetime took every security precaution, died, according to official releases, of heart failure. He fell victim neither to armed rebellion nor to foreign invasion.

Many, many thousands of Guyanese altogether turned out to the various ceremonies marking the burial of the late Head of State and Government — but scenes of sorrow were not much in evidence. Rather, the thousands of people drawn into the streets were responding mainly to the finality of the event: the end of a long reign.

Relief from a familiar stranglehold was as common a sentiment as fear of the future.

At the roadside gatherings of Sunday afternoon it was a sense of the passing of someone who had risen to prominence in his lifetime.

However, the death hit Burnham fans a hard blow and they showed genuine grief.

The crowds moved from the National Park where they were streaming in and out to reach various vantage points along the route of the impressive funeral procession. At certain points especially at the juncture of streets just south of the Botanic Gardens, thousands gathered.

The military aspects of the funeral — the gun salutes, the uniforms, the

slow march near the end, were all in the highest imperial traditions. The cultural advisers have not yet found the "authentic" funeral service.

A big talking point among a cross-section of citizens is whether the minor operation on Mr Burnham's throat should have led to his death at all. They are questioning the official reports. OPEN WORD's policy is not even a political opponent should die unnecessarily. Were the Cuban doctors who performed the operation aware of the patient's full case history? Did he have a heart attack in the late seventies, and if so, were his surgeons informed? If they were informed, was the correct anesthetic used, in the correct way?

Has the CHRONICLE reported accurately on the number of persons present in the operating theatre at the time? The report list Dr Luncheon as being present and as one of those who "remained throughout the period". Sources close to Dr Luncheon say that he was called in when the end had almost come and could not be said to be part of the team, or present.

Is it true that one of the cardiac machines failed? Is it true, as reported by a New York radio station that an oxygen supply was not available? What is the truth?

OPEN WORD is asking these questions because if one of such standing in the government can die from possible carelessness, is it not likely that many are dying that should not die?

#### WPA Statement

Georgetown OPEN WORD in English 12 Aug 85 p 4

[Text]

*WPA Statement, August 6 1985, on the sudden death of President Burnham:*

This morning at 10.45, the incumbency of His Excellency Linden Forbes Sampson Burnham as President of Guyana came to a sudden and unexpected end, but it came in a manner which had not entered into our political calculation - by the vehicle of death. Without seeming to challenge the manner of his exit, we are entitled to say that in political terms the defeat at a fair and free election would be more logical. But logic must bow to what has taken place.

As a party which has lost leaders violently and which knows the grief of widows and the fatherless, we have no reservation in offering our sympathy to the bereaved widow, children, grandchildren and other relatives of the deceased Executive President.

The late Linden Forbes Sampson Burnham's massive and all-encompassing presence had affected many with the belief that he was a little more than merely mortal. In the course of his administrative activity he developed a formidable apparatus of state to the discomfort of many of his fellow citizens. Regrettably, it was not given to him to preside over the dismantling or humanising of this apparatus.

His life and death combine in an overpowering plea for a new political culture of restraint and humility and eloquently explain the deceptiveness of personal power. The re-inspiration of the Guyanese nation must rest on these pillars.

The WPA recalls its appeal of July 12, 1985 to all political parties to pledge themselves to a non-violent

conduct of political conflict. The need for a common allegiance to a non-violent process is all the more pertinent after today's experience.

The new incumbents must seek to add to Guyana's high reputation for solidarity with the victims of oppression around the world and the defence of Caribbean sovereignty a new imperative for internal democracy and submission to the sovereignty of the people. They must also refrain from yielding to the temptation to resort to increased repression and intimidation as instruments of policy. These directions are vital to the survival of Guyana as a national community able to withstand pressures and restore a viable economy.

After a short period of self-imposed suspension of activity in deference to those preoccupied with mourning, WPA and its supporters will resume their just and peaceful struggle, now recognised all over

Guyana and by important regional and international organisations, for the actual realisation in Guyana of those rights which the late President so consistently claimed on behalf of oppressed and deprived groups around the world - the right of the Guyanese people to choose their government and to be the true sovereigns of their country.

The time is also ripe for a serious evaluation of what Mr Burnham attempted and achieved in political concerns - nothing enlarged or set down in malice - for the instruction of the rising generation.

The statement was issued by Dr Rupert Roopnaraine, Chairperson of the Political Bureau of the Working People's Alliance.

#### Hoyte Press Conference

Georgetown GUYANA CHRONICLE in English 13 Aug 85 pp 1, 5

[Article by Kamini Persaud]

[Text] President Desmond Hoyte yesterday said he does not envisage any fundamental changes in the policies of the ruling People's National Congress (PNC) Government, which, he stressed, will continue to pursue a path of self-reliance through maximum utilisation of Guyana's natural resources.

At a Press conference in the morning, the new Guyanese President also said elections will be held by March, 1986, in keeping with the requirements of the Constitution. Newsmen and others interested in political matters will be welcome, but "meddlers" coming purportedly to supervise the elections will not be tolerated, he added.

The PNC, he stressed, will continue to seek constructive dialogue with the Minority People's Progressive Party, since it remained convinced that all Guyanese have a part to play in the country's development.

Yesterday's meeting with the Press - both local and foreign - was Cde Hoyte's first since being sworn in as President hours after President Forbes Burnham's death last Tuesday.

Looking relaxed and at ease, Cde Hoyte addressed several other issues raised by journalists. These

included the country's economic difficulties, his appointment as Leader of the PNC, unfounded reports in the international Press about hostility between himself and Prime Minister Hamilton Green, and other unfounded reports in the foreign press about unrest

and a virtual outbreak of "civil war" in Guyana following Cde Burnham's death.

Asked about Guyana's economic problems and the non-granting of loans to Guyana by the Caribbean Development Bank and the International Monetary

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Fund.- Cde Hoyte explained that it was because of Guyana's economic problems, and, not because of its economic policies, that the country was not being granted loans by these two institutions.

Guyana, he said, was in arrears in its payments to both the CDB and the IMF, and it was because of this situation that it was unable to obtain loans from these institutions.

He pointed out that it was not a case of all multilateral lending agencies cutting off the flow of financial resources to Guyana. In this regard, he cited loans from the Inter-American Development Bank, the World Bank and the OPEC Fund — institutions in which he noted "we are in good standing in terms of our payments."

Government, he further explained, will continue to follow the broad economic policies pursued in the past, since there is no doubt that these are bearing fruit. Last year, Cde Hoyte noted, Government had estimated a modest two per cent economic growth, but the World Bank, in its annual report, had put the growth rate at five per cent.

Responding to a query on his Government's priorities, the President said these would be "to maintain the fabric of our society, to maintain the peace we have enjoyed in this country over the past 21 years, to continue to get our people to be productive and to get on with the development of this country within the framework of what we understand to be a national consensus."

And on general elections, he said: "Our constitution requires us to hold elections by March, 1986 and "these elections will be held in conformity with the requirements of the Constitution."

Responding to a statement by a foreign journalist that the late President Forbes Burnham had said foreign observers would not be welcome at those elections, the new president pointed out: "I do not believe that the late President Burnham ever said that foreign observers will not be welcome. What he said was that he would not have meddlers ... people who have arrogated to themselves the right to dictate to small countries like ours."

"These people don't go to [South African President] Pieter Botha (and ask) to supervise his elections, they don't go to Chile, but they believe that we are still colonies and we resent that."

Cde Hoyte said as far as he was concerned "nobody is going to come here purporting to be supervisors of our elections."

He told newsmen that they and other persons interested in political matters would be allowed to come to Guyana during elections. But he stressed, no meddlers would be welcome.

Meanwhile, dealing with relations between the PNC and the Minority PPP, President Hoyte said the letter written earlier this year by the PNC inviting the PPP to engage in constructive dialogue, was not the beginning of a process, but rather a stage in the process. "There has always been contact, there have always been discussions."

"Some say the role of the opposition is to oppose, expose and depose. That may be for some countries, but for us we believe that the role of all people, of all political people, should be one of co-operation toward certain agreed ends," he told journalists.

The two political parties, he pointed out, had on two recent occasions united on matters of foreign policy.

"This could be extended domestically in terms of our agriculture policy, our industrial policy ... it may be different from what happens outside; but we are not bothered by that because we believe that we must develop our own system and our own way of life."

Cde Hoyte also outlined for journalists legal aspects of Guyana's Constitution which provide for the Prime Minister to accede to the presidency once a president dies.

He explained that his appointment as leader of the PNC followed a unanimous decision by the Central Executive Committee of the party to entrench the tradition of linking the leadership of the party and presidency of the republic, in cases where the party is in office.

His election as Party leader, Cde Hoyte further explained, will have to be confirmed and ratified by the upcoming Biennial Congress, the Party's highest decision-making forum. Congress will be held from August 18 to 25 under the theme "We can, We must, We will."

Asked if he would step down in favour of Prime Minister Hamilton Green if requested to do so by the Biennial Congress Cde Hoyte responded: "If I were voted out as Party leader, it would be obligatory on me to resign the presidency. And if the Party were to say that Cde Green should be the new leader, I would accept that, as a good Party member."

But he dismissed allegations and reports in the foreign press of hostility between himself and Prime Minister Green, describing these unfounded allegations as "an offshoot of the propaganda (against Guyana)" and pointing out that it was Cde Green who had seconded his nomination as leader of the PNC.

The late President Burnham he pointed out, had laboured to make the PNC more than "a mere election machine." He wanted the PNC to be an institution that makes decisions" that will bind us all because they have been made democratically."

"The Party has been institutionalised. The Party has continued to function even though its founder and its leader is dead," he stressed.

He described reports last week in the foreign press that Guyana was in a state of turmoil and that a civil war had broken out here following Cde Burnham's death as "beautiful pieces of fiction."

"Many people who are professional critics of Guyana tend to mislead themselves. After a time they fall victim to their own propaganda," he said.

He told foreign journalists that they and other visitors who were here had been able to see "the vast outpouring of sympathy and love for our late leader."

"The facts speak for themselves," he stressed.

(GNA)

#### Hoyte's Parliamentary Status

Georgetown GUYANA CHRONICLE in English 17 Aug 85 p 1

[Text] President Hugh Desmond Hoyte was not present in the National Assembly yesterday afternoon when members of Parliament met to pay tribute to the late President Linden Forbes Sampson Burnham who died last week Tuesday.

Cde Hoyte's absence was due to the fact that, being now President, he is of course no longer a member of the National Assembly.

## Hoyte's Advisory Committees

Georgetown SUNDAY CHRONICLE in English 18 Aug 85 pp 1, 13

[Article by Lindsay Davidson]

[Text]

**PRESIDENT** Hugh Desmond Hoyte has appointed two 15-member advisory committees — one on the private sector and the other on religious affairs.

The two Committees are expected to advise the President on matters related to their specific sphere of operations.

The membership of the Committee on the Private Sector includes top businessmen and women in the manufacturing and engineering industry.

They include Cdes Michael Brassington, Group Managing Director of Guyana Refrigerators and IDEAL Limited; Reagan Rodrigues, Chairman and Managing Director of Ricks and Sari Industries Limited; Brian Gittens Managing Director of Guyana Wood Products Limited; Francis Gobin, Managing Director of Gobin's Limited; Claude Geddes, Managing Director of Brass Aluminium and Cast Iron Foundry; Lyla Kissoon, Managing Director of A.H and L. Kissoon Limited; and Mervyn Wray Managing Director of Wray's Enterprises Limited.

Also included on the Advisory Committee are Cdes Kenneth Jagan, Managing Director of K.S. Jagan and Sons Limited; Wainwright McKenzie, Managing Director of Continental Biscuit Company Limited; Nagasar Sawh, Chairman of Nagasar Sawh Limited; Roy Kirton, Manufacturer of wooden toys and custom built furniture; Margery Kirkpatrick, Director of Kirkpatrick's Enterprises Limited; Ram Singh, Managing Director

of T. Geddes Grant (G) Limited; Clifford Rele Managing Director of Banks DIH Limited and Paul Fredricks, General Manager of Shell Antilles and Guianas Limited.

In an invited comment Managing Director of Brass, Aluminium and Cast Iron Foundry Claude Geddes told the Guyana News Agency that he was delighted at being asked to serve on the Committee which he felt could be a relevant forum for a united approach in making representations to Government.

He intends to use the opportunity to promote "togetherness" in the engineering sector.

He also hopes to encourage Government to allocate foreign exchange to the Private Sector on a group basis so that all groups such as the garments, engineering and printing groups will be catered for.

Another member Cde Kenneth Jagan expressed pleasure at being asked to make a contribution. He has given a firm commitment to assist in any way possible towards Guyana's development.

He hopes to focus on the rice industry by encouraging an increase in the acreage now under cultivation. He said he also intends to bring to the attention of the President, avenues through which Government can earn more foreign exchange from rice.

The Advisory Committee on Religious Matters draws its membership from a wide cross section of the religious

community in Guyana.

Those asked to serve on that Committee include Rev. Gilbert Harris, Vicar of St. Philip's Anglican Church; Rev George Kanhai, Vicar of St. Barnabas; Pastor Llewellyn Fraser of the New Jerusalem Swedenborgian Church; Cdes Sattiah Sammy, President of the Maha Kail Religious Organisation; Henry Dolphin, Chairman of the National Spiritual Assembly of the Baha'is of Guyana; Clarice Edwards, President of the Guyana United Apostolic Mystical Council; Rev. John Neal, Acting Chairman of the Methodist Church in Guyana.

Also asked to serve are Cdes Abdul Hassan Ali, Secretary-General of the Islamic Missionaries' Guild International; Azamudeen Habibulla, General Secretary of the General Council of Islamic Brotherhood; Jallal Kissoon, Executive Member of the Maha Sabha; Chandra Persaud, Executive Member of the Maha Sabha; Moorat Prashad, Executive Member of Hindu Parishad; Bhojnarine Sharma, General Secretary of the Pandits' Council; Brenda Aaron of the Brahma Kumaris Spiritual University and Al-Aj Fazeel Feroos, President of the Central Islamic Organisation of Guyana.

Pastor Fraser in expressing his feelings about being asked to serve on the Committee said that this move will assist government to better cater for the religious needs of the community and will serve to promote unity among the several religious groups in the country.

And Executive Member of the Maha Sabha Chandra Persaud who also ex-

pressed pleasure at her appointment said that the establishment of the Committee is a positive step in bringing closer the religious community and Government.

All 30 members of the two Committees were asked to serve in their own right and not as representatives of any organisations.

Other persons may be co-opted to serve on the advisory committees. (GNA)

CSO: 3298/990

GUYANA

WPA CONCLUDES 'FREEDOM WALK'; PUBLIC DEMANDS CITED

CATHOLIC STANDARD Report

Georgetown CATHOLIC STANDARD in English 4 Aug 85 p 4

[Text]

THE MAJOR grievances of the Guyanese people are the lack of free and fair elections and violent crime. Food shortages rank third.

These conclusions were drawn by the Working People's Alliance leadership from their recently completed Long Walk through the coastlands.

The walk covered 260 miles in 15 days during which 83 public meetings were held.

Undertaken to publicise the findings of the Chitnis Mission on Political Freedom, and to learn first-hand what the people are thinking, the Walk, according to Rupert Roopnarine, a party leader, was enormously successful.

At a post-Walk press conference, he stated that the main demand they encountered on the elections issue was that ballots must be counted at the polling place, although the WPA while recognising its importance, was not sure why this particular demand was given such priority.

Roopnarine declared that the party had a greater interest than ever before in participating in the elections, but that existing conditions were discouraging.

The multi-racial response to the Walk was a heartening feature; the Walk was well received in villages with long-held racial and political prejudices.

A disturbing experience for the Walkers was the sight of Indo-Guyanese women in Corentyne villages out in the road during the middle of the day, afraid to be in their homes for fear of rape and robbery

Violent crime has the Corentyne in a grip of terror, with sexual abuse of Indo-Guyanese women a "fairly standard" aspect of "kick-down-the-door" crimes.

No assistance from the police can be relied upon, because the police are not equipped to respond

The WPA intends to form electoral reform clubs to promote its free and fair elections campaign, based on the tactic used in the last century to extend the franchise.

### Citizen Demands

Georgetown DAYCLEAN in English 3 Aug 85 pp 1, 2

[Text] Two leaders of the WPA, Eusi Kwayana and Rupert Roopnaraine, agreed to walk the whole distance from Charity to Crabwood Creek and then Wismar and Mackenzie as a symbol of the unbroken struggle of the Guyanese people. In all they covered 260 miles or 416 kilometres in the 17 days of the walk. Two days after the walk officially ended, brother Eusi Kwayana left for the Caribbean to take the news of the walk and the struggle of the Guyanese people for free and fair elections.

#### What the Working People Want

"We, the workers of Bata Shoe Factory, are very pleased to hear that the Walter Rodney Long Freedom Walk was successful in the sense that it raised the morale of the people and also it got a feel on how the people are thinking.

"We must say that the Freedom Walk demonstrated the determination of the WPA in the struggle for free and fair elections in Guyana. We must add also that the party deserves the name "Working People's Alliance" for it is the only true working people's alliance in this country.

"Finally, we must say congratulations for the successful staging of the revolutionary Walter Rodney Long Freedom Walk and we wish the party further success in the fight for democracy, bread and justice in this country.

"Yours in the struggle..."

The letter above was signed by 28 workers of the Bata Shoe Factory at Beterverwagting.

In a Democratic Republic, we could have listed their names proudly.

#### Instructions From the Walk

The Walk took the fight for freedom into 475 separate communities. A total of 83 meetings were held. These were attended by 9,866 citizens. In all, we have worked out that 25,000 at least saw the Walk.

A full report of all aspects of the Walk was given by members of the Walk Team on 30 July at the party's Georgetown Centre. The report is too long to be reprinted by DAYCLEAN. We shall carry what we believe to be the most important section of the report, "Instructions from the Communities Along the Walk."

In its own way the Walk was a Commission of Enquiry, with recommendations to make.

Apart from the 28 Bata workers who wrote the warm message to the Walk, there were many thousands who communicated with the Walk. Their main concerns are listed below:

### Bring Back Wheat Flour

1. We found widespread concern with the absence of wheat from lawful circulation and commerce in the country. It is the unanimous will (no exceptions) of the entire coastal population and the people of the mining district of Wismar/Mackenzie that wheat flour be returned to its place in the food balance.

The artificial shortage of salt has caused great concern and widespread rackets have developed around the commodity....

### Sign the Petition for Free and Fair Elections

2. All Guyanese should sign the petition for free and fair elections. (On the Walk itself 3,986 signatures were collected.)

### Fight All Dictators--Whatever Their Race

3. Guyanese will be free only when we all, of all races, pledge to resist the oppression of any dictator, or group of dictators, whether they are of our race or not.

### Put Down the Death Squads

4. There must be an end to all death squads operating against any section of the people. The safety of the home must be guaranteed without exception. This is a mark of civilisation. The death squads must be put down so that all Guyanese can form the resolution to remain living in Guyana.

### Defend All Women From Attack

5. The sanctity of women of all races, their defence from sexual assault and abuse must be reaffirmed. Indo-Guyanese women and girls are now the main victims of criminal sexual intent and abuse. The people demand that no women at all, Indo-Guyanese, Afro-Guyanese, Amerindian or other, must be used as objects of ransom and endangered through the neglect or deliberate actions of the state.

### Greetings to Those Who Defend Our Rights

6. The people send their warm friendly greetings to the International Commission on Political Freedom in Guyana and to the Caribbean leaders and people who have spoken out on the denials of the most fundamental public rights in Guyana.

### Put an End to Part 2, National Security Act

7. The Guyana government cannot claim to preside over a country at Peace and at the same time impose special security measures on a peaceful population. It must therefore repeal the National Security Act, Part 2, empowering preventive detention. It must also do away with those parts which allow police to enter the home at will and search without warrant, restrict movement and deny the right to travel--especially with general elections pending.

## Freedom of Assembly Is a Right

8. The Guyana Government must guarantee the right to freedom of assembly and communication to its citizens. In particular it must lift its undeclared emergency under which the Public Order Act has been used to deny the right of public procession to citizens and their organisations--especially to the WPA. This is an urgent demand since the people want to be free to express their views about electoral arrangements and the food policy of the rulers.

## Supply School Buses to Essequibo Islands

9. School buses must be supplied to Wakenaam and Leguan, the Essequibo and eastern Berbice, and reasonable transportation, public or private, must be organised for the Essequibo Islands.

## Stop the Victimisation

10. Freedom of association must be honoured in rule and practice. Citizens must not be penalized or victimized for political attachment or activity with the political party, trade union or other organization of their choice. This is the equivalent to the banning of people's organisations and individuals as in South Africa.

## See That the Children Get Milk

11. The greatest single need of the child population is milk. This must be supplied as a priority, not only to children but to mothers before and after pregnancy and also to old people who express this need.

## Workers! Support Unions Fighting for Living Wage

12. Wage and salary earners should give their full support to their unions which are fighting to close the gap between wages and the cost of living. The government and other employers must negotiate with them in good faith.

## Listen to the Cry of the Farmers

13. The farmers must be allowed to represent their grievances through their own organisations and these must be received at all times. The government must also provide a supply for farming families of items they do not produce.

## Treat the Parallel Market as Lawful

14. The parallel market should be treated as lawful. There must be an end to the barbarous seizure of taxis when they carry passengers with uncustomed goods. There can be few more vicious measures than this and it is aiding wonderfully in entrenching the culture of corruption.

## Refuse to Hunt Proxies

15. The practice of the ruling party or any other party of demanding proxy and postal votes on threat of victimisation is abominable. WPA denounces all proxy hunters and calls upon agents of the ruling party to refuse to carry out any such orders.... The normal vote must be direct and secret. The increasing use of the proxy is a mark of our sick election system.

#### Count the Votes at the Polling Place

16. The abominable practice of removing ballot boxes from a polling place before first counting the votes must cease forthwith.... All laws which give polling officials the right to remove ballot boxes fly in the face of genuine elections. They must go.

#### Hold Local Government Elections Now

17. Local government elections, not held since 1970, should be held immediately so that communities can set about relieving some of their suffering.

#### Free Up and Fair Up the Electoral System

18. Most important of all, the fair name of Guyana must be restored by electoral reforms. The ballots of the various polling districts must no longer be mixed together into one big mess. Guyanese are entitled to the same safeguards and the same information about elections as their fellow Caricom citizens and citizens of civilised countries. This practice of mixing up the ballots is moving us more and more toward a one-party state since it puts an end to the very basis on which an electoral party must plan and operate.

CSO: 3298/993

1 October 1985

GUYANA

## LEFTIST PARTIES AT PPP CONGRESS HOLD CONSULTATIVE MEETING

Georgetown MIRROR in English 11 Aug 85 pp 2, 4

[Text]

Several Caribbean Communist, Revolutionary and Anti-imperialist parties attending the 22nd Congress of the People's Progressive Party held a consultative meeting between August 1-2, 1985 and issued the following declaration:

1. A consultative meeting of Caribbean Communist, Revolutionary, Anti-imperialist Parties attending the 22nd Congress of the PPP of Guyana took place in Georgetown on August 1 & 2, 1985. It was attended by:

- People's Progressive Party (Guyana)
- People's Popular Movement (Trinidad)
- United People's Movement (St Vincent)
- Dominica Liberation Movement (Dominica)
- Workers Party of Barbados (Barbados)
- Workers Revolutionary Movement (St Lucia)
- February 25th Movement (Suriname)
- Frente Sandinista (Nicaragua)
- Communist Party of Cuba (Cuba)

2. The meeting discussed the dangerous international situation, and the growing threat to world peace posed particularly by the Reagan administration and its hostile actions and statements against the forces of socialism, national liberation and social progress throughout the world. It noted that the siting of Cruise

and Pershing missiles in Europe, and the "Star Wars" programme of the US both pose a dangerous threat to disarmament and world peace, and that the main centres of world tension at the moment were Central America, Central Asia, the Middle East, Southern Africa and the bellicose actions of imperialism in these areas.

3. Regarding Central America, the meeting denounced the unjustified trade embargo imposed against Nicaragua by Washington, the US' continuing financing and arming of the counter-revolutionary Nicaraguan forces being trained by American troops across Nicaragua's border in neighbouring Honduras; the continuing hostile manoeuvres on Nicaragua's borders and sea coasts; and the continuing murder of Nicaraguan citizens by the 'contras'. The meeting expressed the view that by its support for the 'contras' and the 'legal' use of American taxpayers' money to finance the undeclared war against Nicaragua, the Reagan administration is indeed engaging in 'state terrorism', and stressed the need for the Reagan administration to put aside its senseless hostile policy, and to resume talks with the democratically elected Nicaraguan government which it called off last January. The meeting also called on Washington to respect the sovereign right of the Nicaraguan Government and people to choose their own path of development, and to shape their own destiny for the future.

4. Discussing the burning issue of Latin America and the Third World's huge foreign debt, the meeting expressed full support for the Initiative of the Cuban Government and President Fidel Castro, aimed at enhancing a better understanding of the gravity of this situation, and the impossibility of many Latin American countries to ever finish paying their foreign debt. The meeting also supported Cuba's contention that the foreign debt of the Latin American countries should be cancelled, and that a new International Economic Order should follow this cancellation if the countries of the Third World are ever to be able to survive economically.

5. Regarding the Caribbean, the meeting noted the current grave difficulties affecting member-states of the Caribbean community (CARICOM), particularly in the area of international trade; the growing contradictions between the US and its Caribbean allies over the failure of the Caribbean Basin Initiative (CBI) to solve the problems of the smaller English-speaking regional states; and the continuing militarisation of the Eastern Caribbean by the US, which has increased its military aid to the regimes in the region, while decreasing its economic assistance. The meeting noted also, that in the wake of the invasion of Grenada, Washington

has set up several military and paramilitary units throughout the region, trained and financed by the US, with the hope of pooling them eventually into one regional interventionist army that would perform Washington's bidding in our region. In this regard, the meeting also noted and denounced the upcoming military exercises and "war games" to be staged in St. Lucia next month (September) by US and Caribbean troops as being in direct opposition to the Caribbean people's aspirations for our region to be declared a "Zone of Peace".

6. Regarding the political developments in the region since the last such meeting in March 1984, the meeting noted that the mood of despondency which pervaded the region following the invasion of Grenada has been dissipating in recent times. It specifically noted the victory of the left and progressive candidates in the recent elections in the Commonwealth of Dominica on July 1, as an indication the rampant anti-communism usually unleashed against progressive candidates in national elections in the Eastern Caribbean is losing its effect. Similarly, it noted that this was a firm signal to all that the masses will identify with those who identify with their cause and struggle with them for a better life.

- It also noted that the development of a recent dialogue between the PPP and the PNC of Guyana towards national unity, security, and socialist orientation as being very positive; that the continuing failure of the Seaga administration to overcome the serious crisis in that country was an indictment against the path of development being advocated for the region by Washington and its regional allies, and another indication of the failure of "the magic of the marketplace."

7. The meeting expressed firm solidarity with the Cuban, Nicaraguan and Surinamese revolutions and with the freedom fighters of the FMLN-FDR of El Salvador, who are continuing to struggle for the liberation of their homeland, and continuing to score increased victories despite the in-

creased US military aid and the direct involvement of US troops and "advisors" in the efforts to prevent an inevitable victory for FMLN-FDR. Solidarity was also expressed with the ANC of South Africa and SWAPO of Namibia, and the meeting denounced the continuing aggression of South Africa against the Frontline states, and the latest actions of the racists in Namibia.

8. The meeting reiterated the view that a New International Economic Order is necessary for the survival of the Third World, and for the Caribbean to be declared a Zone of Peace, free of "Cold War" tensions which Washington is still seeking to impose on our region.

9. The various delegations attending the meeting thanked the PPP for inviting them to its Congress, and for the pleasant conditions made available for the meeting.

GUYANA

## PPP CONGRESS ENDS, PARTY DECLARED NOW MARXIST-LENINIST

### Central Committee Report

Georgetown MIRROR in English 11 Aug 85 p 1

[Text] The pursuit of a political solution with a democratic content to solve the ever-worsening Guyana crisis is to be the main line of the work of the People's Progressive Party in the current period as mandated by the recently-concluded 22d Congress.

This position is contained in the analysis of the Central Committee Report presented to Congress by general secretary, Cheddi Jagan, and in a Political Resolution.

Also reiterated as a firm principle of the party's current policies is the formation of a National Patriotic Front and National Patriotic Front Government based on the pillars of democracy, anti-imperialism and socialist-orientation.

The Congress discussions noted that while the ruling party responded negatively to the call for a political solution over the last 10 years, the PPP steadfastly upheld that position. 'Such a solution was, and is, recognised as a necessary step for the resolution of the crisis and to forego, once more, national unity. It also has the prospect of setting the country on a steady and irreversible course on the road to social progress, simultaneously signalling to imperialism that our people stand united in defense of its independence and sovereignty,' stated the Political Resolution.

In keeping with the Congress decision all members were called upon to intensify efforts to bring about a political solution based on anti-imperialism, democracy and socialist-orientation. Moreover, we must seek to involve all those forces in our country which embrace and promote these principles.'

### Positive Direction

In this context the Central Committee Report and the Resolution dealt with the PNC's invitation for inter-party talks. The resolution stated that the 'talks are a positive direction in the search for a political solution. In these talks the PPP will stand firm for the working people as it has always done and will insist on the need to build national unity, for peace, democracy and social progress.'

The Central Committee Report analysed the changes that have taken place internationally, locally and within the party over the last three years. In Guyana it was pointed out that the last 20 years have been characterised by a steady decline in all aspects of life. Despite the unpopularity of the ruling party, according to the analysis, that party has perfected a military and bureaucratic apparatus that is used primarily to bolster the government. Undemocratic methods of rule, discrimination, corruption, extravagance and fear have been the hallmarks of PNC rule.

Despite its recent anti-imperialist positions, the ruling party, said the report, cannot find solutions to the teeming problems but wants to hold on to power. Such a situation cannot be allowed to continue.

The CC [words illegible] various positions [words illegible] of opposition parties and groups. It was made clear that while the party wants unity it will not unite with anti-communist forces who are working in the interest of imperialism. The 22d Congress also called on both the PNC and the WPA to look objectively at each other and if necessary make compromises 'in the interest of national unity and social progress.'

#### Possibilities and Dangers

As regards compromises the Report said the Party is prepared to make compromises 'once they are not matters of principle.' It further went on to state that the present situation has possibilities as well as dangers. 'It is therefore necessary for all forces to make compromises in the interest of the nation and people ... compromises which make it possible to grasp the possibilities while avoiding the pitfalls.'

The serious economic and social crisis was given much attention during the deliberations. The party has concluded that the situation is at such a poor state that it needs the might of the entire people to resolve it. It is for this reason that the Congress made it clear that democracy at all levels is a necessity. It called on the ruling party to introduce electoral reforms to involve the peoples' representatives.

In relation to the defence of Guyana, Congress upheld previous Party positions that it is necessary to create a genuine people's militia and not to depend on an expensive, professional security force, which each year eats off 10-12 per cent of the budgetary expenditures.

In presenting the Report, General Secretary Cheddi Jagan stated: 'We are in a favourable position to bring about change — not just any change, but change in the interest of our nation and people as a whole. Our party is now at the centre of political life in Guyana. It is being recognised in various quarters that the PPP cannot be left out of any real political solution. Our detractors, some of whom even predicted our demise, have been forced to acknowledge our correct tactics and strategy and our significant accomplishments.'

### Marxist-Leninist Status

Georgetown MIRROR in English 11 Aug 85 p 2

[Text] The People's Progressive Party has joined scores and scores of political parties in the world which are organisationally, ideologically, and otherwise, Marxist-Leninist or communist.

According to a resolution adopted by the recently-concluded 22d Congress of the PPP, the party has now completed the 16-year old transformation process into a Marxist-Leninist type of organisation.

In 1969 the decision was taken to transform the party from a [words indistinct] mass party into a disciplined Marxist-Leninist type organisation. According to the resolution 'a series of steps have been taken to reorganise the party's structure; institute new rules, promulgate a programme, develop a disciplined core of cadres and membership imbued with the ideology of Marxism-Leninism [word indistinct] apply the principles of Marxism-Leninism to everyday problems apply the principles of democratic-centralism and criticism and self-criticism and such other principles as were necessary to achieve our objective.'

When the party was formed it [word indistinct] its urgent task the winning of independence. After Guyana gained formal political independence it was recognised that to achieve the goal of socialism there was need for such a vanguard of the working class. It was in this light that the transformation process began. While the party was generally accepted as a communist organisation, especially since it joined the World Communist Movement in 1969, the process was not completed.

The resolution was presented by the Central Committee. At that level, discussions took place on the transformation process. Other bodies of the party were consulted, including party groups all over the country, before it was agreed upon to put the matter to Congress for a decision.

When we took our momentous decision in 1968, said the resolution 'we hardly envisaged the tremendous achievements which we would have made. Despite the slanders of our detractors, anti-communism is no longer a force in Guyana. The PNC has been forced to go a long way to wrest control of our resources from foreign ownership. And the major political forces and the TUC have accepted socialism as the goal for Guyana. The right-wing in Guyana is no longer a major, organised force to reckon with, though constant vigilance is necessary to combat rightist influences and to prevent rightist elements from developing a following.'

### Collymore Address

Georgetown MIRROR in English 11 Aug 85 p 4

[Text] "Our congress comes at a time of great commotion around the world and great expectations within our country. At a time when bold leadership and skillful statesmanship are the necessary ingredients to generate forward motion. This is the juncture in domestic and world history for men and women of clear vision to come forward with solutions to the vexing problems extent, and to strengthen the relentless march to socialism of the invincible working class."

These remarks were made by PPP Central Committee Secretary Clinton Collymore in his Opening Address to the 22d Congress. In his remarks he referred to the formation of the party in 1950, and noted that it was 35 years old in 1985. The PPP had emerged from the Political Affairs Committee which was made up of Cheddi Jagan, Janet Jagan, [name indistinct] Chase and H.J.M. Hubbard.

The PPP executive committee member stressed that nothing can stop the revolutionary tide from engulfing the world, despite the machinations of imperialism, particularly U.S. imperialism. He denounced the Ronald Reagan administration as an archfoe of democracy, freedom, independence, self-determination and human dignity"; and deemed the USA "the most [word illegible] and terroristic government to darken the portals of the United Nations."

Solidarity was expressed with the oppressed Black people in South Africa; with the harassed Nicaraguan people menaced by U.S.-controlled terrorist gangs and "the never-ending threat of direct U.S. military intervention." Solidarity was also expressed with the workers in the capitalist states of the West who are struggling against exploitation and the war danger. Solidarity and "deep indignation" were expressed to the embattled people of revolutionary Afghanistan and Kampuchea battling against great odds. The interim government established in Namibia by the racist South African regime was rejected and support expressed for SWAPO.

In this hemisphere the call was made for the Contadora Peace Process to be given a chance, and for the Caribbean to be a zone of Peace, warm appreciation was conveyed to the USSR "the chief friend of all the struggling peoples and nations of the world" and homage was paid to the 20 million Soviet patriots who perished in World War II to preserve freedom from Hitler fascism.

Towards the end of his address the PPP secretary remarked in his charge to the Congress:

"We have a mighty nation to build. We have a sacred heritage to fulfill. We have a glorious future to forge from the shambles and the rubble of the moment. We have a proud banner to bear aloft streaming in the winds of vital freedoms yet to be won--economic, social, cultural freedoms. There are also some freedoms lost which are to be regained.

We have a worthy virile people to lead to a better life ... right here in Guyana ... casting off the shabby rags of mendicants donned for two gruelling decades. We have a posterity to secure from the ravages of the imperial overlord, his warlords, and his odious agents lurking among us like the furtive slimy slugs they are--revelling in their anti-communist slanders, lies, distortions, and consumed by their own reactionary hates. They shall not overcome.

We have the firm capacity, the iron-clad competence and the brilliant vision to rise to the curtain call of the revolutionary imperatives on the horizon; and to answer the clarion cry of the vanguard class to save this nation, its people and its hopes; to chart them away from the perils of the yawning precipice, and usher them into the dazzling dawn of the Socialist Objective. These are the Mission of the 22d Congress. Let us grasp these problems firmly and creatively."

The Congress was then declared open.

1 October 1985

## Remarks by Foreign Guests

Georgetown MIRROR in English 11 Aug 85 p 3

[Text] Fraternal delegations from 17 countries attended the 22d Congress of the PPP, and in their messages spoke highly of the party and its general secretary Cheddi Jagan. There were praises for the role of the PPP in the struggle for world peace, national sovereignty and social progress. The first foreign delegation to address the Congress was the Soviet delegation led by Yuri Belov, Second Secretary of the Communist Party of Tajikistan who was given a standing prolonged ovation. He said:

'In its 35 years, the PPP has gone a long way in its struggle against British Colonial rule, neo-colonialism, and for social and economic change in the interests of the working people of Guyana, for the country's national unity, for progress, for the consolidation of its sovereignty and independence. The CPSU highly values the consistency of the PPP in matters relating to the unity of the world communist and working class movement to the solidarity of nations against imperialist exploitation and the militarist policy of the USA. The Soviet delegation presented the party with a stunning portrait of V. I. Lenin.

From the German Democratic Republic, a message signed by President Erich Honecker said: 'It is with close attention that we are following the efforts of your party to strengthen Guyana's national independence, and to open up a progressive social alternative. The Socialist Unity Party of the GDR (SED) is prepared to continue intensifying the long-standing and trusting relations existing between our parties in accordance with the principles of Marxism-Leninism and proletarian internationalism.' This message was delivered by Professor Jourg Vorholzer, editor of the SED theoretical journal EINHEIT, who had been in Guyana two times before and who was embraced by General Secretary Cheddi Jagan when he concluded his address.

From Czechoslovakia the address delivered by Pavel Stulraiter, head of Section CP Czechoslovakia said:

'Our two parties pursue their activities under different conditions and in different continents. Nevertheless, Czechoslovak communists are aware of your party's activity, and take genuine interest in your successes as well as problems you have to deal with. They highly regard your party's position on fundamental issues of the contemporary world, as well as its devoted and unselfish efforts aimed at improving the living conditions and well-being of the working people of Guyana.'

From Afghanistan, Abdul Samad Azhar, alternate CC member and Ambassador to Cuba who received a tumultuous ovation, noted in his address:

'The persistent and principled struggle of the PPP relying on the principles of Marxism-Leninism and proletarian internationalism, has all along merited the respect of our party. The vanguard role of the PPP against British colonialism for political independence and against U.S. imperialism: for peace, social progress and defending the interests of the working class and all toiling people of Guyana, enjoys great [word illegible].'

In the case of revolutionary Nicaragua, Hugo Menezes, member of the International Department of the Sandiniste Front said in his address which was greeted with lengthy applause:

'We thank you, for your invitation and we appreciate this as an [word indistinct] of solidarity in the fight which we pursue in defence of our dignity, sovereignty and independence. In 6 years, imperialist aggression has caused more than 12,000 victims, either killed, wounded or missing, included is the assassination of 199 children under 12 years of age and the assassination of 134 women. There are 7,582 orphans and economic losses are over \$1,342 million (US). We have absolute confidence that our peoples will confront these difficulties and resist with heroism. Free Fatherland or Death!"

Representing the Polish United Workers' Party (PUWP) was Ezestaw Dega. Ambassador to Cuba, who received a standing ovation of solidarity. He observed, after conveying the best wishes of First Secretary W. Jaruzelski: "I am very touched by the achievements of your party, its unity; the determination of the delegates to fight for the party and for Guyana. While here I have been able to ascertain the situation in the PPP, and of the other fraternal parties in the Caribbean. I will convey this knowledge to my party in Poland. Once again I wish to convey to the PPP and its respected leader, Cheddi Jagan, sincere greetings from the PUWP wishing the PPP success on the road of building socialism in your splendid country."

From the Caribbean Earl Bousquet General Secretary of the Workers Revolutionary Movement of St Lucia well known in Guyana and greeted warmly by Congress delegates, noted:

"Your own situation in Guyana is at a crucial and critical stage as indicated in every section of the report presented by General Secretary Comrade Cheddi Jagan. The eyes of the entire region are focused on Guyana at this point. Everyone is anxious to see and hear what will come out of the talks which will take a place between your party and the ruling party. We too are anxious.... Imperialism is gunning for Guyana. They are also gunning for St Lucia. They have been startled by the victory of the left and progressive candidates in the Dominica election, and have been flashing warning signals to the rightists and reactionaries in government, to start to take steps to avoid another Grenada through the ballot box."

Eden Durand of the Dominica Liberation Movement and a member of parliament praised the revolutionary struggles of the PPP, its pioneering role in the Caribbean and suggested that due to his great experience, Dr Jagan should prepare a Marxist' Manual for use by the revolutionary forces in the Caribbean in their struggles.

The Communist Party of the Federal Republic of Germany represented by Otmar Steinbicker noted: "Your Congress is taking place in an extremely critical international situation. Under the flag of a crusade against communism, imperialism is steering a course towards high armaments and confrontation which has led to a threat to world peace never experienced before. At the same time imperialism uses the credit policy of the IMF and the worsening of the terms of trade to try and burden the developing countries with the results of its own crisis. We fully agree with the proposals of the PPP and those of Dr Fidel Castro for a solution to the debt crisis."

The Communist Party of Greece as represented by Georgios Papapetros said:

"The Greek communists are following with interest the struggles of the PPP at the head of the working class and of all the working people of Guyana to support and to raise their living standards, and for their democratic rights and freedoms. Our party is in solidarity with the PPP which is struggling for the unity of the working class and the democratic forces against the monopolies and North American imperialism and for the formation of a National Patriotic Front which on the basis of a programme of change will lead to a democratic solution in Guyana."

#### Cuban Representative

Georgetown MIRROR in English 11 Aug 85 p 4

[Text] The PPP's 22d Congress was graced with the presence of Rene Penalver, Central Committee member of the Cuban Communist Party and 2d Secretary of the Confederation of Cuban Trade Unions. He was accompanied by Jose Charon, First Secretary of the Cuban Embassy in Guyana and Reynaldo Garcia, interpreter.

The delegation was given a rousing welcome to Congress. In his address Penalver spoke of the need for active solidarity with the people of Cuba and the peoples of, especially, Central America. The PPP was presented with a wooded engraving of Cuban Carib Indians.

In the CC Report the PPP highly praised the Cuban revolution and saw it as a shining example for other oppressed peoples to follow.

During his stay in Guyana the leader of the delegation met with leaders of the Guyana Agricultural and General Workers Union.

#### Discussion of PPP-PNC Dialogue

Georgetown GUYANA CHRONICLE in English 9 Aug 85 p 3

[Text] A NUMBER of significant economic, social and political issues relevant to Guyana and the Caribbean — including the Third World's huge foreign debt — were discussed last weekend at the 22nd Congress of the People's Progressive Party (PPP).

Proposals for dialogue between the ruling People's National Congress (PNC) and the PPP were also discussed.

The Congress, which was held at Annandale from August 3 to 5, was preceded by a consultative meeting of some Caribbean, Communist, revolutionary, and anti-imperialist parties and organisations from August 1 to 2.

According to a PPP statement the Congress elected a new Central Committee which comprises five new members.

In setting out the main directions of the party's work for the period ahead, Congress considered that talks between the PPP and the PNC can play a positive role in shaping the future of the country, the PPP statement said.

A special resolution was

also passed declaring that the process of party transformation has been completed and that the party has become a full-fledged Marxist-Leninist party.

And at the meeting of Caribbean, Communist, revolutionary and anti-imperialist parties, representatives supported President Fidel Castro's contention that the foreign debt of Latin American countries should be cancelled.

The meeting also examined the current grave difficulties affecting the Caribbean, particularly in the area of international trade and the growing contradictions between the U.S.

and its Caribbean allies over the failure of the Caribbean Basin Initiative to solve the problems of the small Eastern Caribbean states.

They noted, in particular, the continuing militarisation of the Eastern Caribbean by the USA and its decreased economic assistance to the area.

They said that the continuing failure of the Seaga administration in Jamaica to overcome the serious crisis in that country was an indictment against the path of development being advocated for the region by Washington and its regional allies.

Delegates expressed their solidarity with Cuba, Nicaragua, Suriname as well as with the struggles of freedom fighters in El Salvador, South Africa and Namibia.

With regard to dialogue between the PNC and the PPP towards national unity, security and socialist orientation, the meeting described this step as very positive.

Among those who attended both the PPP Congress and the meeting of Communist parties were representatives from Trinidad and Tobago, St. Vincent and the Grenadines, Dominica, Saint Lucia, Suriname, Cuba and Nicaragua.

[GNA]

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GUYANA

PREPARATIONS CONTINUE FOR PNC SIXTH BIENNIAL CONGRESS

Questions, Resolutions

Georgetown SUNDAY CHRONICLE in English 18 Aug 85 Congress Special p 2

[Text] The most convincing demonstration of the democratic nature and practice of Congress as a forum for complete participation are the many sessions set aside for the Agenda item: Questions and Motions.

This is when party members from any or every nook and cranny of Guyana can seek answers to questions relevant to their welfare and make suggestions and recommendations for discussion and eventual implementation by party and government decision-makers.

Cde. Oscar Clarke, the man responsible for gathering together the Questions and Motions for this Congress, notes that there is a significant reduction in the number of questions and motions this year--as against previous congresses when, as at the Fifth Biennial in '83, hundreds of questions were raised for consideration.

Cde. Clarke attributes the reduction to the fact that many issues raised at the last Biennial were effectively dealt with during the last two-year period. Further, he was of the opinion that the regional system has progressed to the extent whereby many problems that would have normally surfaced for the attention of congress are now being remedied in a normal and routine manner, in the context of local government and regional control over domestic affairs.

At this Congress, it is envisaged that a number of pertinent questions will be asked in order to alleviate communities' problems.

For example, the current increase in cattle-stealing has been a nightmare for citizens and they are dissatisfied with the response given by the Police Force. Hence, one motion from the residents of Region 3, is as follows: "Whereas cattle stealing is very prevalent in the canal and Polder area and whenever the police catch up with the thieves something happens, and on most occasions they pay a fine; be it resolved that legislation be passed empowering the courts to jail persons found guilty of this offence, because cattle on the whole is part and parcel of agriculture production in this country.

Another issue is the problem of children roaming the streets in several communities.

It is at this very forum that positive actions are taken for fruitful results. A motion from residents of Region 4 is as follows:

"Whereas it has been found that there are children of school age roaming the streets;

And whereas they have both parents--mother and father alive and well;

And whereas the parents seem / not to have any interest in the welfare of their children;

Be it resolved that the Sixth Biennial Congress instruct the agencies that are responsible to intensify their efforts to bring an end to this situation."

The above is but a mere sampling of deliberative character of a PNC Congress.

#### Foreign Delegations Expected

Georgetown SUNDAY CHRONICLE in English 18 Aug 85 Congress Special p 3

[Text]

Overseas delegates to the Sixth Biennial Congress from fraternal parties and organisations will officiate at a number of workers' rallies to be held in various parts of the country.

Traditionally, these rallies serve to provide the opportunity for these delegates to present their Congress messages as well as make Guyana workers aware of conditions which they obtain in their own countries.

They also serve to provide Guyanese workers with an opportunity to express their solidarity with their counterparts in the countries from which the delegates originate.

One such rally is scheduled for Mahaicony Abary Rice Development Scheme (MARDS) on Wednesday.

Some of the overseas

delegates are coming from Grenada, Iraq, the Saharawi Arab Democratic Republic, the Soviet Union, Yugoslavia, the Democratic People's Republic of Korea, Romania, the German Democratic Republic, Venezuela, Suriname, Poland, Jamaica, China, Zimbabwe, and Trinidad and Tobago.

There will also be delegations from SWAPO, ANC, the Workers' Party of Jamaica, and the Polisario Front.

Visits to a number of development projects are part of the programme of activities for these delegates.

GUYANA

HOYTE: LITTLE PROGRESS IN PNC-PPP TALKS ON UNITY

Port-of-Spain TRINIDAD GUARDIAN in English 21 Aug 85 p 5

[Text]

GEORGETOWN, Tues., (AP) — NEW PRESIDENT, Desmond Hoyte, says there has been little progress in the cooperation talks with the Opposition People's Progressive Party (PPP).

In the keynote address to the People's National Congress (PNC) convention, late yesterday, Hoyte also exhorted party members to be alert and continue to guard against attempts at destabilisation by forces inside and outside the country.

"Preliminary talks have started," Hoyte said of the inter-party meetings. They have not gone a great distance."

#### LITTLE CHANCE

Opposition Leader, Dr. Cheddi Jagan, has proposed forming a coalition Government to help address better this South American nation's economic problems, but PNC sources have indicated that there is little chance of that happening anytime soon.

However, Hoyte said he was interested in identifying areas of cooperation on industrial and agricultural policy. He made no direct mention yesterday, of a coalition government.

"In the final analysis," Hoyte said, "our party is seeking to give PPP members an opportunity to play an honourable, substantial and meaningful role in the national life, and involve itself in the constructive work of enhancing the welfare of the Guyanese people."

"In the national interest, we will always keep the door open for them to enter fully and unashamedly into the arena of nation building. If they approach the talks in the same spirit of national interest as we have, I am confident that the outcome will be successful," Hoyte said.

The party and Government remained committed to the ideal of the Caribbean Community. He added that the Caricom Treaty did not give the nationals of any country the right to interfere in the affairs of another state.

Guyana, he said, would continue to ignore those "who arrogate to themselves the right to pronounce and pass judgment on our domestic affairs."

The biennial convention of the socialist party is expected to culminate on Saturday with the ratification of Hoyte as party leader for the next elections, due by March 31, 1986.

A party favourite, Prime Minister Hamilton Green, reportedly has stressed to party delegates the need for unity.

Hoyte ascended to the presidency, following the August 6 death of Forbes Burnham, Guyana's leader for 21 years.

#### TENSION EASED

On another topic, Hoyte said there had been a welcome lowering of tension between Guyana and Venezuela, which claims nearly two-thirds of this country.

"For years, the claim by our neighbour, Venezuela, has diverted a great part of our energies and resources, away from the development task," Hoyte said.

He added that relations had improved considerably between the two countries since President Jaime Luschinci came to power in Caracas.

The Guyana leader noted that the Secretary-General of the United Nations was dealing with the border issue.

"We await the Secretary-General's determination and reiterate our commitment to full cooperation with him," Hoyte said.

GUYANA

COMMENTATOR ASSESSES POLITICAL CLIMATE ON EVE OF PNC CONGRESS

Port-of-Spain TRINIDAD GUARDIAN in English 21 & 22 Aug 85 p 10

[Article by Rickey Singh: "A Real Dilemma Facing Guyana"]

[Text]

GEORGETOWN, (Cana)

THIS WEEK'S sixth biennial delegates conference of the ruling People's National Congress (PNC) finds the party that has held uninterrupted power for 21 years confronted with a major dilemma following the August 6 death of its founder and charismatic leader, Linden Forbes Sampson Burnham.

The quandary is linked to last week's pledge of both new Executive President, Desmond Hoyte, and new Prime Minister, Hamilton Greene, to continue the political and economic programmes of the late socialist President.

With Burnham at the helm, the leftist PNC was already immersed in plans for another controversial General Election not later than March 31 next year, as talks continued with its major opponents, the People's Progressive Party (PPP) of Dr Cheddi Jagan, to promote national unity and increased economic production. There is not much optimism here for the PNC-PPP talks.

Now that the 62-year-old Burnham has died there is a wide body of opinion here that this politically polarised multi-racial society, currently experiencing unprecedented social and economic problems since internal self-government came in 1961, would have enormous difficulty attaining economic recovery

and national cohesion unless there are fundamental policy changes at the highest levels.

Unemployment is estimated at a previously unheard of 30 per cent, exports last year were down to about half of 1984 levels, the national debt has assumed record proportions, the health services are in poor shape and shortages abound in basic needs due to a chronic foreign exchange shortage.

The announcement by President Hoyte that the widow of the late President, Viola Burnham, has been appointed as one of four Vice-Presidents and also one of four Deputy Prime Ministers, is not seen here as being politically significant in terms of fostering national consensus.

The leaders of two mass-based organisations here, General Secretary of the Guyana Trades' Union Congress, Joseph Polydore, and chairman of the Guyana Council of Churches, Rev. George Richmond, feel that a political solution based on national consensus is sorely needed at this phase of the country's history.

President Hoyte's establishment of two 15-member advisory committee dealing with private sector and religious affairs to advise the Government is viewed as an attempt to improve relations with the business community and the International Monetary Fund, on the one hand, and to end the tension that has been existing between church and state for some years now.

PERSONALITY CULT

Mrs Burnham's elevation to a Vice-Presidency in an administration that has the biggest political directorate in the Caribbean Community, puts her in line as a candidate for the presidency.

As head of the Women's Revolutionary Socialist Movement (WRSM), she controls the single largest constituency within the PNC and the current PNC Congress will have to take serious note of her political intentions with presidential and parliamentary elections just a few months away.

One political commentator and sociologist said that the decision to embalm the body of Mr Burnham for permanent viewing, and the subsequent announcement that Mrs Burnham was now a Vice-President and Deputy Prime Minister, would be interpreted as clear signs of attempts to institutionalise the Burnham personality cult.

It was Burnham who held centre stage in the political life of the country for almost thirty years and who dominated both his party and the Government, which became indistinguishable in this supposedly multi-party democracy that has not experienced, according to the PNC's opponents, free and fair elections since 1968.

Neither the 56-year-old Hoyte, who was quickly elevated to succeed the late Guyanese leader as both executive President and party leader, nor the 50-year-old Greene, compared favourably to Burnham in terms of intellect, political sagacity, charisma or influence.

As was expected of new leaders of the same Government whose guiding doctrine is paramountcy of the PNC, both Hoyte and Greene reflected the thinking of the party's powerful decision-making General Council (central committee) that there should be no fundamental policy shifts.

This, in essence, is interpreted to mean

that they will steer the course of party paramountcy; pursue socialist transformation of the society; and that the party's thrust toward and the socialist bloc countries will continue within a policy framework of genuine non-alignment.

However, the feeling among political observers is that it might be less difficult to keep alive the radical rhetoric of Forbes Burnham — given the political culture of socialist-orientation influenced by both the PPP and PNC — than to ensure a continuation of the late PNC leaders' concept of his Party's role in national politics, or to advance his economic and political programmes.

One Guyana university lecturer cynically remarked that the new leadership might talk left while skilfully manoeuvring to the right, but that this tendency may become more apparent after new presidential and parliamentary elections.

The United States administrator of President Ronald Reagan, which has had cool relations with the Burnham presidency, has already indicated, through its embassy here, that it was keen on improving relations and looked forward to improvement in the government's human rights record and, hopefully, changes in economic and political programmes.

With fresh elections expected in December, but constitutionally due no later than March next year, the coalition of left-wing, liberal and rightist forces within the hierarchy of the PNC is favoured to hold together since what binds them is more important than any ideological differences or political strategy, and that is a retention of power for the PNC.

Seasoned Guyana watchers believe that the PNC's one week congress, which began August 18, will endorse the leadership structure of the Government put in place upon Burnham's death, and reaffirm the policies associated with the late President, including unity talks with the PPP, even as the administration continues to face widespread disenchantment with its programmes.

That some of the Government's policies and programmes have contributed to the desperate economic straits the country is experiencing is hardly arguable.

There is unprecedented trading in illegal consumer commodities, including wheaten flour, and foreign currencies. A US dollar fetches as much as 12-14 Guyana dollars when the official rate is (US) 22 cents for one Guyana dollar on an expanding parallel market that continues to manifest some of the worse features of Guyanese social relations and attitudes in the law-enforcing agencies.

## OBLIGATIONS

The Government has reached stalemate with the International Monetary Fund (IMF) which earlier this year declared this Caribbean Community (Caricom) State temporarily ineligible for future assistance and the World Bank considered Guyana uncreditworthy for non-concessional financing.

Further, with its debt obligations amounting to an estimated US one (1) billion, the PNC regime was already faced with suspension of economic assistance from the Caribbean Development Bank (CDB) and various Western donor countries when the last Caricom summit decided to

impress upon Guyana to honour its payments of some (US)\$100 million to the regional Multilateral Clearing Facility.

Trinidad and Tobago, for its part, was in the process of negotiating the repayment of more than (TT)\$400 million owed by this co-operative republic to that country, when news came of Burnham's death.

Government critics say that social problems, aggravated by high unemployment, were not being alleviated by a policy that led, for instance to the 1985 budget devoting less than 15 per cent to the combined social services of education, health and housing, while the country's expansive military-security apparatus was allocated 12.2 per cent.

Hopes for economic recovery are being pinned on increased production in the nation's vital, bauxite, rice and sugar industries. But the Government's political opponents, as well as representative organisations like the TUC and the Guyana Council of Churches (GCC) have told CANA that the future stability and progress of the country was integrally linked to a political solution.

For opposition leader, Dr Cheddi Jagan, for example, this (the PPP) political solution must be based on democracy and free and fair elections.

He rules out any possibility of a PNC-PPP coalition Government resulting from a negotiated settlement without fresh elections.

Any PPP-PNC Government which does not include other democratic and progressive forces and is arrived at by negotiations and not elections, he said, will face harassment and attacks from imperialism.

#### POLITICAL SOLUTION

"Faced with such attacks and with an economy already bankrupt, such a PNC-PPP Government without effective power would not be able, especially in the short-term, to meet even the minimal expectations of the people...," Jagan said.

With the death of Burnham, said TUC's General Secretary, Pollydore, the need for a political solution to the nation's problems has become even more pressing.

He said that unless the new President and his Government colleagues respond quickly and positively to the mood on the ground, then we may experience an unfortunate period of drift following the swift transition that took place with the death of Burnham.

"More than going out to meet and listen to what the people are saying," said Pollydore, "the new President must understand the value of seeking a meaningful political solution to the forces that can contribute to resolving the pressing social and economic problems we now face."

"So far as the TUC is concerned, our own commitment to a political solution goes beyond any initiative

by the PNC and PPP to have unity talks. Therefore, in accordance to a decision taken at our last

annual delegates conference, we are beginning a round of talks with the political parties, and we have deliberately decided to start with the Working People's Alliance (WPA) which we feel should also be free to participate, without unnecessary restrictions in the political process.."

Current Chairman of the Guyana Council of Churches, Rev. George Richmond, said that the late President had many good objectives, but there were also some very serious problems, and not all Guyanese were able to identify with his objectives..

"I would, therefore hope," he said, "that the new leadership would be able to insure the co-operation of the people to involve them in the decision-making processes. One area in which this must clearly happen without any delay is in the exercising of their right to freely vote for a Government. This lack of electoral democracy in Guyana explains much of our current problems and I would sincerely hope for a new approach.."

GUYANA

GAWU SEEKS TUC SUPPORT IN CALL FOR POLITICAL SOLUTION

FL042150 Bridgetown CANA in English 2054 GMT 4 Sep 85

[Text] Georgetown, 4 Sep--The powerful Guyana Agricultural and General Workers Union [GAWU] this month seeks the endorsement of the Trade Union Congress (TUC) for moves towards a political solution to the problems of Guyana. The union will put a resolution to the TUC's annual delegates conference here 25-29 September calling for an urgent political solution.

Such a solution, the resolution added, would improve the conditions of the working people and enhance social progress.

The union is an affiliate of the opposition People's Progressive Party (PPP), which has been campaigning vigorously for a political solution to Guyana's problems, envisaging, among other things, formation of a broad-based national patriotic front government of leftist forces.

A string of other resolutions from other TUC affiliates deal with a wide range of domestic and foreign policy issues, including expressions of solidarity with Nicaragua and the black peoples of South Africa and Namibia.

One resolution criticises President Reagan's space-based defence initiative, the so-called Star Wars Project, aimed at designing a sophisticated anti-missile system.

The Guyana Union of Teachers has submitted a resolution for debate at the congress calling for increases in tax allowances granted Guyanese workers.

The Public Service Union has submitted one resolution calling for improvements in the country's health services and urging government to ensure that adequate supplies of medicines and dressings are available at local hospitals.

CSO: 3298/993

GUYANA

## RICE, SUGAR SHORTAGES REPORTED; COUNTERACTION TAKEN

### Genesis of 'Crisis'

Georgetown CATHOLIC STANDARD in English 4 Aug 85 pp 1, 4

[Text] GUYANA was once known as the 'Rice Basket' of the Caribbean. We supplied the region with all the rice it needed.

We secured guaranteed prices for our rice, regardless of what the price was on the world market.

The industry expanded, it became more mechanised and it flourished.

Our production increased to a point where we had surpluses to sell outside of the Caribbean.

In 1973, came the oil crisis and with it a steady rise in the cost of production and a shortage of foreign exchange.

The Rice Board management were not geared to meet the crisis and, as a result, the industry could not get the new machines and spares to keep on producing efficiently.

Production fell. Many farmers abandoned rice and brought their land under cattle, while others left the land idle. Today thousands of acres of our rice lands are not planted. Many rice workers became redundant. Emigration was stepped up. The rice farmer migrated North and the rice workers skipped across the border to Suriname.

There, some 30,000 Guyanese are reported to have found work in the rice fields.

The farmers who remain lack new equipment, spares, and experienced

rice workers. Our actual rice production today is less than half of what it was five years ago. We have reached a crisis situation where there is not enough rice available to satisfy the needs of the Guyanese consumer. This has led to black marketing and people are made to pay nearly double the cost price for their rice.

The situation will not improve with the reaping of the present rice crop as 40% - 60% of the land prepared was not planted. Weather conditions were ideal for land preparation and the farmers took the opportunity to prepare thousands of acres in preparation for the April showers and May-June rains, but, they never came.

Only areas where irrigation water was available has rice been planted.

The morale of the rice farmer and the rice miller is at its lowest ever. And they are the ones who control the industry, whether or not some people may think differently.

Apart from the shortage of equipment and spares and the frustrations caused by the weather, they have the police and the PNC Regional officials to contend with.

To increase our rice production, it will be necessary to do the following:

- 1) Let the regional authorities and the police act in a way that will encourage the rice producers to produce rice. The behaviour of these officials leaves much to be desired.
- 2) Remove the Rice Act of Jan. 1985. This act is so repressive that it leaves the farmer no incentive to produce.
- 3) Make a clean sweep of the weighing and grading procedure of paddy and rice at all stations.

Rice producers at some stations are robbed daily with the weights and grades given for their paddy and rice.

- 4) Simply to increase the price of paddy and rice will not increase production.

The rice producer needs to have confidence in the people who manage the Board.

So, appoint businessmen to the Board in whom the rice farmer would have confidence.

### Rice Industry Reorganization

Georgetown GUYANA CHRONICLE in English 12 Aug 85 p 3

[Text]

**ATTEMPTS** at reorganising the local rice industry have been completed as the Government seeks to ensure that the industry maximises its contribution to the national economy.

In keeping with this aim the government recently put in place a number of policy mechanisms through which, it is hoped that the industry will be more efficiently managed so that producers in the industry will have greater incentive to contribute to the national effort.

The key policy measure has been the restructuring of the Guyana Rice Board (GRB) in keeping with the Rice [Regulation of Manufacturing and Marketing] Act which took effect from 85-07-15.

This Act made provision for the creation of three new entities — the Guyana Rice Milling and Marketing Authority (GRMMA), the Guyana Rice Export Board (GREB) and the National Paddy and Rice Grading Centre (NPERGC) — to supervise and initiate a general expansion of activities in the industry.

These activities will include the regulating of the manufacture, sale, distribution and export of rice and byproducts of paddy manufactured in Guyana and the stimulating of producers to higher yields both in cultivation and in milling.

The three entities will have a common Chairman to ensure orderly transition to the new structure and close collaboration between the three entities. The Board

of each of these entities includes the respective General Manager, nominees of relevant State agencies, rice farmers and rice millers representing all the rice-producing regions, worker representatives and representatives of organisations which speak of behalf of consumers and the public.

The Chairman of the Boards of the new agencies will be Cde Nelson [Leon] Dundas whose office will now become part of the

Office of the Prime Minister where he will create an inspectorate to oversee the activities of each of the three entities and their regional operations. This approach is intended to ensure continuity and proper co-ordination of activities within the rice industry.

Cde Claude Housty will be the new General Manager (Ag) for the Guyana Rice Export Board on secondment from Guysuco, while Cde Kenneth Croal will be the new General Manager (Ag) for the National Padi and Rice Grading Centre. Cde Croal was the Processing and Product Development Manager of the now dissolved GRB.

Meanwhile, Cde Dundas will act as General Manager of the Guyana Rice Milling and Marketing Authority for

the time being.

These institutional changes are supportive of plans for intensifying production and productivity within the rice industry as will be spelt out in a forthcoming four-year [1985-1989] Agricultural Development Plan.

Other concomitant changes can be seen in the recent upward adjustment of prices for rice to farmers.

The current initiatives in the rice industry, officials explained, are being undertaken after careful analysis and consultation with a wide range of people involved, including rice farmers and millers, and are in keeping with government's policy to provide a package of incentives to boost higher production, particularly in the rice industry which continues to be of crucial importance to the national economy. (GNA).

#### New Rice Group Units

Georgetown GUYANA CHRONICLE in English 12 Aug 85 p 3

[Text] MEMBERS of the Boards of the three new entities established within the local rice industry have been named.

The Boards of each of the three new entities — the National Padi and Rice Grading Centre [NPRGC], the Guyana Rice Milling and Marketing Authority [GRMMA] and the Guyana Rice Export Board [GREB] — will be headed by Cde Leon Dundas who served as General Manager of the Guyana Rice Board [GRB] before that body was dissolved.

Members of the Board of the National Padi and Rice Grading Centre are: Cdes Neilson Dundas, A.A. Chairman, Kenneth Croal, General Manager (Ag.) Deochand Narain, Senior Planner, State Planning Secretariat, Hari Persaud, Head of Coastal Division, National Agricultural Research Institute, Joseph Bacchus, Rice Farmer, Region Four and Cde Inshan Ali, Rice Farmer, Region Six.

The Board will also have one representative each from Guyana Rice Export Board and the Georgetown Chamber of Commerce and Industry in addition to a workers' representative.

Members of the Board of the GRMMA are: Cdes Neilson Dundas, Chairman [and acting General Manager for the time being], Patrick Motoo, Permanent Secretary, Ministry of Trade, John Pluck, Head, Urban Agricultural Unit, Office of the President, Kenneth Jagan, Rice Farmer, Region Three, Shirley Klass, National Field Secretary, WRSM, Ivor Allen, representative Region Two, Pomeroon/ Supenaam, Angad Rupae, M.S. representative Region Three, Essequibo Islands/ Demerara West, Chandranarain Doobay, M.S. representative

Region Four, Demerara/ Mahalca, Abdul Juman, representative Region Five, Mahalca/ Berbice, Winston Samuels, representative Region Six, East Berbice/ Corentyne and a worker representative.

Members of the Board of the GREB are: Cdes Neilson Dundas, Chairman, Claude Housty, General Manager (AG), Prabhu Sookraj, Chief Planner, Ministry of Agriculture, Kayman Sankar, rice farmer/ miller, Region Two, Pomeroon/ Supenaam, James Matheson, Deputy Head, EIEC, Lawrence Williams, Research Economist, Bank of Guyana, Inshan Ali, Head, Export Promotion Council, and a representative from the GRMMA together with a worker representative and Cde Griswald Vankenic, Head, Production Mobilisation Division, PNC Secretariat. (GNA).

### Sugar Work Stoppages

Georgetown SUNDAY CHRONICLE in English 18 Aug 85 p 8

[Text] BLAIRMONT was the only one of Guysuco's 10 sugar estates which obtained a creditable performance on the Corporation's weekly honours roll.

In the weekend Press statement, the Corporation said Blaimont made 82.1 per cent of the week's estimate. As a result the Corporation has stressed the importance of workers making better opportunities of the available days so that the 160 000-ton target, set for the second crop, can be achieved.

Wales was affected by weather conditions, while Leonora and Uitvlugt were

equally troubled by the weather and incomplete factory maintenance respectively.

The others, Skeldon, Albion and LBI experienced work stoppages, the statement said. No grinding operations at Wales, Leonora and Uitvlugt were done. The week's production totalled only 3,540 out of an estimate of 8,270 tons.

### Report of Shortages

Port-of-Spain TRINIDAD GUARDIAN in English 23 Aug 85 p 6

[Text] A SHORTAGE of both sugar and rice has been reported in Guyana, a country that produces both commodities for export.

The "Mirror" newspaper, in a report on Sunday, said that the rice shortage was entering its third week while the sugar shortage is in its second week.

The two items have been in short supply at different times but on this occasion they have both disappeared from the shops. Even state-owned outlets and privately-owned supermarkets are without the two staple items.

However, the "Mirror" which is published by the Opposition reports, the items are "amply supplied" on the black market with one pound of sugar selling for as much as \$2.

"Consumers are being held to ransom by this artificial shortage," the "Mirror" states, "for it is well known that there are stocks of both sugar and rice in Guyana at the moment."

"It is, therefore, construed by observers that massive hoarding is taking place at some level of the distribution process."

#### COMMODITIES

There is also a problem with the availability of salt in the country. Although a large shipment arrived and was reportedly distributed, most consumers can only get the commodity on the black market at \$4 or \$6 per pound.

According to the "Mirror," one factor which is aggravating the shortage in the country is the heavy smuggling taking place. Rice and sugar are smuggled overseas or across the border for foreign exchange which is then banked overseas or used to buy commodities in demand in the country.

### Rice Producers' Dissatisfaction

FL022010 Bridgetown CANA in English 1930 GMT 2 Sep 85

[Text] Georgetown, 2 Sep--Guyana's Rice Producers Association [RPA] has criticized its lack of representation on three key industry sections. The association noted that it is not represented on the three component parts into which the Guyana Rice Board has now been split--the National Padi and Rice Grading Centre, the Rice Milling and Marketing Authority, and the Rice Export Board.

The RPA feels that the new set-up is an exercise in bureaucracy and that it has no nexus with the farmers at the grassroots, whose bona fide organization has been passed over for hand-picked individuals, said the RPA.

This is not the way to turn the industry around, it added.

The association warned that bureaucratic control of the various rice boards and chasing farmers off the land are roads to disaster.

The association's reference to farmers being chased off the land apparently referred to charges that rice farmers, who were switching to cash crops, were threatened with expulsion from lands in the Black Bush Polder area of the country. The association claimed that authorities in eastern Guyana planned strong action against the Black Bush Polder farmers. But it warned that such action would be ill-advised at this juncture.

There must be a reason ... why rice farmers are moving away from rice cultivation ... the authorities must find out these reasons first, and then swiftly move to rectify them, the association added.

The association noted that farmers have been confronting problems in irrigation floods, drainage, fertilisers, as well as spares for equipment used in planting and harvesting rice.

The association said its figures showed production costs rising steadily over the years, but farmers not being compensated by increased prices.

### Hoyte Action

FL042158 Bridgetown CANA in English 2057 GMT 4 Sep 85

[Text] Georgetown, 4 Sep--President Desmond Hoyte has personally ordered rice industry authorities here to ensure that Guyanese consumers obtain rice.

Hoyte's instructions came as a shortage of rice on the domestic market forced Guyanese consumers to queue for the staple and pay as much as G12 dollars a gallon for it. The price of rice is controlled at six dollars (one G dollar : 23 U.S. cents) a gallon in Guyana--the Caribbean's largest producer of rice.

Hoyte surprised vendors and officials alike when he turned up at Bourda Market in Georgetown and at Guyana Stores--a state-run supermarket in the heart of the city, to assess the situation himself at the end of last month.

Officials said Hoyte summoned senior members of the state rice milling and marketing authority and told them: Let the people get the rice.

Hoyte reported some improvement in the situation, but added: I am still not satisfied ... I do not think the Guyana rice milling and marketing authority people are getting about the task as efficiently as they should.

CSO: 3298/994

GUYANA

## REPORT ON WORKERS, RAMIFICATIONS OF PARALLEL MARKET

Port-of-Spain SUNDAY EXPRESS in English 18 Aug 85 p 19

[Article by Trevor Farrell]

[Text]

**THERE ARE two economies in Guyana today. One is the official economy presided over by the government. The other is the invention of the Guyanese people. They call it the "parallel market".**

The official economy is largely a stagnant, ruined economy as the government's own statistics reveal. By contrast, the parallel market is growing and expanding into a most remarkable set of systems. These systems have permitted the Guyanese people to ensure their own survival at a very basic level.

In fact, one gets the sense that over the last two to three years, things have bottomed out in Guyana as far as the people are concerned. Their welfare may or may not have improved, but it has at least fallen no further. To the extent that this is so, the credit must go to the parallel market.

What is the parallel market? It is a series of interlocking systems. Let us look at the system for supplying goods. The Guyanese Government, under the late Forbes Burnham, made clear its disapproval of such items as chocolates, corned beef, sardines, and most recently, bread from wheat flour.

Furthermore, because of the supposed shortage of foreign exchange, it has been unwilling, or unable, to provide in the quantities required, such items as spare parts for cars, toilet paper, soap, milk and other consumer items. The government has tried to restrict the importation of these items. In some cases it has attempted to force the population to use local substitutes it is producing.

For example, it has tried to force the population to substitute rice flour for wheat flour. The population quite clearly does not agree that it should not have the things the government says it should not. Neither does it look with favour on the substitutes the government has in some cases sought to manufacture in its myriad state corporations. Therefore the population has gone into business to supply the banned or restricted items for itself.

In Georgetown today, unlike two years ago, one can have almost anything one wants, for a price. Despite official restrictions on spare parts, the streets are full of happily running cars. Bread is sold openly on the streets and in the markets. So, too, is chocolate, clothes of all types, flour, milk, cheese and a wide variety of other consumer items.

How do these goods come in? Two ways. First of all, there is the remarkable trade of the hucksters. This has become a West Indian phenomenon. One sees it in Jamaica, Grenada, Trinidad and elsewhere. It involves quite ordinary people who turn themselves into suitcase entrepreneurs, and regularly travel out from their countries to buy, and sometimes to sell.

The Guyanese hucksters fly to Barbados, Trinidad, Brazil, Suriname and the USA, buying and bringing in goods banned or restricted by the government. They willingly suffer the petty humiliations and contempt visited on them by airline and immigration personnel in Barbados and Trinidad. They bribe and cajole their way past customs, police, and security personnel in Guyana itself.

These latter supplement their meagre official income by the bribes they receive from the traders to look the other way and ignore

the government rules they are supposed to enforce. Airline personnel also benefit through helping favoured traders evade controls on excess baggage.

Secondly, there is the much bigger business of smuggling. This involves large volumes of commodities such as flour. It takes place across Guyana's borders with Suriname, Venezuela, Brazil and along its sea coasts as well. In the case of Suriname, the trade has grown so big, that there is now a major effort on the part of the Surinamese military regime to stamp it out.

The Guyanese army is reportedly deeply involved in the trade, both directly, in terms of bringing in items themselves, and indirectly, in the sense of looking the other way for a fee.

The trade takes place because of the profits it offers. The profits are in turn due to the astronomical prices the goods command in Guyana — prices dictated by the artificial scarcity caused by the government. For example, a small Charles candy chocolate that sells for \$1 in Trinidad is offered on the streets of Georgetown for G\$10. A tin of Eagle condensed milk is G\$18, a 2lb packet of Kerrygold milk that costs TT \$6.93 in Trinidad is G\$70.

In Georgetown you can get a sandwich loaf for G\$15, a 2 oz piece of cheese for G\$5, a roll of toilet paper for G\$7, and a 2 lb packet of flour for G\$16. Ladies underwear can be had for G\$65 and a bottle of Flex shampoo for \$69. At the official exchange rate, one Guyanese dollar is worth about TT .56c.

The astronomical prices that consumer items can fetch in Georgetown ensures that the illegal trade is big business and profitable business. It is therefore small wonder that all the flights into and out of Guyana are filled to capacity. The government's imposition of a 50 per cent tax on plane tickets and a \$50 departure tax has not affected one whit. Neither does the G\$140 a taxi will charge to take you to or from the airport.

So big is the trade now, and so central to the economy, that even government-owned stores, such as Guystores, are forced to buy goods from the hucksters. An increasingly elaborate distribution system is now evolving. Some hucksters are so busy travelling and buying, that they just specialise in that, leaving the actual retailing to a different set of specialists.

But how do people afford to buy the banned and restricted items at the kind of prices asked? Wages in Guyana are very low. A university professor earns about G\$4,000 a month (TT \$2248), a university graduate between G\$700 and G\$800 (TT\$400 - \$450). Unskilled labour receives about G\$13-15 a day (roughly TT\$7-9). A favourite answer to this question was that everybody is hustling, everybody is stealing, nobody's real income is their official income.

It is true that, from all reports, embez-

zlement, employee theft, scams and hustles of all kinds are on the upsurge. However, this cannot be the whole explanation. More probably, what is happening is that people are reducing their expenditure on other things to the extent that they are buying high-priced items on the parallel market. Also, a lot of people just cannot afford these items and are doing without. The result is impoverishment, malnutrition and undernutrition among sections of the population.

Another question that arises is how does the government tolerate this parallel economy? Obviously they must be well aware of it. The answer is twofold. High officials have reportedly argued that the parallel economy provides a political safety valve for the government. Also, these people believe that it is a vehicle that is building African entrepreneurship, therefore the government should let the trade alone.

Secondly, the parallel economy functions because its profitability enables it to suborn and subvert the official institutions of the state. Top officials in Guyana seem to live a Dr Jekyll and Mr Hyde life. Economic necessity drives them, like everyone else, into buying things they need on the parallel market. The low wages they receive and the high profits participation offers, provide enormous temptation to operate in it themselves and to allow it to operate.

But probably, most important is the fact that there is no social consensus for the government's policies. The population just refuses to accept the notion that it is illegal to eat bread or corned beef. Further, the belief that there is widespread corruption at top levels means that the government has little moral authority.

The situation provides yet again a demonstration of how bad laws and bad systems lead to disrespect for all law and the subversion of the entire social order. It also demonstrates yet again that while repression may be easy for a government in today's world, it cannot achieve anything positive in terms of economic policy if there isn't some minimal social consensus in support of what it is trying to do.

Guyana is today a society riddled with what may technically be called corruption. But it is a corruption born of desperation and a people's need to survive and to feed themselves and their children.

The problem is what this will do to the society in the long term. When tellers stroll out of their commercial banks at lunchtime to trade the U.S. dollars they have taken in on the bank's behalf that morning on the black market, it is the beginning of the end of any proper commercial banking system. When the police and customs begin to regard the bribes they receive as a normal, regular part of their income, for which they budget in advance, the entire fabric of society begins to unravel.

The Guyanese poet Martin Carter was one of several who asserted that in Guyana today, operating illegally or extralegally has become the norm, and that anybody who tries to do what the rules say has now come to be regarded with suspicion, as a potential trouble maker.

In time, the parallel market may grow into a monster. It is not hard to envisage that the time will soon come when the government will no longer be able to control it, even if it wanted to. Some people assert that that is already the case.

It is also ironical to see how in backward Third World states governments institute policies which have effects exactly the opposite of what they intended. Fifteen years ago Forbes Burnham set out to create a co-operative, socialist republic, to transform the Guyanese economy, and to make the "small man a real man."

Today there is little pretence that anything called "development" is taking place. Furthermore, it is increasingly clear that what he has created is a highly individualistic, primitive capitalism in which the small man has to live by his wits and hustle to secure his daily bread.

It will be interesting to see in what direction Guyana will go now that Mr Burnham has departed the scene. The parallel market is a direct result of certain government policies. But it now has its own logic and momentum. If the new government is weak and uncertain, this momentum may not only be sustained but may even accelerate. It can one day play a significant role in undermining the existing structure of power in Guyana.

To reverse the parallel market successfully will require pretty dramatic changes in economic policy. One way or the other, it looks as though Guyana is now on the brink of a new order of things. The rest of the Caribbean has to be very concerned.

CSO: 3298/993

GUYANA

21 HELD, BOATS SEIZED IN CUSTOMS MOVE AGAINST SMUGGLERS

Georgetown GUYANA CHRONICLE in English 17 Aug 85 p 1

[Article by Kumar Ragnauth]

[Text] East Berbice; (GNA)--Customs authorities in Springlands have seized 11 boats and 13 outboard engines along with a large quantity of prohibited and uncustomed goods following the arrest of 21 persons Thursday.

The massive haul was made during a joint Police-Customs operation, all part of a continuing campaign against smuggling.

According to Senior Police Officers in Berbice, they have made one of their biggest hauls against smugglers operating in the Corentyne River area.

Among the banned and prohibited items seized are potatoes, sardines, wheat flour, split peas and barley.

The Customs authorities were reportedly called in after some of the persons detained were found in possession of false import and export documents.

Eleven of those detained were charged with leaving the country illegally and were placed before Magistrate Edwin Pratt at the Springlands Court yesterday.

Six of them pleaded guilty and were fined fifty dollars each. They are Jairam Prabhudial, Bhagwat, Pradeep, Haresh Pramnauth, Rajindra Persaud and Walter Clifford, all of Corriverton.

The other five who pleaded not guilty were ordered to return to court on 23 August for trial.

Meanwhile, warrants have been issued for the arrest of ten others who failed to turn up in court.

Other charges are expected to be instituted shortly against persons caught in the Police-Customs dragnet.

CSO: 3298/993

GUYANA

## GDR TECHNICAL TEAM IN TALKS ON COOPERATION IN AGRICULTURE

### Agenda for Discussion

Georgetown SUNDAY CHRONICLE in English 4 Aug 85 p 1

[Text]

PROPOSALS submitted by the two countries to the Guyana-German Democratic Republic Joint Commission earlier this year will be further discussed tomorrow when a four-man GDR technical team begins talks with local officials.

Expected in the country last night, the team will be headed by Deputy General Manager of the GDR's Agriculture and Machine Building Ministry Gerda Foerster, while Chief Agricultural Officer Dr. Pat McKenzie will lead the local delegation. The team will be here until August 15.

The talks specifically concern the development of the agriculture industry with emphasis on rice. The opportunity will also be taken for the Germans to visit the Mahaica/Mahaicony Abary Water Control project, the Drainage and Irrigation Scheme at Tapakuma, Essequibo; and Kimbia, the Guyana National Service's Agri Complex and hinterland headquarters.

While the local agriculture ministry will be the main discussion agency during the talks, the Department of International Economic Co-operation, the Guyana Rice Board, Guyana Stockfeeds Limited, the National Edible Oil Company and the Guyana National Service, will also participate.

1 October 1985

Other GDR team members are Guenther Danyle, Deputy General Manager for the Foreign Trade Enterprises, Juergen Hasse, Director of Foreign Trade and Dr Rainer Falch, Scientific Assistant of the Inter Agri Cooperation.

The local team includes Dr Leslie Chin of NEOCOL, Donald Abrams of the Department of International Cooperation, Oscar Dolphin, Desk Officer, for East European Affairs, DIEC, and Colonel Joe Singh of the GNS.

Before talks get underway at 10:00 hrs at the Agri Ministry, the team will call on Minister Dr Simpson DaSilva and Permanent Secretary Fitz Forway.

#### Cooperation Package

Georgetown GUYANA CHRONICLE in English 15 Aug 85 pp 1, 8

[Text] **A FOUR-MEMBER** team of technical experts from the German Democratic Republic which arrived here earlier this month is expected to wrap up talks today with a local delegation and to come up with a positive package for technical and other forms of co-operation in agriculture.

A spokesman of the local team, Dr. Pat McKenzie of the Ministry of Agriculture, yesterday, noted that the talks were progressing satisfactorily and that agreement had been reached on various aspects.

The two teams, during preliminary talks last week, had agreed on the need for on-the-spot assessments to decide on agricultural issues and had discussed matters relative to proposals for a joint venture which had been proposed between Guyana and the GDR.

Possibilities for co-operation between the two countries were first explored when proposals were submitted earlier this year to the Guyana-German Democratic Republic Joint Commission.

For field studies, the delegations visited various

projects including the Mahaica/ Mahaicony Abary Water Control project.

Heading the GDR team is Deputy General Manager of the GDR's Agriculture and Machine Building Ministry, Gerda Foerster. Other members are Guenther Danyle, Deputy General Manager for Foreign Trade Enterprises, Juergen Hasse, Director of Foreign Trade and Dr. Rainer Falch, Scientific Assistant of the Inter Agri-Co-operation.

Members of the local team include Donald Abrams, Head of the Department of International Economic Co-operation, (DIEC), Dr. Leslie Chin of NEOCOL, Dr. McKenzie of the Ministry of Agriculture, Oscar Dolphin, Desk Officer for East European Affairs, DIEC, and Colonel Joe Singh Director-General of the Guyana National Service.

## Rice Harvesters

Georgetown SUNDAY CHRONICLE in English 18 Aug 85 p 16

[Text] **TWENTY** rice combine harvesters which were acquired from the German Democratic Republic under a barter agreement between the Government of Guyana and the G.D.R. have arrived in the country.

The E 512 Fortschritt rice combine harvesters with spare parts valued in excess of \$4 million arrived on the vessel "Primorsk" last Tuesday.

A G.D.R. technician is expected in Guyana shortly to commence technical training and to head a service maintenance crew in the preparation of the units for sale and service support.

### PRIORITY

Executive Director Vibert Parvatan of the Guyana National Trading Corporation observed that since 1982 there was no importation of Rice Combine Harvesters for farmers and that the late President, Cde Forbes Burnham had directed that priority be given to the importation of these units which would positively impact on the rice industry.

Cde Gunter Danyel, a representative of the Fortschritt Co., who is now in Guyana, said that the Fortschritt Combine Harvester had proven its worth in a number of countries including Egypt, India and Iraq. In July this year 15,000 Combine Harvesters were sold to Czechoslovakia and a large contract has just been signed with the People's Republic of China.

Cde Danyel stated that traditional customers included: Hungary, Bulgaria, China, Algeria, Ethiopia, France, Sweden, Denmark and Greece.

The G.D.R. official expressed confidence that the machines will be successful in Guyana.

CSO: 3298/995

GUYANA

BRIEFS

BAUXITE AID FROM BRAZIL--Georgetown, 30 Aug--Brazil is to assist Guyana with the rehabilitation and modernisation of its problem-ridden, state-owned bauxite industry, an official announcement here said today. The statement said a team of Brazilian experts will arrive here this weekend for discussions with government and industry officials. The modernisation programme will also involve East Germany, a senior government spokesman said. Features will include the rehabilitation of plant equipment, strengthening of management and development facilities, and the adoption of new strategies for dealing with technological conditions. Phase one of the modernisation plan is estimated to cost around 100 million dollars (one Guy dollar : 23 U.S. cents). The government is negotiating with the European Economic Community (EEC) to secure financing. The EEC has already disbursed three million dollars for the project and has earmarked another 35 million dollars for later contributions. [Text] [Bridgetown CANA in English 1628 GMT 30 Aug 85 FL]

GOLD FIND--Guyana's opposition paper the MIRROR has said that a Canadian firm has discovered a large gold deposit valued at \$2.5 billion (U.S.) or \$6 billion T&T dollars in the Guyana jungle. In its editorial of 18 August, the paper said the gold was found by Gold Star Resources based in Edmonton, Canada, which is linked to the transnational giant, Anaconda. The editorial was based on a report in the EDMONTON JOURNAL which said that the deposit was proved in the 1940s and Anaconda spent \$3 million to prove the site between 1947 and 1950 but this type of gold deposit was not popular at the time. The deposit may be developed by Golden Star or it could be sold to a major company with Guyana getting five percent equity and 7.5 percent of the revenues. The MIRROR said: "If the deposit really exists, they could be worth the figure Golden Star estimates. In any case, a mere five percent equity and a mere 7.5 percent revenue must have been the kind of sell-out contract signed in the early British colonial days. As such the formula is totally unacceptable to any Guyanese patriot today." [Text] [Port-of-Spain EXPRESS in English 24 Aug 85 p 5]

CSO: 3298/995

PERU

COMMUNIST PARTY RESPONDS TO PRESIDENTIAL ADDRESS

Lima UNIDAD in Spanish 15 Aug 85 p 12

[Text] The Peruvian Communist Party (PCP) has the following to say about the message that the president of the republic, Dr Alan Garcia Perez, presented to the country on 28 July:

1. Inasmuch as the dominant policy of the recently defunct AP [Popular Action]-PPC [Popular Christian Party] regime was marked by servile subjugation to the dictates of the International Monetary Fund and the transnational corporations, in direct detriment to national sovereignty and the Peruvian people, the new chief of state's remarks are positive. Indeed, the extremely grave situation that our homeland is experiencing and the demands of our nation's masses necessitate sweeping anti-imperialist changes as well as very strong and specific steps to tackle the crisis and stand up to outside pressures.

In this regard, the president made a constructive announcement about repealing the so-called "Kuczynski Law," which exempted the imperialist firms, Occidental in particular, from paying taxes to the Peruvian State. It is to be hoped, however, that the new regime will not offer any "new incentives" of that nature in the future. The president's announcement about the handling of the foreign debt also offered an interesting new approach. As United Left (IU) pointed out, the debt is, objectively speaking, unpayable. In any event, though, a government that prided itself on representing national interests would be wrong to take on commitments that went beyond those that the president set forth in his message on our national holiday.

If his plan in this regard is drawn up and applied consistently, it will meet with strong resistance from financial capital, the IMF and the U.S. administration itself. The resistance will be even stronger if the bill restricting monopolies in the country and the control of profits remittances overseas are enforced for patriotic ends.

The harsh reality of economic relations in the capitalist world will become evident to us, as the IMF will reject this policy and apply pressure against it, thus creating a contradiction that the Peruvian Government will be able to cope with only if it pursues a consistently anti-imperialist policy and relies on the patriotic and progressive forces of society.

2. The following major decisions were announced in the message: the reorganization of police forces in 60 days; an obvious determination to punish those who have violated human rights under the pretext of combating terrorism; a double penalty for those who betray the public trust, and the announcement that those guilty of unethical conduct in the AP-PCP administration will not go unpunished.

The president also reiterated important points about the living conditions of our people and the roots of our dependency in foodstuffs. The proposal to restrict competitive foodstuffs imports and to expand national output through an Agrarian Development and Food Reform Law is constructive. It will work, however, only if it is based on a broadening of the Agrarian Reform and if it fosters and encourages the involvement of the peasant organizations.

3. The president's correct stands on these issues are the natural upshot of the strength of the grassroots movement and of the workers' forthright struggle, which over the past decade has led to many class battles of far-reaching importance. Such demands were originally made by the grievance organizations of the workers in the CGTP [General Confederation of Peruvian Workers] and the labor movement and were later voiced by the peasant organizations, the Defense Fronts and the entire organized grassroots movement. United Left took up these banners, included them in its platform and gave them a broader political base in keeping with the nation's needs. The fact that the president of the republic has now voiced them represents a well-deserved acknowledgement that they are just and creates encouraging prospects that ought to be appreciated.

4. There are, however, worrisome omissions and inaccuracies in the presidential message. Dr Alan Garcia emphasizes the ideological principle of "the pyramid." According to this erroneous notion, the working class is falsely regarded as a privileged segment of society; the notion is also insulting, if we bear in mind that because of their greater combat experience it is the country's organized workers who can really play a leading role in strengthening an anti-imperialist people's government. Without their indispensable involvement, spurring such a movement in the country is utopian.

The theory that the working class is part of society's "privileged" core cannot withstand the most elementary analysis. If it were, why did it oppose the policies of AP-PCP? It would be well to remember that a capitalist society like ours is divided into the exploiters and the exploited and that owing to its organization, unity and capacity for struggle the working class plays the vanguard role in the battle for liberation.

The government's decision to restore job stability by reinstituting a 3-month trial period is a beneficial step that ought to be complemented by proper labor policies and just responses to union demands. The labor minister must stop employers from unleashing a violent wave of unjustified firings on this account.

The second erroneous idea in the president's message has to do with the alleged existence of "superpowers," which is how he refers to the highly developed countries. We must realize that some are imperialist countries and others are socialist and that their roles are poles apart in today's world. Neither theoretically nor politically should they be placed in the same category. World history shows that a liberation movement can be spurred only by relying on the world socialist system and the workers' international struggle. If the APRA [American Revolutionary Popular Alliance] government really wants to defend the country against financial capital and consistently stand up to the onslaught of imperialism, it ought to fully grasp the fundamental conflict of our era between capitalism and socialism. APRA's is also wrong when it talks about the "affluent north" as opposed to the "forgotten south." The struggle is political, not geographic and entails opposing world systems and classes.

There was a major gap in the president's address, as he failed to take a stronger stand on the Central American conflict. It is not enough to support the Contadora Group. We must consistently support the people of Nicaragua, who are struggling hard against the imminent armed invasion by imperialism.

5. The president proposes to set up a Peace Commission to tackle the wave of violence in the country. This could turn out to be constructive to the extent that it is properly followed up, but it is no substitute for a much needed political amnesty, which the APRA government cannot and must not sidestep. The bill that United Left has submitted, echoing this deeply felt grassroots demand, must be passed as the first legitimate step towards true reconciliation among Peruvians.

6. Other points in the president's message will be clarified by the language in the bills that the new administration submits to Congress, by the sector policies that the new ministers formulate and by the address that the Alva Castro cabinet delivers to Congress in the next few days. The grassroots movement, the working class and all democratic and progressive forces in our nation must be on the alert and combat-ready to pressure the new administration into meeting the country's urgent demands. To this end, we must strengthen and expand United Left, defend the independence of the working class and its organizations, consolidate the People's National Assembly and demand action on current social conflicts such as the CITE strike, the struggle of the SIMA [Maritime Industrial Service] workers, the national bank workers demands, and the pending demands of the mine workers and teachers. Complementing the struggle for their immediate interests, the workers will also be willing to play a leading role in defending the national interests that must be protected at this juncture of history.

Lima, 31 July 1985,  
The Political Commission of the PCP

PERU

CONFIRMED, SPECULATED CHANGES IN FOREIGN SERVICE PERSONNEL

Lima CARETAS in Spanish 26 Aug 85 p 48

[Text] One must proceed with great caution in the field of diplomacy. Last week, several hasty leaks that made their way through the latticed windows of the famous Torre Tagle balcony led to erroneous reporting on the comings and goings of our representatives overseas. CARETAS was also taken in.

Actually, there was a later clarification of President Garcia's announcement from the palace balcony that several heads of mission would be brought back to the country. The fact was that only the so-called "political ambassadors" were going to be removed (under Foreign Ministry rules, the president can appoint up to 15 percent of the heads of mission, a quota that he fills with his confidants). In contrast to the previous government, the current Foreign Ministry is showing that it is respectful of the diplomatic career and of its ranking officers, consistent with the professionalization begun some 40 years ago.

So, Felipe Valdivieso (Ecuador), Oscar Murtua (Canada), Alfonso Arias Schreiber (France), Antonio Belaunde (Switzerland), Enrique Arevalo (Paraguay), Juan Jose Calle (Colombia) and Juan de la Piedra (Mexico) will remain in their posts. For reasons of convenience, Jorge Guillermo Llosa is of course being transferred from the OAS to Sweden. Jorge Raygada Cauvi has replaced Llosa at the OAS. Roberto Villaran will serve as ambassador to China. Luis Barrios is replacing Hoyos Osorio in Buenos Aires, while Luis Macchiavello will head for Japan to replace Roque Zela, who will serve as undersecretary of foreign policy.

We do not know as yet who will replace our ambassadors in London, Rome and Madrid (Aramburu Menchaca, de la Jara y Ureta, and Miguel Mujica Gallo, respectively, who have submitted their resignations). The appointment of new ambassadors will likely be delayed somewhat, for economic reasons, particularly in Spain, perhaps in return for the snub that Felipe the Sailor hurled at Peru.

In contrast, there have been cutbacks in the complementary administrative personnel at our missions. The move is a logical one, since some of them enjoyed these cushy jobs for years without having done much in return for the country.

One of the new embassies that the Foreign Ministry plans to open is in Rabat, Morocco, where Alejandro Gordillo will reportedly be heading. Kenya is an extremely important country today, practically the capital of Africa, and Ambassador Peter Cannock is the UN representative to the major environmental agency there. Other agencies with headquarters in Nairobi are the women's and habitat groups.

Peru plans to extend its diplomatic relations in 1986 to nonaligned and Third World countries such as Saudi Arabia, the Ivory Coast and possibly Zimbabwe, with a consulate in Hong Kong. By 1987 Peru will reportedly have a greater presence in the Pacific Basin by opening missions in Singapore, Indonesia and other Southeast Asian countries. This will be one way to hammer out broader south-south cooperation to offset the north-south relations in which we are at a disadvantage.

8743

CSO: 3348/941

VENEZUELA

CTV PRESIDENT ON NEED TO REVIEW TERMS OF FOREIGN DEBT PAYMENTS

Caracas EL UNIVERSAL in Spanish 14 Aug 85 p 2-1

[Text] The president of the Confederation of Venezuelan Workers (CTV), Juan Jose Delpino, called for an immediate reformulation of the terms of the refinancing agreement that was forged with the banks, because the country cannot afford to pay the amounts contained in the agreement.

He stated that his position is backed by the entire CTV, and the government has been so notified. If President Lusinchi insists on proceeding with the current refinancing plan, it will be like "committing suicide in the spring-time," because the drop in oil income will prevent him from meeting those commitments.

Delpino made these statements upon leaving his office at CTV headquarters.

"I have already told the government, and the president knows, that the terms under which they plan to refinance the foreign public debt should be revised. In the first place, with the drop in the price of petroleum, our country will earn much less in foreign exchange, and it will be difficult to meet those obligations. The amounts that were agreed to previously cannot be paid."

The union leader who heads the country's foremost workers' organization stated that a request must be made to revise the terms hammered out by the Bank Advisory Committee and the Venezuelan negotiators.

"Moreover, the government should begin talks with the United States about a number of points that are of concern to Venezuela and Latin America."

He noted that among these points are the United States' threats to Peru for setting up a mechanism for paying its foreign debt, possible reprisals against the debtor nations, and above all the protectionist policy it is imposing with regard to Latin American exports such as steel and shoes.

Delpino expressed the opinion that the effects of maintaining the present refinancing agreement could be catastrophic, because servicing the debt will considerably eat into the resources set aside for investing in the country's economic development. This could become an obstacle in the efforts to reduce the currently alarming level of unemployment.

"All of us at the Confederation of Venezuelan Workers are convinced that with the fall in the price of oil, the government has only one alternative: to negotiate a new agreement with the 460 creditor banks in order to change the present terms."

"But President Lusinchi and his economic team insist that they can pay the debt . . .," it was noted.

"The CTV has already informed the government of its position," he countered. "The fall in the prices of oil changed the premises and assumptions on which the refinancing was based. Thus, the government knows that it would be impossible to comply with the terms agreed upon, because that would mean eliminating investments aimed at lifting the country out of its economic crisis."

"If the government persists, it will be committing suicide in springtime."

8926

CSO: 3348/937

VENEZUELA

REACTIONS TO CTV'S COMMENTS ON FOREIGN DEBT REFINANCING

Finance Minister's Reply

Caracas EL NACIONAL in Spanish 16 Aug 85 p D-1

[Article by Amado Fuguet V.]

[Text] In an obvious reference to the statements made by the president of the Confederation of Venezuelan Workers (CTV), Juan Jose Delpino, the finance minister announced yesterday that "our strategy on the foreign debt has been to arrive at terms that enable us to fulfill our obligations abroad responsibly, without imposing unnecessary restrictions on the growth and development of the Venezuelan economy, and taking into account the uncertainties associated with our principal source of foreign income."

Manuel Azpurua was the keynote speaker at the luncheon given by the U.S.-Venezuelan Chamber.

"I would like to take this opportunity to state once again that the refinancing has been done to restructure a debt that was impossible to pay, in the form that it had been contracted, in a way that enabled us to meet the agreed upon payments."

In the view of the head of the Finance Ministry, the agreement makes it possible for Venezuela to obtain new foreign loans as it continues to make payments, without resorting to the uncontrolled and impulsive use of credit.

"The nation will give preference primarily to multilateral and governmental sources. As a consequence of the serious and responsible attitude the government has taken in facing the debt problem, today we can state that Venezuela has recovered its international credit position. This is made clear in the indications that we representatives of the government and the private sector have been given in recent months by various international financial agencies, both government and private, as well as government export agencies. They have resumed the lines of credit to Venezuela, as have the international banks and foreign suppliers."

In his speech, Azpurua declared: "He who does not honor his commitments cannot have good credit, although of course it is perfectly logical and natural to enter into clear and definite negotiations to restructure these obli-

gations in a way that is appropriate and in keeping with each country's possibilities, adhering to fair criteria in international economic relations."

He indicated that this is precisely what Venezuela has done in its negotiations with the international banks, "in which for the first time important precedents were established, such as the fact that we arrived at an agreement without resorting to a pact with the International Monetary Fund (IMF); our refusal to accept any linkage between the public foreign debt and the private foreign debt; and the establishment of an incremental payment system that ties the servicing of the foreign debt to the country's real ability to pay, in accordance with its own estimates."

The minister recalled that Venezuela has participated actively in the meetings on the debt that have been held in Quito, Cartagena and Mar del Plata.

"We support the concepts that have emerged from those meetings, because although we feel that each country should negotiate separately, in accordance with its own characteristics, we have common cause with regard to interest rates and the need to seek mechanisms to protect the debtor nations from the possibility of significant increases in these rates. We also agree on the problem of limitations imposed on international trade, when our countries' ability to earn foreign exchange by stepping up exports is restricted."

He stressed that Venezuela will be able to meet its obligations, and argued that although oil income has been reduced, this year the fact that we have paid the debt service at an interest rate much lower than the previous 13 percent over the LIBOR rate has yielded a savings of \$600 million. He pointed out that if interest rates stay at the present level, the debt service will amount to \$4 billion a year, not the \$4.6 billion or more that was called for in the budget planning.

## 2 Percent Inflation

The finance minister asserted that the policies developed by the national government have kept interest rates at moderate levels, even lower than official projections had predicted. "The increase in the price index for the period from January to June of this year, according to Central Bank figures, was 2 percent; this indicates that inflation will average below 10 percent this year."

Other statistics highlighted by Azpurua in his speech were: international reserves of \$13.316 billion and operating reserves of \$7.763 billion; a growth of 8,953 billion bolivars in Treasury reserves so far this year; and 9,087 billion bolivars invested by the Exchange Compensation Fund as of 16 June.

## Budget on Track

According to the high-ranking finance official, policy measures have been characterized by the need to bring spending in line with real income.

"The president of the republic has given instructions in this regard to the offices and agencies of the central and decentralized administrations, setting forth austerity practices and limitations on unproductive spending."

He stated that collection systems have been improved with regard to the different taxes and the rates charged by the state agencies for the services they provide. "As a result of these efforts, in the first 6 months of 1985 we have managed to bring in more in internal tax revenues than we had projected for the current budget."

"We have implemented the budget in a prudent manner, as befits a country that is undergoing uncontrollable changes in its foreign revenues. Our estimates of fiscal revenues from petroleum have been conservative, which has enabled us to keep the budget on track, even after the production cutback that was agreed to at the end of 1984, and despite the shakiness of oil prices."

He explained that a definitive evaluation is being conducted to determine what effect the recently announced drop in heavy crude prices will have, "but our preliminary estimates lead us to the conclusion that we have sufficient resources to undertake the development projects planned for 1985, and to achieve our original budgetary targets."

#### Foreign Investment

Taking into consideration the attendance of representatives of transnational corporations at the U.S.-Venezuelan Chamber luncheon, Azpurua gave special attention to foreign investment, which is governed by Decree 656, promulgated on 20 June.

Among other points, he stressed that the decree gives priority to the tourism, agriculture, agroindustry and building construction sectors, which were exempted from the provisions regarding the reinvestment, distribution and remittance of profits, the reexportation of investments, the transformation of companies and the subregional investment system.

"I would like to emphasize that the establishment of these priorities does not mean that the national government does not welcome investments in other sectors; it has always been receptive to them, since foreign capital that comes to share risks through direct investment is better than indebtedness."

#### FEDECAMARAS President's View

Caracas EL NACIONAL in Spanish 15 Aug 85 p D-1

[Article by Rosita Regalado]

[Text] The concern expressed by the president of the Confederation of Venezuelan Workers (CTV) is shared by the president of the Venezuelan Federation of Associations and Chambers of Commerce and Industry (FEDECAMARAS), Rafael Marcial Garmendia, to the extent that the decline in revenues forces the sacrifice of urgently needed investment plans in order to meet the commitments

of the country's foreign debt refinancing. The FEDECAMARAS president made this statement yesterday in Miraflores.

The leader of the nation's top business organization made this comment upon leaving a meeting on non-traditional exports that had been convened by the president of the republic.

"It is undeniable that any decline in oil revenues will have an adverse impact on the General Spending Budget, and therefore on the government's ability to invest. I believe, however, that the terms of the foreign debt renegotiation have been positive and the efforts have yielded success. The mere fact that an agreement has been reached and the parties are ready to sign it boosts Venezuela's image abroad."

"All this," he added, "opens the possibility that in the future, if we have a hard time making the payments because our income shrinks, our country will have a reputation as a reliable debtor and will therefore be able to negotiate under other terms at a given moment. I think, however, that at this time the refinancing contracts should be signed as they are, in the form they were in when the country's legal institutions assessed them."

"I do believe, nevertheless, that along with the execution of the refinancing contracts, which should contain some clause to cover us against any contingency in which our revenues fall, bold measures should be taken to step up exports. For this reason, the establishment of a policy on non-traditional exports cannot be delayed any further. Under such a policy, existing obstacles should be cleared away as much as possible. Moreover, actions should be taken to promote our exports, using all means at our disposal, including a more active role by our diplomatic corps, in conjunction with the Institute of Foreign Trade and private industry, to place our products on the market in all countries."

The FEDECAMARAS leader pointed out that many government-to-government measures can be adopted, especially with the United States Government to encourage it to pursue a policy of cooperation to allow for trade that meets both countries' needs, instead of hindering the sale of our exports there. He stated that it is equally important to proceed with the recognition of the private commercial debt, because the solution to this problem will pave the way to placing our goods on foreign markets.

"In addition, I think that our oil policy should be geared to the recovery of our traditional or natural markets, as well as new ones. It should also take a definite step toward the processing of our own raw materials, and exporting our products as well as crude oil."

Garmendia stressed that further cuts in bureaucratic spending are imperative in this day and age, so that the resulting savings can be diverted to investment.

"When will FEDECAMARAS announce the private sector investments? The administration has already stated that it intends to invest significant amounts in the coming months," a reporter queried.

"The private sector has not stopped investing. That is a constant process. The increase that has been seen in agriculture and livestock production is a consequence of private sector investments. Undoubtedly in a climate of security and confidence, investment will pick up. It is precisely for this reason that we are working in the different subcommittees of the Tripartite Commission to provide an important joint stimulus. This is what the private sector, labor and the government all want."

In conclusion, he repeated that FEDECAMARAS agrees with the CTV that the fall in oil revenues should at no time affect the government's investments in projects for economic recovery. "We do believe that the decline in that income should not lead to any modification in the negotiation of the debt, and we hope that such an extreme measure will not be necessary later."

#### Congressional Reaction

Caracas EL NACIONAL in Spanish 15 Aug 85 p D-1

[Article by Alba Sanchez]

[Text] A decline in oil revenues, no matter how small, will have a decisive impact on the composition of national revenues, and therefore on the composition of spending, given the characteristic dependence of our economy on resources from hydrocarbons exports.

There is cause for concern, however, when there are estimates that this decline could amount to \$1.2 billion to \$1.5 billion, while there is no indication of an economic recovery that would help other sectors (such as non-traditional exports, for example) make up for this deficiency, at a time when we are taking on obligations to refinance an enormous foreign debt.

This seems to be what occurred to the Confederation of Venezuelan Workers (CTV) when, through its president, it called on the government to revise the terms of the refinanced debt. It apparently felt that the decline in fiscal revenues from petroleum "would make it impossible to meet the commitments set forth in the initial agreement; the terms arrived at would paralyze the country and it would be prevented from carrying out its investment programs."

These opinions were echoed yesterday by members of Parliament, where many agree with the president of the labor organization, Juan Jose Delpino. Not everyone agrees, however. For example, the president of the Congress (who nevertheless does feel that the CTV's proposals are important and worthy of consideration, and announced that they will be discussed at Democratic Action's next National Executive Committee meeting) noted that within the framework of the negotiations, there are mechanisms that allow the government to hold talks with its creditors to adapt the agreements to national and international economic conditions.

"There should be no talk of a modification at this point. That should result from conversations which should be held during the final stage of the refinancing, if necessary. For the time being, the conditions appear to be good. Moreover, the lines of credit are supposed to be kept open to our country."

This means that the development programs are not in danger. I believe that the agreements themselves contain the formulas for making whatever modifications become necessary."

"Isn't this apparent contradiction between Democratic Action (AD)-CTV and AD-government strange?" he was asked.

"People are trying to find contradictions where there are none. The CTV is not AD, although we are a majority. The president of the CTV is making a proposal in his capacity as a labor leader, and that is his role. The party is one thing, and the function its leaders play is another.

"The CTV proposal is interesting; it should be studied, and we should look at the figures on which it is based, and the figures the government is going by."

The president of the Chamber of Deputies, Leonardo Ferrer, does not feel the same way. He believes that there is an undeniable need to revise the foreign debt refinancing program as well as the execution of the current budget and estimated revenues for the 1986 budget, in light of recent events on the oil market.

"We are reaching a point at which Venezuela must choose between development programs and paying the debt. It must determine whether it is possible to meet the commitments that have been proposed. It would threaten the country's reputation if we committed ourselves to payments we could not meet because our income deteriorated as a result of the volatility of the oil market."

#### New Formulas

Similarly, the representatives of the different political factions on the Chamber of Deputies Finance Committee were asked about this matter. Committee Chairman Armando Sanchez Bueno recalled that the debt service, under the restructuring that is almost finished, is not to exceed 25 percent of the country's revenues from its exports. He also noted that those revenues will be used as a basis for calculating the formula whereby Venezuela will meet its international obligations, with respect to the debt.

"Assuming that our oil export revenues decline appreciably, there is no question that the only alternative for us would be to propose a new formula that would involve lower payments and longer terms. At any rate, Venezuela wants to pay and is anxious to boost its export revenues not only by protecting the oil market, but also by exporting non-traditional products that might make up for the reduction in the petroleum sector."

According to his information, the decline in oil revenues could amount to as much as \$1.2 billion, "but the government can obtain other funds to carry out the country's development programs."

#### Clarify Positions

Deputy Luis Enrique Oberto, the Social Christian (COPEI) representative on that committee, believes that the CTV should not limit itself to making the

proposal, but should make all of its assessment public, including the grounds in which it is based, "so that we can be certain that we are talking about the same things and using the same information as a basis."

"It could be that the CTV has information from administration sources about the decline in our petroleum exports and about our fiscal revenues, information which we do not have."

Another thing Oberto feels should be explained is whether the agreed upon interest rate is the appropriate one, given that the debt service is made up of both interest and principal. "But those interest rates would have to continue to be paid by the Venezuelan nation."

"As for the amortization of the debt, it can be seen from two standpoints: Agreements should be made with the creditors so that the amounts paid against the principal can be converted into new loans, in which case those payments would represent no sacrifice to investment programs since the resources that are used to pay would come back into the country and be applied to those programs; or it should be agreed that in view of the refinanced obligations, the country will not obtain new credit for similar amounts. If it is a question of paying the debt down to the last cent so that after 12 years we owe nothing, in a policy similar to that applied by Gomez, that would involve sacrificing the country to an unacceptable degree. But if it is a matter of managing the debt, taking into account the country's payment capacity and its economic evolution, to continue its development programs in a parallel fashion, then it would be reasonable, and the use of public credit for amounts similar to those used to pay the current creditors would be totally appropriate."

#### Others Agree

Movement Toward Socialism (MAS) Representative Anselmo Natale, however, feels that the government will inevitably proceed to reformulate the terms of the debt refinancing, "because the life of Venezuelans is much more important."

"Unless, of course, the government and the negotiators allow themselves to be intimidated and decide to go along with the established terms 'just because,' to the detriment of national interests and the plans for economic recovery."

Natale believes that the government is the victim of an illusion when it considers adhering to the terms agreed upon the responsible thing to do, "without realizing that the really responsible thing is to take into consideration the changes in the petroleum market that have been brought about by the very industrialized countries that are its major creditors."

Fernando Alvarez Paz of the People's Electoral Movement (MEP) also agrees totally with the CTV president. He thinks that the government should specify more clearly which areas of the 1986 budget will truly promote economic growth, which mechanisms will redistribute wealth and how these priority spending items will be reconciled with the extremely high debt service, when oil revenues are expected to drop.

"We are convinced that this in fact obliges the government to enter into an immediate "renegotiation of the renegotiation" of the debt, since it would be immoral and unpatriotic to pay the debt by imposing greater sacrifices on a population that had nothing to do with the debt in the first place."

Hector Perez Marcano, speaking for the Movement of the Revolutionary Left (MIR), also supported the CTV's position, "since it reflects an opinion that is becoming more and more widespread in Latin America with respect to the debt."

"I participated in the meeting in Havana, and one of the arguments that drew support from the most varied sectors was precisely the unpayability of the debt under the current terms, because it involves sacrificing economic development."

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CSO: 3348/937

END