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19 September 1985

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INTER-AMERICAN AFFAIRS

BRIEFS

CHILE, COLOMBIA TRADE MEETING--Ernesto Ayala, president of SOFOFA [Industrial Development Association], estimated that trade with Colombia--now about \$65 million per year--should double or triple after the negotiations being held with that country. He made this statement at the end of the first meeting that the SOFOFA industrialists held yesterday with a Colombian trade mission made up of 25 Colombian businessmen. These negotiations are being held within the framework of ALADI [Latin American Integration Association] to grant tariff concessions between the two countries. The Colombian delegation is made up of representatives of the following sectors: metalworking and ironworking; pharmaceutical and chemical pharmaceutical; printing; agricultural machinery; chemical and petrochemical; coffee; prefabricated housing; glass; hand mills; fruits; aluminum containers; electrical; general trade; etc. [Excerpts] [Santiago EL MERCURIO in Spanish 13 Aug 85 p C-5] 7717

CARTAGENA CONSENSUS BOARD MEMBERS--Pedro Luis Echevarria of Venezuela, Jose Guillermo Justiniano Sandoval of Bolivia, and Jaime Salazar Montoya of Colombia have been appointed new members of the board of Cartagena Consensus, Ecuadoran Foreign Trade Under Secretary Milton Cevallos has announced. Cevallos said Ecuador's vote for the new members of the board does not mean that Ecuador has changed its stand in support of having a one-member board rather than the three-member board. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 27 Aug 85 PA]

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ARGENTINA

CASELLA DEFINES COORDINATING BOARD'S ROLE IN UCR STRATEGY

Buenos Aires TIEMPO in Spanish 25 Jun 85 pp 8-9

[Interview with Juan Manuel Casella, former national deputy and labor minister, by Cristina Castello; date, time and place not given]

[Text] His name is Juan Manuel Casella (44), he has always been a Radical, and not a few people expect him to hit the big time in politics in the not-too-distant future. He was a national deputy until April of last year, and on the 26th of that month he took office as national minister of labor. On that occasion he warned that he would step down after 180 days, and he was as good as his word. At present he is wrapped up in the internal politics of his party, and he expects to be president of the Buenos Aires Provincial Committee after the elections on 7 July.

During this dialogue, he spoke of the Radical movement, of the economic plan that is being developed, and of his own aspirations.

[Question] What does it mean to be a Radical today?

[Answer] It means belonging to a group that values liberty and social justice equally. Also, from the practical standpoint, today the Radical Party is Alfonsin's political party, which is very important because of his charisma as a leader.

[Question] Isn't it dangerous for everything and everyone to depend almost exclusively on the president himself?

[Answer] No, because in addition, the party has changed a lot in the last 4 or 5 years, and it no longer has the [word illegible] or the abstract message it used to have.

[Question] Doctor, why are you involved in politics?

[Answer] It is a matter of vocation and of training, because I am the son of a politician, and I cut my teeth on this activity.

[Question] You were a national deputy and you left your seat to become minister of labor, on the condition--which you fulfilled promptly--that you

would step down in 6 months. Aren't you interested in power, or are you gearing up for more important posts?

[Answer] I think that at times there is a tendency to confuse power with government office. Most parties and politicians aim at the latter, but there is another way to engage in politics, and that is to be a kind of social communicator; that also involves seeking power, but in another dimension.

[Question] Where?

[Answer] In people's hearts and minds, trying to transform society without holding a position in the state apparatus. We must not forget that politicians can serve different functions; a typical one is that of ward heeler, which means serving as a link between the common man and the party; another is that of running party affairs, which most leaders do; still another is to dream up ideas, develop them and establish party doctrine.

[Question] What is yours?

[Answer] I think that each person's path is a little undefined . . .

[Question] Will you set goals, objectives for yourself . . .?

[Answer] Well, . . . if I could choose a place for myself, I would choose to be a transmitter of ideas from the party, unconnected with state power.

[Question] And why did you agree to run for a deputy seat, and to serve as labor minister?

[Answer] The seat in Parliament has to do with my vocation as a communicator. As for the ministry, I accepted because I agreed with Alfonsin that I was the only one who could fill the bill.

[Question] Why? Weren't there other Radicals?

[Answer] Yes, but at that time three or four different goals had to be achieved, and the style matched my own. Because—and I am not being pedantic—I understand what Peronism is and was better than other men in the party, perhaps because I am from Avellaneda, where the leaders were always close to Peron and—like Crisologo Larralde, for example—they understood how strong an impact he made as a social phenomenon.

[Question] Could that be why you were one of the ministers who got along best with the unions?

[Answer] It could be . . . I am not aggressive toward the Peronist unions, because I understand why they are the way they are; and despite their serious defects in terms of organization and leadership, I recognize their social importance. At any rate, I accepted the job because Alfonsin asked me to, but now I am spending my time strictly on internal affairs. I think I will be president of the Provincial Committee.

[Question] By the way, it is said that your party will put you on the slate later to run for vice-governor of Buenos Aires, and maybe in the future for president of the republic . . .

[Answer] It is very difficult to determine a priori the path one will take in an activity as competitive and complicated as politics. I can assure you, however, that I do not plan to climb the ladder as a party functionary, as you suggest; moreover, if I can avoid it I will not run for governor. If I manage to become president of the Committee on 7 July, I will explain that publicly.

[Question] Won't you say later, as we often hear, "I had to accept the candidacy because it was a historic challenge"?

[Answer] I do not discount that possibility, but it is not in my plans, because that is not what my vocation demands.

[Question] You are the son of a journalist, which implies that your family is not wealthy. You spend so much time on politics--what do you live on, Doctor?

[Answer] Although mentally I devote a little more time to it, actually I spend only 4 hours a day on political matters. I make my living practicing the legal profession; I have my office in Avellaneda and I work basically in La Plata and Lomas de Zamora.

National Coordinating Board

[Question] What is the mission of the National Coordinating Board today? I have not forgotten that it was created to coordinate the actions of the activists in the Franja Morada and to link the different university movements. Now those former youths are professionals, and . . .

[Answer] Yes . . . today they are leaders--some hold high public office--but in their actions in the Radical movement they still use the name of Coordinating Board. I think that is right. Because unlike other bad faith judgments, I do not think their political prestige should be scorned at all, and there is no need to make capricious comparisons or absurd simplifications.

[Question] Are you referring to those who claim that they are Alfonsin's Montoneros?

[Answer] Yes. It was said that they are in the party's left wing, and they were publicly compared to the Montoneros, even though the Coordinating Board was created precisely for the purpose of working against the Montoneros and Jotape when those two groups were very popular at the University. At present, they are just one more internal sector, with good points and bad points just like all the rest. They have totally assimilated the Radical viewpoint.

[Question] Tell me, Doctor, to whom were you referring when you said that "certain sectors want to convert the Radicals into a party of cadres"?

[Answer] To some leaders of the Coordinating Board, those who, out of an intellectual need to homogenize the positions of the Radical Civic Union (UCR), almost turned it into a party of cadres. I do not favor cadres. I think that to maintain our social fluidity and to reflect society as it is—as we do now—the Radical Party must continue to be a socially extended party. That obstinate ideological over-kill is simply a consequence of the typical mentality of university students, who tend to intellectualize and program everything. Given the way things are, we are the ones who should strive to include them, but to avoid shutting the lower classes out of the radical movement.

[Question] Was it those leaders to whom you were referring when you said: "They are the same ones the Radicals saved from the killing machine"?

[Answer] Yes.

[Question] Were you referring to the military government and the repression?

[Answer] Of course. The killing machine was set up by the military dictatorship to suppress the youths who organized at universities, as well as the opposition, the people, the . . .

[Question] What did your party do to save them? It is said that those who ran that machine refused to listen to even the most influential voices . . .

[Answer] I was not referring to that. I meant that for a student entering the University between 1973 and 1975 there were three options. Either he was politically neutral and devoted himself to studying, or he joined the Montoneros or another of the four or five revolutionary organizations that existed at the time, or he looked for a means of political participation that did not lead to violence. The last option consisted of the Franja Morada and the Coordinating Board, and in that way many were saved, as I said, from the killing machine.

[Question] Were there any guarantees of life and liberty for those who "had nothing to do with it"?

[Answer] I did not say that. In addition, despite the existence of the Franja and the Coordinating Board, many Radical leaders suffered from persecution and imprisonment, and some very distinguished people were murdered. I remember the case of Sergio Karakchhof, because he was my friend and I shared many things with him. He was a Radical activist who graduated from the University and was kidnapped and murdered.

Pesos and Australes

[Question] Is an inflation rate of about 400 percent a year disturbing?

[Answer] From the technical-economic standpoint it is very high—intolerable—and it poses the serious risk of social disintegration.

[Question] That was the state of the nation when Dr Alfonsin took over, and when he formulated his recent economic plan inflation was pushing 1,000 percent. Some sources, such as certain London dailies, wondered if it was necessary to wait 18 months. . . Isn't that a long time in the history of a country?

[Answer] I do not feel that 18 months have been wasted. What happened was that Dr Alfonsin's administration knew that it had to negotiate with the International Monetary Fund (IMF) as a prerequisite for negotiating with the private banks. But when he took office, the wage-earning sector's share in the GDP was just 34 percent, the lowest rate in the last 60 years; and as a result of those circumstances, the view was that if we negotiated under those conditions, they would pressure us to maintain them. The administration preferred to delay the talks with the IMF and improve the level of earnings in the meantime.

[Question] Wages were increased, but there was no economic recovery . . .

[Answer] That is true. It did not turn out well, because the wage increase did not lead to a proportional recovery, as had been expected. Although the additional income was devoted to consumption, as had been calculated, investment also fell because industrialists were using only part of their idle capacity; on the other hand, prices rose right along with wages (businessmen wanted to regain their stability). This brought large sums into the inter-business sector.

[Question] These are understandable reactions in a country with a long-standing inflation mentality. Wasn't failing to foresee that a political error?

[Answer] It may have been an underestimation of the country's inflationary training. But we must bear in mind that inflation is not an illness but a symptom, and that the government cannot cease to be what it is politically just to combat inflation. I would like to state that if the Radicals want to be popular, it is not wise to apply a strictly economic program, no matter how necessary it may be. On the other hand, Alfonsin's essential appeal had an ethical thrust, so the economic card cannot be played independently of the political, social or cultural cards.

[Question] What would have happened if this plan had been proposed in December 1983?

[Answer] Maybe we would have been able to play the economic card successfully, but the others would have been out of balance. We would not have been able to achieve our priority goals, such as guaranteeing public freedoms or prosecuting the Juntas, for example.

[Question] Why?

[Answer] Because freezing wages at that time would have unleashed a social reaction that could only be controlled by force.

[Question] But . . . inflation was 600 percent less than it is now, and Dr Alfonsin enjoyed full support in the country . . .

[Answer] Yes, but the country was expecting that along with the new government a new kind of nation would emerge.

[Question] Did the administration have to choose between giving the people what they wanted and giving them what they needed?

[Answer] Alfonsin gave them what they needed, and for that reason, the people are willing to put up with these things. The president's image was tied to the substantial values that form the ethical foundation of this society, so if this plan had been implemented right away, the disappointment would have been uncontrollable; and if Argentine society gives him credit today, it is because he fulfilled the rest of his promises.

[Question] Was the confidence he inspired responsible for the uproar that greeted the latest increase in fuel prices, which contradicted the statements of the head of Government Oil Deposits (YPF) immediately before that?

[Answer] The president of the YPF could not say anything else. If he had, service stations would not have sold any more gasoline, in anticipation of the increase.

[Question] Wouldn't that have been preferable, in view of the risk of losing people's confidence?

[Answer] No, because confidence in this government does not depend on the price of gasoline. And because it made up for the lack of credibility in the economic sphere by building up confidence in other areas. Moreover, Argentine workers are aware that the government is on their side, and although they are intuitively aware of errors in economic policy, they know it is not the result of an antagonistic attitude toward the people.

[Question] Is that enough, Doctor?

[Answer] I think so, because Alfonsin is able to explain a policy so clearly that even the man who is having trouble buying enough to eat or paying the rent is not critical of the government.

[Question] Even though he does not have enough to eat, even though he is starving?

[Answer] Look . . . for that man to have enough to eat, the economic growth process must take a few years; moreover, that person certainly had even less in 1983, and worse yet, he was not helped by government decisions, as he is now. These decisions help him from another standpoint. I am referring, for example, to the PAN Fund, to free public health services, and to educational services, which are much greater than they were in 1983. These and other accomplishments enabled the president to propose his new economic plan.

Freezes

[Question] Wouldn't it have been better to explain that the rates for certain services (telephones, and Argentine Airlines, for example) would go up after Alfonsin's speech?

[Answer] Possibly, yes . . . There may have been a gap in social communication, between the authorization granted by the respective ministry and the actual implementation of the increase.

[Question] Can price controls be applied effectively?

[Answer] I don't think so.

[Question] But . . . it is said that economics students will participate, that . . .

[Answer] I think those are ways of externalizing an official wish, but it is impossible to carry out price controls in a democratic country.

[Question] So what then? With so many merchants accustomed to speculating and--why not say it--some on the verge of economic crimes . . .

[Answer] I think social control is the only effective way, and that people should refuse to pay the increases the merchants try to impose.

[Question] For which there must be faith in the government . . .

[Answer] There is faith in Alfonsin, because in addition, with this plan he took care of one political liability he had, the fact that he did not have a clear economic policy.

[Question] How will the productive apparatus be reactivated?

[Answer] By lowering inflation and interest rates.

[Question] What do you think of those who interpret the president's attitude as an attempt at political authoritarianism?

[Answer] I think that if we had spent 2 or 3 months debating the currency change in Congress, everything would have been futile by the time the measure was passed. We Argentines--and I include myself--would have taken the necessary precautions so that we would not get left holding the bag. I think it had to be this way, overnight, without advance notice.

[Question] Is it true that some veteran Radical politicians are rather resentful that Alfonsin consulted the experts and not them?

[Answer] I think that some Radical leaders may feel hurt, and with some reason. But we must realize that the party has expanded tremendously, and now newcomers participate in the decision-making as well. Furthermore, it would

have been difficult to discuss such a complicated and extensive program in the Committee.

[Question] Doctor, after the 60-day freeze, what is the word in the street?

[Answer] The minister of the economy clearly stated that the freeze has no time limit, so the term could be more or less than 60 days. Anyway, I think that the important thing is to bring inflation down, dropping from 25 or 30 percent a month to 4 percent. Then we can talk of reworking the distribution of income.

Mass Media

[Question] Doctor, can there be absolutely objective private media?

[Answer] No, and if I could, I would publish a newspaper that expressed my interests. That is logical. It is not possible for a veteran of political combat such as Gen Mitre to invent a newspaper such as LA NACION and make it independent . . . it would not have been very smart of him to try. The same applies to the Gainza family, which created LA PRENSA to express certain interests. That strikes me as legitimate.

[Question] Is it legitimate for an organ of the mass media that is in state hands to orient its news reports according to the official view?

[Answer] Not at all. Newspapers have the right to act according to their ideological ties, because they are private entities. But the state media, whose earnings come from taxes, should be extremely careful about the veracity of their information. There is another problem, however. Many of their colleagues are so accustomed to submitting to state power that they tend to stay on the side of the present administration, without being asked. Thus, for example, when there is a strike, some only report the bad news, which is counter-productive. The clearest way to define a political image is to adhere to the truth; I have always done this, and I have never manipulated or distorted facts.

[Question] What can you tell me about certain television news programs that are pro-government in the extreme?

[Answer] In that regard, I think that it is wrong to run the channels, but . . . It surprises me, when I go to the Radical Committees, everyone says those are against the government.

[Question] That has to do with the issue of criticism versus destabilization. What is the situation?

[Answer] I do not think that all criticism is destabilizing, but many of those who are trying to destabilize the government do use it.

[Question] What are the limits?

[Answer] To measure it one must look at the past. When I hear Col Premoli on his daily radio program, I think that criticism can be destabilizing, because I do not forget that he participated in the coup against Illia, and indirectly in the subsequent government. And when I hear comments by the Herminio Iglesias faction, I recall that he represents the right wing of his party, which tends to ally with other groups that are not as innocent as the Peronists, and then I am reminded of Gen Camps, and Vertplaetsen . . .

[Question] The next to the last question: If those being prosecuted for crimes committed between 1976 and 1983 are found guilty, would you favor a subsequent amnesty?

[Answer] No. I think that no act of state terror should go unpunished. But I do understand that we should clearly distinguish which people are responsible so that all crimes fall on the heads of the real culprits.

[Question] The final question: How do you see Argentina in the year 2000?

[Answer] I think it will be a more balanced, more serious and richer country, although it will still be quite distant from the major centers of power. I think that our country will be turning into one of the world's reserves, in the human sense as well as the geographical and material sense.

8926

CSO: 8148/1768

ARGENTINA

DGI TAKES HARSH MEASURES TO DEAL WITH TAX EVADERS

Buenos Aires CLARIN in Spanish 9 Jul 85 p 21

[Passages enclosed in slantlines printed in boldface]

[Text] Carlos Ludovico Grimmer, the head of the DGI [General Directorate of Taxation], announced yesterday that the DGI will begin /to publish the names of tax evaders/, giving them "wide publicity."

According to the head of the tax directorate, this "will be the first time that Article 54 of Law 11.683, as passed in 1978 and amended, will be carried out."

The text states: "In cases of fines for nonpayment of past due taxes of more than 210,415 Argentine pesos or arrest or imprisonment in accord with Articles 43, 44, 45, 46, 47, 48 and 50, the DGI /will periodically publish in whatever mass media it deems appropriate the name, address and activity of each violator and the punishment imposed/.

"This must also be published in /all cases when a resolution has been officially dictated determining the punishment for past due taxes/ of more than 210,415 Argentine pesos in accord with the procedure in Article 24.

"Publication as mentioned in the preceding paragraphs will be made when there is /a firm and final sentence or when the taxpayer has accepted the decision."/

According to Grimmer, they are waiting until they have some /20 or 25 names of proven tax evaders/. It is predicted that the first publication will come /at the end of the current month or the beginning of the next/. They will try to give them /maximum publicity/ to serve the purposes of the law: /to demoralize and discourage future violators/. Publication will continue at the same rate.

The only obstacle to the DGI in doing this, according to the official, is the /lack of a publicity budget and the strict ban/, in all the public administration, on publicity expenses. However, Grimmer added that the DGI interprets this as, in its case, /not publicity/ but necessary information for the taxpayer.

Compensatory and Punitive

The second topic that the head of the DGI pointed out as "very important" for the work of his tax organization is the resolution signed by the new secretary of finance, Mario Brodersohn. It sets /the rate of Article 42 of Law 11683-- that is, the compensatory interest that the DGI collects from taxpayers--at 12 percent per month/.

The same resolution establishes the rate of Article 55 applicable for /punitive interests/ when the case has already gone to court at /15 percent per month/.

These are important factors, in Grimmer's opinion, because Article 42 authorizes the secretary of finance to set a compensatory rate of /up to twice what is collected for discount on commercial documents/ which is now 6 percent per month. In other words, /all that the law permits is collected/. Before this monetary reform, the DGI collected a compensatory rate of 36 percent when the discount rate was about 22 percent. That means /the legal maximum was not collected but approximately 1.5 times/ the discount on commercial documents.

In the case of punitive interest, Article 55 permits the secretary of finance /to collect triple the discount rate/. In other words, this could reach /18 percent per month despite the fact that it was set at 15 percent/. Before, the punitive rate was /45 percent per month--that is, only twice the discount rate. Grimmer stated: "With these rates, the taxpayer will think very hard before not paying or evading taxes."/

The subject does not end there. There must not be an "inappropriate benefit" for the noncomplying taxpayer /due to application of the table of monetary conversion/. When payment in Argentine pesos is made after the due date and after 14 June, /a compensatory interest of 42 percent per month and a punitive interest of 45 percent per month will be applied/.

7717
CSO: 3348/904

ARGENTINA

GRINSPUN, OTHERS TRAVEL SOUTH TO REFLECT ON SITUATION

Buenos Aires LA PRENSA in Spanish 21 Jul 85 p 7

[Text] Bariloche (NA)--The secretary of planning, Bernardo Grinspun, emphatically denied that the presidency of the nation has approved a national development plan. He also explained that the "days of reflection" that he is holding here with several officials of the veteran group in Renovation and Change "is not a conspiracy against any government sector."

He talked to NOTICIAS ARGENTINAS during a break in the work sessions that the participants are holding. Grinspun admitted, though, that "we are working on a development plan at the Secretariat of Planning." However, he explained that "this subject has not been brought up by anyone here."

Referring to the news stories spread in the federal capital that the "days of reflection" cover up a type of "conspiracy" by the "veterans" of Alfonsinism against the so-called "technocrats," the official stated tersely that "this was absolutely false."

He stated: "The national government works as a team trying to achieve the greatest efficiency possible. There is no room for sectarian positions."

The top authorities of the Bariloche Foundation are also participating in the sessions that will end today. Grinspun explained that these "are an initiative of the Secretariat of Planning and will soon continue in other institutions of the country."

The Bariloche Foundation issued a communique in which it gave its impression of the scope of the sessions. It called them an "academic meeting."

The report stated: "They involve exchanging ideas on the national situation in the medium and long term so that the participants can individually determine their own viewpoints."

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CSO: 3348/904

ARGENTINA

FOREIGN TRADE OFFICES TO BE INSTALLED IN ALL PROVINCES

Buenos Aires LA PRENSA in Spanish 6 Aug 85 p 14

[Text] By the end of the year, there will be foreign trade offices in all Argentine provinces to advise on and support exports of regional products, according to Ricardo Campero, secretary of foreign trade. He emphasized that "regionalism" will be added to the "traditionalism and added value" criteria used in the export sector.

Campero also announced that an "archetype" office will be installed in Mendoza. Later, similar divisions will operate in Tucuman, Misiones, San Juan, Santa Fe and Cordoba until covering the entire country.

The secretary made these statements when he signed an agreement with the CFI [Federal Investment Council] for the Secretariat of Foreign Trade to participate in this organization's studies to draw up technical bases "to serve as support for future decisions on economic complementation with bordering countries and the Pacific area."

The agreement was signed for the CFI by its secretary, Juan Jose Ciacara. It provides for the creation of a work committee that will consist of representatives of the two organizations. It "will analyze and evaluate foreign trade information and studies in order to provide guidance on those topics that might have concrete implementation in the near future, making any suggestions it considers appropriate."

The document was signed in the Secretariat of Foreign Trade in the presence of Minister of Interior Antonio Troccoli and the governors of Santa Fe, Jose Maria Vernet; San Juan, Leopoldo Bravo; and Rio Negro, Luis Alvarez Guerrero.

This agreement establishes that the work committee will first analyze various subjects. It will "evaluate the trade level that an outlet to the Pacific could generate, determine the area of influence of the project on regional products with trade possibilities and determine the possibilities of new markets."

It also includes "studies of possible outlets to both oceans for the regions of NEA [Northeast Argentina], NOA [Northwest Argentina] and Cuyo, the possibility of the rest of the country using those provinces that are tied to navigable routes and the installation of dry ports in those provinces that will have an outlet to the Pacific."

ARGENTINA

PLANS FOR JAPANESE AUTO PLANT IN CORDOBA CONSIDERED

Buenos Aires LA PRENSA in Spanish 23 Jul 85 p 5

[Text] In his office at the National Senate, Victor Hipolito Martinez, the vice president of the nation, discussed a request made by Japanese businessmen with the following officials: Eduardo Angeloz, governor of Cordoba Province; Julio Whelan, provincial secretary of industry; and Carlos Lacerda, national secretary of industry. The Japanese want to install an automotive plant in Cordoba Province.

An agreement was not reached during the meeting that lasted almost 2 hours.

He said that it was a matter of encouraging foreign establishments which incorporate current technology. In addition to agreeing on a dynamic location like Cordoba, he added that the proposal presented must be restated to adapt it to Argentine needs and, naturally, those of the geographic area in which the plant is located.

The project considered at the meeting was presented to the officials by leaders of the Honda enterprise which manufactures automobiles and motorcycles, among other vehicles. The Cordoba officials did not make any statement after the meeting.

Industry's Position

The Secretariat of Industry is opposed to the plan presented by Honda and requested that the enterprise revise its position on aspects considered basic to the sector.

A top source at the secretariat told a journalist from this newspaper: "The only concession we can grant, which would be to all the industry, is the reduction of national integration in production from 90 percent to 75 percent. We will not consider any project below that percentage except at the express request of the government."

The same source called the integration scale presented by Honda unacceptable. It calls for 0 percent in the first year, 21 percent the second year, 39 percent the third year, 45 percent the fourth year, 67 percent the fifth year and 78 percent the sixth year.

"We believe that if we accepted the project under these conditions, we would set a precedent that would be demanded by other enterprises. We must avoid projects that merely entail assembly."

A report drawn up by the secretariat indicates that the production plan presented by Honda covers the production of 125 cc motorcycles with a total investment of \$22 million. In the first year, \$3.3 million would be invested. The rest of the foreign currency would be invested when the factory starts up. The Secretariat of Industry feels that direct foreign investment would not reach 9 percent.

In the report, the secretariat referred to the balance of foreign currency. According to the enterprise, supplies worth \$5 million to \$9 million per year would be imported. They would total \$38 million in the first 5 years. That imbalance would be compensated for with exports from the enterprise. However, the export plan is not known.

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CSO: 3348/904

BOLIVIA

ELECTRIC POWER PROJECTS COMPLETED, INITIATED

La Paz PRESENCIA in Spanish 6 Aug 85 p 3

[Text] Beni, Pando Departments

The feasibility of Cachuela Esperanza in Beni Department is being studied. This hydroelectric project located on Beni River will take care of the demand of the cities of Riberalta, Guayaramerin and Cachuela Esperanza.

The first phase under study covers the installation of 20,000 KW in two stages. The United Nations has donated \$145,000 to help finance the study. There have also been contributions in local currency from CORDEBENI [Beni Development Corporation] for expenses.

Project Trinidad: ENDE [expansion unknown] has begun to install two 900 KW motors to generate electricity and meet the demand of the city of Trinidad. Installation will be completed by the beginning of next year.

Project Dendroelectrico for Trinidad

A feasibility study for a thermoelectric powerplant using vegetable fuels has been contracted for Trinidad with funds from the Swedish Technical Cooperation Program.

The project includes installing a 3,200 KW powerplant and planting 2,000 hectares of trees that will be used as fuel for the powerplant.

According to the timetable, this study should be completed by April 1986.

The results obtained in this region will be used for similar powerplants in Cobija, Pando Department.

La Paz Department

Despite the fact that ENDE's concession area does not include La Paz Department, it cooperates in the development of rural electrification of the altiplano and the Yungas de La Paz, advising the cooperatives that use electricity.

The Sakhahuaya studies have also been completed and several credit sources are interested in financing that plant.

Cochabamba Department

In Cochabamba Department, the feasibility study for the San Jose Project, a hydroelectric project located on the Paracti River, Chapare Province, Cochabamba Department, has been completed under a technical cooperation program with the Canadian Government.

Implementation in two stages (84 MW and 42 MW) will make it possible to meet the demand of the National Interconnected System as of 1992 when the first stage should start up.

The Chapare Tropical electrification project in Chapare Province will supply electricity for 3,000 families in that zone and 360 institutional and commercial establishments. It will cover 15 percent of the geographic area of Chapare with 151 kilometers of transmission and distribution lines. An agreement has been signed with the U.S. Government for \$2.5 million.

Santa Cruz Department

The central and eastern systems will be interconnected through the construction of a 230 Kv transmission line that extends from the city of Cochabamba to the city of Santa Cruz. It will complement the hydroelectric systems with the Santa Cruz thermal station. A loan for this project has been obtained from the CAF [Andean Development Corporation] for \$10 million. There will also be funds from ENDE.

Oruro Department

The studies on expansion of the Vinto substation were completed. Its capacity will be increased from 25 MVA to 50 MVA to satisfy the new demand of the mining area. This project is in the financing phase.

Chuquisaca Department

A micropowerplant of 1,025 Kw in Azero in this department is being studied for the Monteagudo Muyupampa area.

Potosi Department

In Potosi Department, field research has started on a feasibility study for the Laguna Colorada Project. It would generate electricity by exploiting geothermal sources in Lipez Province.

To finance this project, there have been donations from: the Italian Government, \$5.35 million; the United Nations (UNDP), \$1.8 million; YPFB [Bolivian Government Oil Deposits], \$862,000; and the Bolivian Government, \$1.426 million. The energy produced can be used in the country's interconnected system.

Tarija Department

Expansion of the Villa Abaroa Plant has started with the installation of a 3 MW motor. The objective is to meet the growing demand of the city of Tarija.

The study of the Sachapera Villamontes transmission line has been completed and talks to obtain financing have begun. The 69 Kv line will be 45 kilometers long.

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CSO: 3348/897

BOLIVIA

VUELTA GRANDE PROJECT TO SATISFY DOMESTIC OIL DEMAND

La Paz PRESENCIA in Spanish 3 Aug 85 p 9

[Text] According to Adhemar Velarde, minister of energy and hydrocarbons, yesterday, oil imports can be avoided with the Vuelta Grande project.

The minister expressed his optimism that the country will not be forced to import oil, as had been thought originally due to lack of support for the YPFB [Bolivian Government Oil Deposits] projects.

He said that the government adopted several measures to support the YPFB as much as possible. He noted: "We have made efforts to overcome the enterprise's difficulties and maintain its normal operations."

He also indicated that other decisions had been made in order to not stop the exploration and exploitation of hydrocarbons but there is a prudent margin of time so that the next government can adopt other solutions.

As to the Vuelta Grande project, the minister of energy and hydrocarbons said that there had been a number of meetings and negotiations with the World Bank.

He stated that those negotiations will permit the start-up of that project. This will keep Bolivia from having to import oil because it will produce an increased amount of condensate.

Electrical Interconnection

The minister was asked about the energy negotiations carried out by the current government. He noted that one of the achievements was the electrical interconnection of the western and eastern systems with financing from the CAF [Andean Development Corporation].

He noted that the investment for the interconnection is more than \$10 million. The line will be more than 300 kilometers long.

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CSO: 3348/897

BOLIVIA

YPFB LACKS EQUIPMENT TO EXPAND OPERATIONS

La Paz HOY in Spanish 9 Aug 85 p 11

[Text] In the first 6 months of this year, YPFB [Bolivian Government Oil Deposits] drilled eight wells in the departments of Santa Cruz and Tarija. Four of these were productive.

It could have done much more but the lack of resources made the acquisition of equipment and materials impossible.

Operational Plan

According to the report, an Operational Plan was established at the beginning of the year. It covered execution of the different exploration, production and marketing programs.

However, things did not progress as planned since the central government delayed in providing the financial resources and this delayed the acquisition of materials and equipment.

The number of national and regional labor strikes during that first 6 months also hurt to some degree.

Drilling

Of the eight wells mentioned, seven were located in the Santa Cruz district, including:

1) Warnes XI, reserve producer; 2) Sirari XI, being completed, producer of gas-condensate; 3) Remanso, being completed, possible producer of gas-condensate; 4) Parapeti, being drilled; 5) Aimiri, being drilled; 6) San Juan X2, being drilled; and 7) Cascabel X2, being drilled.

The only well drilled in Bermejo, Tarija Department, (Bermejo X44) produced natural gas. Production tests are now being run.

Expansion

In the first 6 months of this year, little more than half of what had been planned was actually carried out.

The Operational Plan called for expanding 20,501 meters but only 12,304 meters were done. This was due to the factors indicated above which were caused by the lack of foreign currency.

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CSO: 3348/897

BRAZIL

POLL SHOWS SARNEY SUPPORTED BY 57 PERCENT OF POPULATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jul 85 p 12

[Text] After 3 months of government, President Jose Sarney has the support of 57 percent of the Brazilian population. The government's action in reducing inflation and the cost of living, in scheduling direct elections and on wage readjustments were the topics that received the highest approval ratings of the 2,740 persons polled by the Gallup Public Opinion Institute in a total of 206 cities in 22 states. Sarney's popularity ratings increased in the period between April--his first month in government--and June, with an especially significant approval difference in categories A and E. In April, persons belonging to category A, who made up 6 percent of those polled, gave the president 52 percent, while in June that same rating rose to 62 percent. For category E, approval increased from 45 to 63 percent during the same period. According to the poll, Sarney has satisfied the over-50 age group the most (63) percent; nevertheless, in the opinion of all persons polled, all of them adults, he has governed well or very well.

The Gallup Poll submitted a questionnaire to the persons interviewed which listed 10 measures adopted by the government between March and May. The government's action obtained its lowest ratings on three items: regarding the solution of strikes, fighting corruption and the reduction of perquisites, which received disapproval ratings of 28, 24 and 22 percent respectively. Even with reference to those measures, there was a high level of approval: the measures adopted during the strike period were praised by 60 percent of those polled; those aimed at eliminating corruption, 61 percent; and those reducing perquisites, 69 percent.

The highest approval ratings (87 percent) were given to the government's action against inflation and the cost of living, on wage readjustments and the scheduling of direct elections. Even though 906 of the interviews were held in capitals and 938 in cities with a population of over 50,000, where there is a greater incidence of holdups and robberies, the federal government's performance in the safety/violence category in the Gallup Poll received an approval rating of 71 percent.

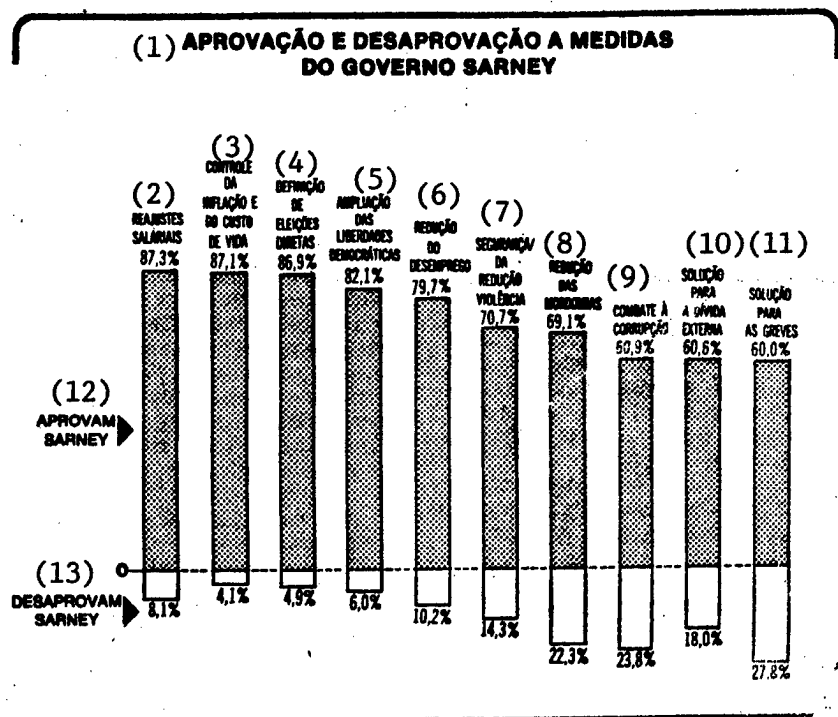
The poll also divided the population into political behavior groups. The people who are very interested in politics maintained their approval rating for President Sarney in April and June, 60 percent. The people who are less

interested in the subject became more satisfied with president's performance; those who are not very interested in the subject raised their approval level from 53 to 62; and those who are not interested, from 46 to 52 percent.

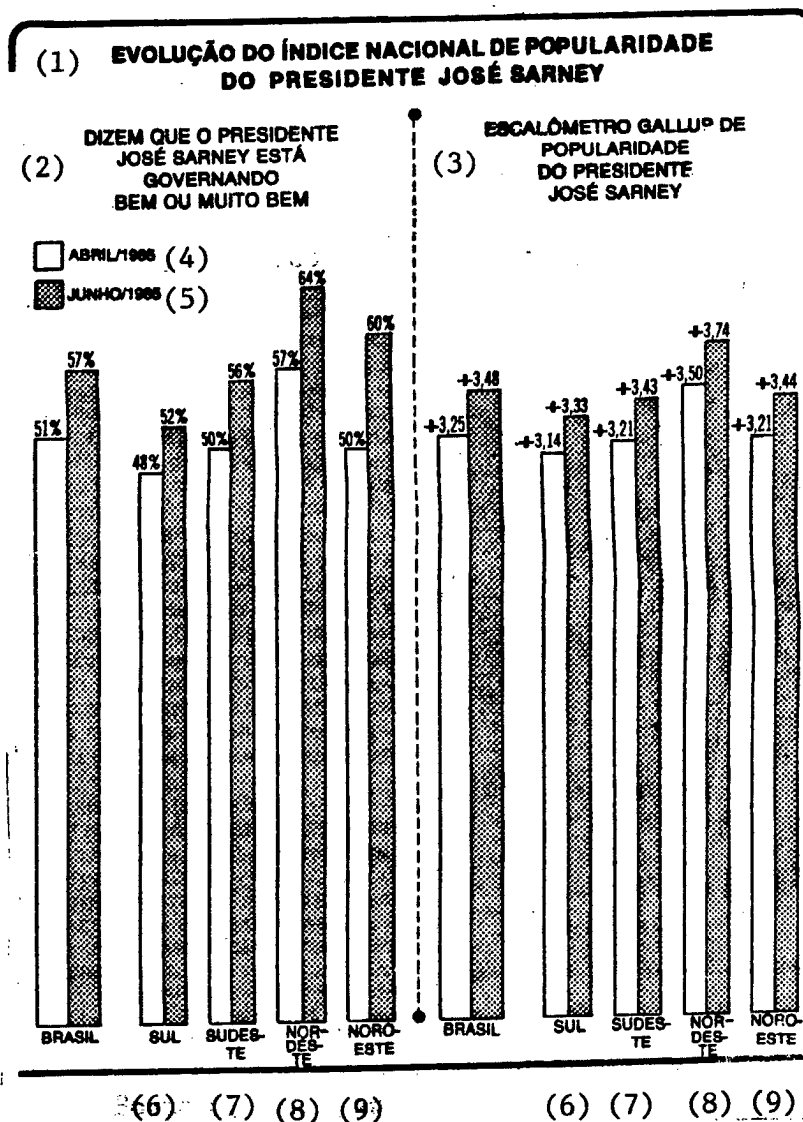
With reference to support for the better-known parties, the followers of the Liberal Front Party (PFL) and the Social Democratic Party (PDS) expressed the highest level of satisfaction with the government's performance, 64 percent. The same groups had given Sarney 64 percent (PFL) and 53 percent (PDS) in his first month in government. The followers of the Brazilian Democratic Movement Party (PMDB) are more satisfied with the president; in April 55 percent approved and in June that figure had gone to 62 percent; that percentage was also reached by the followers of the Democratic Workers Party (PDT). The discordant note came from the followers of the Brazilian Communist Party (PCB), who did not express an opinion in April and in June gave Sarney the lowest rating of all, 35 percent, followed by the voters of the Workers Party (PT), who remained below 50 percent in their approval rating of the president.

In the Regions

Gallup gave the interviewees another choice: to give the president a grade ranging numerically from minus 5 to plus 5. The residents of the Northeast region are the ones who most approved of Sarney's performance, in June giving him +3.47, but followed very closely by those interviewed in the North-West regions (+3.44), Southeast (+3.43) and South (+3.33). Thus, in the month of June, when 57 percent of the population considered that the Sarney government was performing "very well" and "well," the points on the numeric scale on the regional average totaled +3.48. Interviewees of both sexes have become increasingly satisfied with the president's performance. In the first month, April, the women gave him +3.29 points (51 percent); in his third month of government, June, that figure had risen to +3.55 (57 percent). The men, who in April approved Sarney with +3.22 points (51 percent), gave him +3.42 (58 percent) in June.



- Key:
1. Approval and disapproval of Sarney government measures
 2. Wage readjustments
 3. Control of inflation and cost of living
 4. Expansion of democratic freedoms
 5. Reduction of unemployment
 6. Safety/reduction of violence
 7. Reduction of perquisites
 8. Fight against corruption
 9. Solution of the foreign debt
 10. Solution of the strikes
 11. Approve of Sarney
 12. Disapprove of Sarney



- Key: 1. Evolution of President Jose Sarney's national popularity rating
 2. Say that President Jose Sarney is governing "well" or "very well"
 3. Gallup numerical scale of President Jose Sarney's popularity
 4. April 1985
 5. June 1985
 6. South
 7. Southeast
 8. Northeast
 9. Northwest

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CSO: 3342/226

BRAZIL

PFL HEAD DENIES AD BREAKUP OVER ELECTION DISPUTES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 85 p 7

[Text] Rio de Janeiro--The breakup of the Democratic Alliance [AD] in the states, as a result of the battle over mayoral candidacies in the state capitals, is almost indisputable, but is being denied by the top leaders of the Liberal Front Party [PFL]. Judging by the statements of the party's chairman, Senator Jorge Bornhausen, the differences that have arisen thus far in the Democratic Alliance in some state capitals are merely isolated events, with no impact at the national level on the overall political agreement between the two parties to support the candidacy of the late Tancredo Neves and his administration.

The fact that the PFL has formed a coalition with the Sao Paulo PTB [Brazilian Labor Party] to support the candidacy of Janio Quadros for mayor of the state capital--principal adversary of Senator Fernando Henrique Cardoso, the PMDB [Brazilian Democratic Movement Party] candidate--is minimized by Senator Jorge Bornhausen. Although he has a personal position contrary to the coalition of his party with the laborites, he avoided any formal interference by party officials in the question and has tried to reduce the crisis between the two parties to a mere passing disagreement.

For the PFL chairman, the local disputes do not represent the collapse of the Democratic Alliance nationally. He recalled that thus far no member of the PFL, even in Sao Paulo, has left the party because of disagreeing with coalitions formed by the party, despite the fact that the legal means for this now exist. As party loyalty is no longer required, the PFL chairman reasons, if there were any unavoidable disagreement with the coalitions made thus far, the discontented members would have left the party, which has not happened anywhere.

Formally, the chairman of the PDS [Social Democratic Party] has declared that the dispute in the 15 November elections will not destroy the Democratic Alliance, although this is not exactly correct, as the elections for the mayors of the state capitals were set up--in almost all cases--on the basis of agreements involving candidacies for the coming state elections. Jorge Bornhausen does not admit this publicly, pointing out that such agreements, if made, will have to withstand the 15 November elections.

BRAZIL

RELATIONS TO BE ESTABLISHED WITH CUBA BY END OF YEAR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jul 85 p 2

[Text] Twenty-one years after the military regime installed in Brazil broke relations with Communist Cuba, the civilian government of President Sarney is cautiously preparing to reestablish diplomatic ties. A Brazilian Foreign Ministry official told the Cox News Service last week that ties with Cuba "will certainly be restored by the end of the year" but the Brazilian officials did not give any indication that the relations with the government of Fidel Castro would be close, mentioning the differences regarding the Latin American foreign debt, payment of which the Cuban president considers "impossible."

Even so, the Brazilian officials said that they did not see any reason to oppose the Latin American trend to reestablish diplomatic ties with Cuba. The exceptions in the continent include Colombia, Chile, Paraguay, El Salvador, Guatemala and Honduras. Uruguay is also in the process of reestablishing relations.

A Brazilian official admitted that the concern about undesirable political or subversive activities by Cuban diplomats can be taken up in an agreement with the Cuban Government to limit the number of personnel in its representation.

The reaction of the Brazilian right makes it a sensitive issue, especially within the armed forces. To overcome it, former President-elect Tancredo Neves had defined it as a national security matter.

The Reagan administration also appears opposed to the reestablishment of ties with Cuba by the Latin Americans. The deputy secretary of state for inter-American affairs, Langhorne Motley, said in Brazil in May that the advantages of relations with Cuba are outweighed by the problems. He added that "if Brazil should decide to reestablish relations with Cuba, that is a Brazilian problem."

The first high-level contact between Brazilian and Cuban officials took place on 8 July when the Cuban deputy minister of foreign trade, Alberto Betancourt Roa, was received by Paulo Tarso Flexa de Lima, a second-level Foreign Ministry official. Betancourt's mission was to invite Sarney and

70 other Brazilians to a conference on the Latin American foreign debt in Havana. The president refused, alleging that Brazil still regards the Cartagena Group as the most appropriate forum to discuss the issue, the Foreign Ministry official reported.

Economists of the Brazilian Democratic Movement Party (PMDB), the main party in Sarney's coalition government, responded to the invitations with caution or lack of interest. The PMDB advocates resistance to the policies recommended by the international financial community, which can slow down economic growth. Only labor leader Luis Ignacio da Silva "Lula" of the Workers Party endorses the Havana forum.

The new civilian government is seeking to reinforce the domestic impression that it is invulnerable to "attacks against the national sovereignty" by the IMF. The presidential spokesman for economic affairs, Frota Neto, meanwhile, declared that Brazil knows that "it cannot survive outside of the international financial system."

According to the Foreign Ministry official, in this interlude the reestablishment of relations with Cuba could appease the large but divided Brazilian left, helping to pacify local politics. He added that the Sarney government is seeking the most appropriate moment to resume relations.

Despite the fact that the military regime itself had already taken the initiative to deemphasize ideology in foreign policy in the Geisel period (1974-1979), Cuba was kept out of that process apparently because of Fidel Castro's support of the revolutionary movements in Latin America. Even so, some trade activity was resumed on a triangular basis: recently, Dedini, a Brazilian company, announced a \$2 million agreement to sell sugar refining equipment to the Cubans.

Brazilian officials recognize, however, that trade prospects are limited because of Cuba's dependence on sugar exports, which is also an important item in Brazil's foreign trade. "It is not difficult to think of things that we could sell the Cubans but it is very difficult to imagine what we would buy from them," said Sarney's spokesman.

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CSO: 3342/226

BRAZIL

PAKISTAN STUDIES FORMATION OF JOINT VENTURES

Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Aug 85 p 23

[Text] Brazil's degree of technological development has been arousing the interest of the Government of Pakistan, which is studying feasible ways of forming joint ventures with Brazilian businessmen, especially in the area of producing alcohol, to be used as alternative energy in place of petroleum, imported in large quantities to supply the domestic market.

Kanram Aslam Khan, 36, counselor of the Pakistan embassy in Brazil, explains that the interest in alcohol technology resides in the fact that his country annually produces 33 million tons of sugar cane, while petroleum extraction does not amount to 5 million barrels annually, which represents only 10 percent of consumption.

Other areas considered as priorities for the Pakistan Government are: manufacture of printing paper, expanding installation of textile machinery and heavy electrical equipment, producing small-sized tractors, initiating manufacture of computers, promoting dehydration of foods and acquiring techniques for processing oranges. Besides pointing out the strategic importance of the free-trade zone in the port of Karachi for exporting Brazilian goods to countries of the Arabian Gulf, Kanram Aslam added that to accomplish these projects the government is offering financial incentives and exemption from customs duties.

Kanram Aslam also is coordinator of operations of his country's only commercial office in South America, functioning in Sao Paulo since July of last year. "Basically, the objective of this office was to study the economy of Brazil and establish contacts with various sectors to discover how to intensify bilateral trade between the two countries," he asserts.

There is no maritime agreement between Brazil and Pakistan, nor are there regular shipping lines. "To sign a maritime agreement, there must be cargo going and coming," says the counselor. "However, currently bilateral trade exists in only one way: it is all for the benefit of Brazil."

Last year's trade accounts show that Brazilian exports reached \$84.2 million, while in the opposite direction Brazil imported only \$35,800. According to CACEX [Foreign Trade Department of the Bank of Brazil] statistics, Pakistan imported merchandise worth \$8.3 million in the first 4 months of this year, and its sales to Brazil in the first 5 months totaled \$55,300.

To reduce the disequilibrium in the trade balance, it is the opinion of Kamran Aslam that Brazil should increase imports, including hand-made carpets, rice and surgical instruments: "In this way, Pakistan can also expand its purchases from Brazil." He explains that the location of his country "is ideal" for shipping products to countries of the Middle East--a large consumers market, inasmuch as it has to import almost everything.

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CSO: 3342/247

BRAZIL

EFFORTS BY FIRMS TO PROMOTE ARMS EXPORTS DISCUSSED

Rio de Janeiro 0 GLOBO in Portuguese 8 Aug 85 p 24

[Article by Carlos Tavares de Oliveira, foreign trade consultant of the National Confederation of Commerce]

[Text] The prestigious Stockholm International Peace Research Institute (SIPRI), the most important organization devoted to world peace, may be right in asserting that the growing arms race, now also involving the Third World, is diverting enormous resources that could be applied in the needy sectors of education and health of the developing countries.

The theory is correct, but the harsh reality is that it is precisely the leading industrialized nations, always claiming to favor peace, that are the great boosters of the world arms market, which this year will amount to a trifling \$800 billion. The military budgets of the two superpowers--the United States and the Soviet Union--alone account for 90 percent of this total.

It is difficult to ascertain the exact value of international trade in war materiel, as the statistics do not include exports of much supplementary equipment (radars, electronic apparatus, communications equipment, uniforms, field utensils, etc.) also intended for that purpose. However, according to the authoritative annual report of the SIPRI (1984 edition), world arms exports, strictly speaking, were \$13.4 billion in 1983. The United States and the USSR were by far the leading suppliers, with \$5.2 billion (39 percent) and \$4.0 billion (30 percent) respectively. Developing countries, obviously, were the major importers of this materiel, accounting for about 65 percent of the total.

Considered one of the most dynamic sectors of world trade--due perhaps to the expensive and interminable Iran-Iraq conflict--the export of armaments and related equipment grew at a dizzying pace in recent years. There were also fundamental changes in the closed club of suppliers, due to the rapid rise of some developing countries, including the two Koreas, Brazil, India, Singapore and Israel.

Although continuing to dominate the market, the United States and the USSR have been losing successive orders to this group of countries, classified internationally as "newly-industrialized countries." But the big powers, and multinational companies, still make money from the exports of arms from these same countries, through licensing "know-how," granting patents and selling sophisticated, advanced

hard-to-make components. Thus, in Singapore, there are assembly lines for Lockheed aircraft and parts and for General Electric and Rolls-Royce engines. India, meanwhile, has two plants for making the famous Soviet fighter planes, the MiG.

Brazil pragmatically, despite some delay, began taking advantage of its incomparable bargaining power as the billionaire importers of oil from the Middle East to, in exchange, export armaments. It is precisely in that sadly conflagrated region that our major petroleum suppliers are located, starting with Iraq.

Although the export of Brazilian weapons has increased substantially in recent years, the spectacular results that circulate here and abroad are far from reality. Deplorably so, in fact.

Foreign sales of armaments are beyond the jurisdiction of CACEX [Foreign Trade Department of the Bank of Brazil], which, however, may grant financing for their production. Export orders of this nature are controlled by the collegial body hidden behind the unique acronym of PNEMEM (National Policy for Export of Material for Military Use), guided essentially by the Security Council and the Foreign Affairs Ministry.

The exact figures for these exports are, clearly, known to the government. The results appear in the official statistics merged into generic items of various groups of materials. The items most often used are "Mechanical Instruments, Apparatus and Machinery" and "Transport Material," which, without technical error, can cover cannons, bazookas, tanks, etc.

Last year Brazil's exports of armaments were about \$600 million and during the current year they may surpass \$750 million. The growth rate of this secret item, estimated at about 30 percent, must be the highest of all Brazil's exports.

Brazil is now selling military equipment to 30 countries and over 50 companies, employing 70,000 persons, account directly for the goods supplied. Indirectly, making accessories and components, there must be twice as many plants and employees.

The most important companies of the sector are: ENGESA [Specialized Engineers, Inc.], EMBRAER [Brazilian Aeronautics Company], IMBEL [Ordnance Industry], Bernardini, AVIBRAS, Motopeças, Hydroar, among others. The first, ENGESA, is private (10,000 employees) and the next two are state enterprises, with EMBRAER being attached to the Air Ministry and IMBEL to the Army Ministry.

In a recent report published in Europe, the DPA [DEUTSCHE PRESSE-AGENTUR] now names Brazil as the major arms exporter of the Third World. The same report says that ENGESA's Urutu and Cascavel tanks are being used with complete success by Iraq in its war with Iran. It is interesting to note, by the way, that the other "vedette" of this inconclusive conflict is the Exocet missile, the nightmare of the British fleet in the battle of the Malvinas. To the satisfaction of French industry, this deadly device by 1984 had hit 112 vessels in the Persian Gulf, 57 of which were sunk.

Concerned about the expansion of French armament sales, the U.S. Congress reported that in 1984 France, with \$9.1 billion, had become the second largest supplier of

armaments to the Third World, surpassing the United States, which sold only \$7.3 billion. The USSR was in first place, with \$10.4 billion.

Encouraged by the fine reception of Brazilian arms abroad--praised for their quality and low price--other firms are getting ready to export. In the shipbuilding industry, which has gone through a prolonged crisis, two shipyards are about to test the foreign market. MacLaren is getting ready to build small patrol boats.

The Verolme shipyards, in turn, in a laudable effort to diversify their product line, are beginning manufacture of the FH-70 gun, in conjunction with Vickers, the well-known British firm. The selling point for this gun is its satisfactory use by NATO troops.

Moreover, the recently-created Verolme armaments department is developing other types of equipment, such as the self-propelled howitzer, which will be offered simultaneously to the Brazilian armed forces and the foreign market. It is only fair to stress the inestimable collaboration that the army and the air force, in particular, have been rendering the domestic munitions industry, with full utilization of its products.

Had they not been tested, approved and incorporated as the official equipment of our air and ground forces, the ENGESA tanks and the EMBRAER aircraft would have been hard pressed to obtain the success they have achieved abroad. No foreign forces would have ventured to acquire this type of materiel had it not already been approved in another country.

The time has now come for the navy to also offer its cooperation to the flourishing armaments industry. The already-planned acquisition of two corvettes from domestic shipyards will certainly open new prospects for the sector.

A country with a clearly peaceful nature, Brazil abhors war. But it cannot turn away from this prosperous market, which is sought after indiscriminately by all nations able to do so. After all, there are thousands of new jobs for Brazilian workers and hundreds of millions of dollars in additional exports for the nation.

8834

CSO: 3342/247

BRAZIL

ROBOT PRODUCTION AUTHORIZED UNDER RESERVE MARKET POLICY

Sao Paulo ISTOE in Portuguese 26 Jun 85 pp 64-66

[Text] For the majority of Brazilians, the word robot is associated with the two machines that the fantasy of U.S. movie director George Lucas brought to the screen in 1977 with his heralded film, "Star Wars." The moviegoer was delighted by the daring of little R2D2, very similar to a vacuum cleaner, in counterpoint to the cowardice of his partner C3PO, with his anthropomorphic appearance. For those who had those images in their heads and visited the 12th Electroelectronic Fair in Anhembi Park in Sao Paulo last week, it was difficult to recognize in the stands two of the first industrial robots developed in Brazil which will begin to be marketed soon. After all, these robots do not have the charm of Lucas' models; they are mechanical arms, moving around various axes under the command of microcomputers for use in work involving painting, welding, the manipulation of articles or in the extrusion of plastics.

The Dino MA 320 of the Rio Grande do Sul Mixertech Company is capable of moving articles weighing up to 20 kilos and was developed with the shoe industries as potential customers, as company director Clovis Althaus explained. The Atos Industrial Automation of Sao Paulo presented at the fair a programmable leather painting system capable of recognizing the shapes of articles and painting them according to a command in the memory of a microcomputer. While they are feeling about the markets, sales will be only by order. After all, Dino costs about 5,000 National Treasury Bonds (ORTN's) (210 million cruzeiros), too much money to keep in stock.

On Thursday when the fair began, the leaders of those two companies had good reason to celebrate. The previous day, the Special Secretariat for Informatics (SEI) of the Ministry of Science and Technology had classified the two companies in the list of 16 authorized to develop, produce and market industrial robots in Brazil under the protection of a reserved market which will prohibit the import of models similar to the ones produced locally. Thus, the green light has been given for Mixertech and Atos to vie for a market that should generate sales of \$75 million by 1990 with the production of approximately 500 robotic systems, according to the prediction of Jose Rubens Doria Port, secretary of informatics.

The SEI list groups the lucky ones into three categories. Eight companies were authorized to develop robotic systems projects. Among them is Engesa--Specialized Engineers, a Sao Paulo company that is the leader in the national production of military vehicles and has an electronic branch. The vice-president of Engesa, Jose Guilherme Whitaker, revealed that within a year he plans to produce a robot that initially will take care of Engesa's internal needs, which will utilize 15 systems.

Four companies received SEI's conditional approval because they will use imported technology: they will have to obtain authorization from the National Industrial Property Institute in order to bring the know-how from abroad, commit themselves to nationalizing all products with 5 years, as well as developing locally any other new robotic system they may plan to produce. One of the companies classified in this category is the one resulting from the partnership of Maxitec S.A. and Varga Shares, which will utilize technology from Mantec of West Germany, a Siemens subsidiary. According to the director-superintendent of Maxitec, Thomas Lanz, the new company will expend an investment of \$2 million and plans to produce 73 robots by 1990, beginning with 4 units this year. The Brazilian model will cost the national purchaser between \$120,000 and \$150,000, that is, about triple the price of the similar German unit, according to Lanz's calculations.

SEI's decision opens up prospects for utilization of the pioneer initiative of the researchers of the Integrated Laboratory for the Development and Teaching of Robotics (LIDER), which is comprised of researchers from the Polytechnical School of the University of Sao Paulo and the Federal University of Espirito Santo, who planned a built the first manipulation robot equipped with sight. Headquarters in the digital systems laboratory of the Polytechnical School in Sao Paulo, with a very modest budget, the three-man research team initially developed a mechanical arm controlled by a microcomputer capable of manipulating articles. The next advance, explained Paulo Faria Santos Amaral, who is a member of the team and is working on his doctorate at the Polytechnical School, was to equip the robot with sight: a television camera captures the images, which are digitized by a microcomputer, permitting comparison with patterns kept in the memory.

But not everyone was happy with the SEI's order. Volkswagen do Brazil, for example, saw the route it had conceived for the local purchase of the robots it needs in its assembly lines temporarily blocked. According to Heinrich Bauer, manager of the production planning area of the assembly plant, the goal was to purchase those robots from Soltronic, to which Volkswagen had been transferring the technology for the production of industrial robots. However, the company's plan was not approved by the SEI because "it did not adapt to the requirements for transfer of technology, which would occur very slowly," explained Luciano Coutinho, secretary general of the Ministry of Science and Technology.

Now Volkswagen will have to find another national supplier or wait for Soltronic to get its project approved in the future, a possibility that Coutinho does not discount. Until that turnaround occurs, the Brazilian Volkswagen is rooting for the SEI to authorize the import of another 20 industrial robots, which would be added to the four that are operating in the assembly line of the Santana, working on body-welding. The new machines will

work on the body-welding of the Voyage and Paraty cars, which the company plans to export to the United States, guaranteeing the standard of quality necessary to win that market. Each of the new robots will displace two welders, adding up to a total of 40 workers, which Bauer considers "insignificant" compared to the 1,500 to 2,000 jobs which the export of 200 cars a day will provide.

Another advantage of the use of robots in the assembly line is stressed by Jose Eugenio Pinheiro, manager of engineering and industrial automation of General Motors do Brazil: "The machines guarantee consistency in the execution of tasks, which broadens the final quality and besides that makes an impact on the whole industrial process, imposing an improvement of production standards because they have to be supplied with more precise parts." With an eye on the foreign market, in 1983, GM requested authorization from the SEI to import 11 robots but was not successful, having to await the definition of local production policy.

The companies approved by the SEI will not have an easy road ahead of them. The principal potential customers are in the auto industry (which in the United States accounts for 35 percent of the demand) and auto parts, which demand a high technical standard, and they estimate a much higher price for national robots than similar ones produced in the more developed countries. Pinheiro of GM do Brazil estimates that the robots it needs will cost \$115,000 each here in Brazil, 50 percent more expensive than in the United States. Bauer of Volkswagen estimates that they will cost twice as much and, since Brazilian labor costs one-third as much as German labor, the time necessary for the return on capital for a national robot will be six times greater than in Germany. Therefore, the tendency of the assembly plants will be to place those robots in sections of the assembly line (certain types of welding, painting) essential to guarantee finishing work in keeping with the quality standards demanded in the countries where the assembly plants plan to export. However, the demand will not be enough to offer the national manufactures an incentive because the government will continue to authorize the import of more sophisticated robotic systems besides the goal proposed to the national producers in this phase of establishment of a robotic industry.

In any case, the spread of the use of robots opens up a new front of struggle for the workers, who view these machines as competitors. In Brazil up to now, only the unions connected with the auto industries are taking note of the problems which automation with robots will bring. Lucio Antonio Bellentani of the Ford unit factory committee in the Sao Paulo district of Ipiranga warns that "as the experience of the more advanced countries shows, the use of robots reduces the supply of jobs in a first phase and brings about unemployment later." He cites the case of the Ford factory that produces the Escort in Britain, where automation technology reduced the number of jobs from 12,000 in 1981 to 9,000 at the present time. Bellentani questions that the production for export creates more work: the Cargo truck automated assembly line in Sao Bernard do Camp produces 143 units per day employing 300 workers, while the use of conventional technology would generate another 1,000 jobs.

To prevent the robotization of the assembly lines from creating unemployment, Luiz Antonio Medeiros, vice-president of the Sao Paulo Metalworkers Union, considers it vital that the workers' representatives discuss this change "to

make it possible to recycle the workers displaced by the robots, which should be installed preferentially in the unhealthful jobs such as painting." This was the course adopted in the Renault plants in France, for example, which use 600 robots, including third-generation machines capable of taking a screw-driver out of a toolbox. At Renault, the robots were put in the painting services of in transporting body-stamping tailings. Thus, although those robots caused a 14 percent drop in the supply of jobs at Renault, Gilbert Loret, the delegate of the socialist French Democratic Confederation of Labor (CFDT) in the company, wishes that 20 years from now all factories will be like Renault's, where the robots replaced repetitive and dangerous jobs.

But in France, as in Japan (where there are 50,000 robots) or in the United States (with its 15,000 robots, which will number 90,000 in 1990) the fire-power of the unions is much greater and they thus manage to impose limits and conditions on the robotization process of the factories. In Japan--where the use of robots spread after the oil crisis in an effort to save energy-- the case of Nissan, an auto manufacturer, is a good example. It signed an agreement with the unions providing that the latter would be consulted before the adoption of robots, that it would not cause dismissals, wage reductions or worsen working conditions.

Besides the workers, there are other quarters opposed to the robotization process adopted. Those critics consider that the reserved market will keep Brazilian users out of touch with the more modern advances in the sector and that the robots that will be produced are no more than manipulation machines. Even if that were true, a report by the U.S. consulting company of Front and Sullivan reveals that 10 percent of U.S. robotic industry production is comprised of manipulation machines and that manufacturing them is a step in mastering more sophisticated technologies. Nevertheless, it is true that this is occurring in a competitive, unreserved market. On the other hand, there are many arguments in favor of protecting the infant robotic industry: one of them is the progress of the national microcomputer industry, which started from nothing in 1976 when the reserved market was instituted and achieved sales of \$1 billion in 1984, controlling 50 percent of the computer market.

8711

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BRAZIL

PUBLIC VIEWS FOREIGN DEBT AS BIGGEST PROBLEM TO RESOLVE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jul 85 p 27

[Text] In the opinion of Brazilians, the foreign debt problem is more difficult to resolve than inflation and unemployment. That is what a poll conducted throughout the country by the Gallup Public Opinion Institute released this week shows. According to the figures, there is a growing tendency of opposition to the help given by the International Monetary Fund (IMF) as a result of the influence of the "better informed people." Gallup says that the majority continues "to favor compliance" with the commitments assumed by Brazil abroad but the number of "opinions in support of extending the terms" is increasing.

According to the Institute, "in 1983 the Brazilian population considered the problems related to inflation (84 percent) and unemployment (81 percent) greater than the foreign debt problem (74 percent)." Afterwards, as the chart shows, that issue began to occupy a position close to that of unemployment, in the opinion of the public. The segment that views the debt as "a very difficult problem to resolve" has gone from 47 to 56 percent during that period. "With reference to unemployment, that figure has gone from 44 to 48 percent, and inflation, from 47 to 50 percent."

In addition to that, the number of those who believe that it will be difficult to pay the debt has increased. The Institute reveals that in 1983, 64 percent held that belief. The present figure is 69 percent. Opinion varies according to purchasing power: those with greater purchasing power tend to consider the debt as "very difficult to pay." That tendency is more accentuated in the South and Southeast regions than in the Northeast and Northwest.

Meanwhile, the poll indicates that "the proportion of category A people who describe the Brazilian foreign debt as "very difficult" remains stable (52 percent), having become accentuated in the brackets with lower purchasing power: from 46 to 52 percent in category B, and from 41 to 44 percent in category C." Something similar occurs in terms of educational level: the number of people with a primary school-level education who believe that the debt is more difficult to pay has increased (from 34 to 38 percent) over 2 years ago.

The percentage of those who believe that the debt should be paid dropped from 86 to 80 percent. With regard to the terms, the number of those who believe that the payment must be made in the short term has dropped from 40 to 38 percent. The opinions in favor of a more drawn-out payment--in the long and medium term--have gone from 46 to 42 percent. "Conversely, the opinions opposed to payment have increased from 9 to 16 percent."

The last item in the poll pertained to the opinions opposed to IMF aid to the country. According to the institute, in 1983 53 percent approved that aid; that figure dropped to 45 percent. "The drop of approval of requests for IMF aid occurred in all segments of the Brazilian population, being more accentuated among the younger people, those with greater purchasing power and among inhabitants of the Southeast region."

The poll was conducted in 206 cities from 15 May to 10 June and totaled 2,740 interviews.

PERGUNTA:- "O Sr.(a) acha que este problema do desemprego/da inflação/da dívida externa é um problema muito grande, um problema normal ou um pequeno problema?"						
(1)	(2)	(3)	(4)			
ACHAM QUE É ... (5)	DESEMPREGO		INFLAÇÃO		DÍVIDA EXTERNA	
	1983	1985	1983	1985	1983	1985
	X	X	X	X	X	X
um problema muito grande (6)	81	87	84	84	71	81
um problema normal (7)	11	9	10	10	11	8
um pequeno problema (8)	1	1	1	1	1	1
Não responderam (9)	7	3	5	5	17	9
TOTAIS (10)	100	100	100	100	100	100
BASES (11)	2493	2740	2493	2740	2493	2740

- Key: 1. Question: "Do you believe that this problem of unemployment/of inflation/ of the foreign debt is a "very great problem," "a normal problem," or a "small problem?"
2. Unemployment
3. Inflation
4. Foreign debt
5. Believe that it is...
6. A very great problem
7. A normal problem
8. A small problem
9. Did not reply
10. Totals
11. Samples

BRAZIL

REASONING, PATIENCE TO GOVERN STRATEGY FOR DEBT TALKS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Aug 85 p 25

[Article by Carlos Chagas]

[Text] Two key words define Planalto Palace's strategy for the talks on the foreign debt. Those talks will enter a new phase during the first half of this month, when Minister Francisco Dornelles and Antonio Carlos Lemgruber, governor of the Central Bank, go to the United States. The two words are reasoning or rationality and patience.

Rationality was defended a few days ago by President Jose Sarney in a talk with this reporter. He upheld the importance of removing all emotional and impassioned content from the talks, a process that must start with us. We are not engaged in a holy war, as certain political sectors would like, and even less are we behaving like Brancalone's army in search of Jerusalem. We need to keep cool heads so that while pursuing the major policy of fulfilling our obligations, we can find mechanisms capable of guaranteeing economic growth. In that way, it will not be necessary to accept recession if one occurs as a result of the IMF's proposals.

Patience was mentioned in a conversation yesterday by the president's special adviser on economic affairs, Luis Paulo Rosenberg. He announced that the government is not worried about the problem of maturity dates, just as our creditors should not be worried about the problem of insolvency. So far Brazil has not failed to meet its obligations on time, even though we have had to ask for several deferments and extensions. As far as maturity dates are concerned, the widely discussed fatal deadline of 31 August is a myth.

The fact is that the deadline that did exist with the creditor banks--not with the IMF--was 31 May. Antonio Carlos Lemgruber has negotiated a 90-day extension requiring agreement by 100 percent of our creditors. Payment is being made on all our accounts while that is being worked out, and then other dates will be on the agenda. Proof that things are normal can be seen in the deposits being made with national agencies by foreign banks.

The first stage of the talks will involve negotiations with the IMF to continue its backing for operations with the foreign banks. This means that

patience will be required if we are going to convince IMF authorities of our overall needs. The IMF is interested in seeing inflation reduced and is therefore recommending major cutbacks in spending to reduce the domestic deficit. It would like to see the 1986 inflation forecast set at somewhere around 100 percent. The Brazilian Government has estimated, however, that inflation should stand at about 180 percent next year. That would put us in a position to increase development and cause the country's economy to grow by 5 percent, a level making it possible to create and keep jobs. It is clear that this reasoning and these considerations are our own, not the IMF's, since the IMF is interested only in reducing inflation, with no concern or responsibility as far as the social sector is concerned. Because of that, it will be a matter of engaging in patient dialogue if we are to be successful. It matters little to the IMF that Brazil will wind up with 3 million unemployed if the inflation figures drop even further. But from our standpoint, a slightly higher inflation rate is preferable if, in return, we are able to create 3 million jobs by rekindling the private economy.

Rosemberg points out that our situation is quite different from that in other debtor countries in Latin America even though our debt volume is larger. We have a \$12 billion surplus in our trade balance, counting last year's results and what we will achieve this year, as well as \$8 billion in reserves. We do not constitute an economic risk--quite the contrary. We will not need fresh money to implement our development: we will only need to use part of our trade balance surplus for that. There is no way that our external creditors can fail to take those facts into consideration.

After many emotional debates and some caution in reaching its diagnosis and drawing up its strategy, the government gives the impression of having achieved unity of thought in its approach to the foreign debt. President Jose Sarney spent several months defining his economic plan: he talked, listened, and engaged in dialogue to the maximum extent. He finally succeeded in formalizing the main aspects of his policy, and he presented them in the statement he made two Mondays ago. In fact, he originally intended to speak to the nation solely about economics, but his speech then evolved into a general address that also included political and social matters. What emerged from his appearance in front of video cameras and microphones was that he had set up the complete equation: priority for economic growth, efforts to be directed at the social area and toward meeting the needs of the underprivileged masses, a reduction in the state's role in the economy and a strengthening of domestic private enterprise, cutbacks in public spending, and treatment of the foreign debt within parameters that will not generate a recession.

A new round of talks, first with the IMF and then with the creditor banks, will begin this month, but they will be able to proceed without inescapable deadlines. High-ranking Brazilian officials will not be flying to Washington and New York like people flying off to war, but simply to follow up on normal and natural negotiations. As President Jose Sarney has already said, Brazil does not want to set off a political movement for a united approach by Latin America to the handling of the debt, nor does it want to dominate the bloc of debtor countries. The problem is bilateral, to be handled by each country

separately, regardless of the conclusions reached in Havana this week or the opinion of Prime Minister Fidel Castro concerning the way in which we must or should act. What counts in this whole episode is the defense of our interests and faithful compliance with the directives now established as the basic outline of our policy. It is clear that we will encounter obstacles as well as big difficulties, but those factors will not prevent a rational handling of the matter. With patience.

11798

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BRAZIL

1985 OIL PRICE DECLINE TO PRODUCE U.S. \$ 1.3-BILLION SURPLUS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Aug 85 p 10

[Text] Brasilia--Petroleum is becoming an increasingly good deal for Brazil because even though it has not benefited directly from the recent price drop of \$0.50 per barrel decreed by OPEC, reductions so far this year are already making it possible to estimate a surplus of \$1.3 billion in transactions with the countries providing us with petroleum. And that amount may increase even further if the price drops between now and the end of the year.

According to PETROBRAS figures, it is estimated that petroleum imports this year are already down by \$400 million--from \$6.2 billion to \$5.8 billion--and reexports of that petroleum in the form of byproducts have also declined by \$100 million, dropping from \$2.4 billion to \$2.3 billion.

That would translate into a "net foreign exchange expenditure" of \$3.5 billion this year, or \$1.2 billion less than last year's figure of \$4.7 billion.

But that figure is fictitious, since the fact is that Brazil is exporting \$4.8 billion worth of various goods to the petroleum-producing countries this year, and \$4.2 billion of that are tied directly to petroleum purchases through barter agreements.

Actually, Brazil would have a surplus of \$1 billion in its trade with the petroleum-producing countries even without the recent price declines on the international market.

As a result of the expected drop in crude oil prices during the second half of this year, the surplus could rise even higher. Estimated trading profits from petroleum through December are already up to \$1.3 billion.

If we deduct the \$5.8 billion spent to import petroleum from the \$4.8 billion representing Brazilian exports, we wind up with a deficit of only \$1 billion, and that is more than offset by exports of petroleum products, which total \$2.3 billion.

So the PETROBRAS practice of announcing a supposed "net expenditure of foreign exchange in petroleum is no more than disinformation or poor information,

since Brazil is actually making a good profit from its dealings in that energy source.

Domestic Price

The expected drop in prices on the international market may also precipitate a big internal discussion within the government over the prices being paid by Brazilian consumers for the petroleum they use.

PETROBRAS estimates that the average price of this energy source--disregarding the decision to be reached at the OPEC meeting scheduled for October--will be \$27.40 per barrel this year. Under the most recent petroleum price structure (in effect since the 20th), the Brazilian consumer is paying \$28.50 per barrel of petroleum, whether domestic or imported.

This means that PETROBRAS is making a profit of \$8 on every barrel of domestic petroleum (since according to the firm's own figures, domestic petroleum costs \$20.50 per barrel) and of \$1.10 on every barrel of imported petroleum sold in Brazil. That is a total of \$9.10 per barrel, and based on the country's expected consumption of 930,000 barrels per day during the next 6 months of this year, it represents a profit of \$1.5 billion solely from the purchase and sale of petroleum.

11798

CSO: 3342/238

BRAZIL

JULY TRADE BALANCE SURPLUS HIGHEST OF YEAR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Aug 85 p 24

[Text] At \$1.249 billion, Brazil's trade balance surplus for July was the highest of the year and the fourth highest in the country's history. This was officially announced by Minister of Finance Francisco Dornelles yesterday during the ceremony held to launch the new export credit insurance plan being offered by CACEX [Foreign Trade Department]. The ceremony was attended by the director of CACEX, Marcos Vianna. The year-to-date surplus through July comes to \$6.744 billion.

Dornelles said that if Brazil continues to generate surpluses of a little over \$1 billion per month through the end of the year, the goal of \$12 billion for 1985 will be achieved. "It is the private sector which is mainly responsible for this success in the area of foreign trade," said the minister, "and we are going to continue to make every effort to achieve the objective." He also praised the director of CACEX for "his competence and seriousness."

In an interview immediately following the ceremony, CACEX director Marcos Vianna said that "if necessary," he would seek a further relaxation of the regulations still hampering Brazilian imports, as in the case of the maximum 20-percent increase over what was imported last year. Marcos Vianna said: "There are still no signs that that will be necessary." But he pointed out that in July, for example, there was a spontaneous drop in imports. On the subject of exports, he feels that the second half of the year will witness a slight decline in some sectors, especially in the sale of such cereals as soybeans.

According to information provided by CACEX, the new credit insurance system that was launched yesterday will operate more simply, flexibly, and reliably than the previous one as far as the exporter is concerned. Under the old system, the exporter had to go through a complicated network of bureaucracy to obtain coverage for his sales. The process involved a review by CACEX and the Reinsurance Institute of Brazil [IRB] and provided limited coverage (90 percent in the case of political and extraordinary risks and 85 percent in the case of commercial risks), and the exporter also had to assume responsibility for the legal costs required in case of loss.

Under the new plan, the exporter applies to CACEX for financing and pays the premium through a debit on current account initiated by CACEX, while the IRB automatically accepts the latter's advice. There is 100-percent coverage of political and extraordinary risks, 90-percent coverage of commercial risks--provided that there is a bank endorsement and a guarantee by a foreign government--and 80-percent coverage of commercial risks when the insurance is "clean" and/or is backed by actual guarantees. The new program also includes the concept of "expectation of loss," meaning that there is a 90-day delay in liquidation of the foreign sale transaction. This situation ensures that the exporter will receive 80 percent of the value covered from the IRB, with the remainder being used for legal costs, which are also the IRB's responsibility.

The chairman of the Association of Brazilian Exporters (AEB), Laerte Setubal, expressed optimism concerning the new credit insurance plan, but he recalled that an export credit insurance company (BRASCEX) had existed previously but had never gotten off the ground. It was set up under a decree by the Geisel administration that established majority control by the IRB rather than by private enterprise, a provision "that made the measure meaningless."

11798

CSO: 3342/238

BRAZIL

AUGUST INFLATION RATE HIGHEST EVER

PY310141 LATIN AMERICA DAILY POST Rio de Janeiro in English 30 Aug 85 p 1

[Text] Rio de Janeiro (DAILY POST)--Inflation for the month of August was the highest in the history of Brazil--14 percent--the Getulio Vargas Foundation (FGV) announced Thursday.

The FGV, a private economic research institute which tracks inflation officially for the government, announced the figure late in the afternoon which even though expected provoked consternation in the government.

"The Brazilian people do not merit this," said new Finance Minister Dilson Funaro, who just took over the country's top economic post on Tuesday.

He vowed to have his ministry working "24 hours a day" to bring down the rate.

With August's 14 percent rate, which was well above the previously high of 13.3 percent achieved twice in 1983, Brazil's annualized inflation is now running at 227 percent.

The big run up--July's inflation was "only" 8.9 percent--was attributed by the FGV primarily to higher food prices. Also, government price controls which had brought inflation down to under two digits for three months in a row had been eased, and petroleum product price increases also played a part in raising the rate.

The government of President Jose Sarney has vowed that inflation is the country's "public enemy number one" and Funaro said that all efforts, including possible new price controls, would be used to try to bring the inflation figures down again.

New Finance Minister Dilson Funaro meanwhile announced his first policy moves aimed at promoting economic growth--an agreement with leading Brazilian banks to reduce interest rates.

Funaro on Monday was named to replace former Finance Minister Francisco Dornelles, a conservative monetarist who resigned because the government led by President Jose Sarney disagreed with his calls for strict austerity measures to reduce the federal deficit and slash Brazil's 217 percent inflation.

Funaro met Wednesday with the country's most important bankers to hammer out the agreement on interest rates. He did not give details on how the rates would be lowered.

"It is not true that interest rates can only be lowered if we first reduce the public deficit," Funaro said after the meeting.

"The two can be reduced at the same time."

Private bankers applauded the move.

"Reduction of interest rates is the only way to increase production and help the economy grow," Fernando Millet, director of the Bank of Sao Paulo State, said.

Amador Aguiar, president of Bradesco--Brazil's largest private bank--said the move was a wise one because "it is the high cost of borrowing money that fuels inflation."

Interest rates had been 25 percent per year but they dropped to 21.8 percent Tuesday after Funaro and new Central Bank President Fernaldo Bracher took office.

Businessman Antonio Ermirio de Moraes, president of Votorantim, Brazil's largest private business conglomerate, said lower interest rates were the key to economic recovery.

"This will push recovery of the economy and will put a stop to bankruptcies that have been occurring in the industrial sector due to the high cost of money," he said.

Sarney, who took office five months ago after more than 20 years of military rule, inherited a \$104 billion foreign debt--the developing world's largest.

He has pledged to repay the debt, but said that the country would not accept austerity measures that would stymie his goal of 5 percent annual economic growth.

Last week, before Dornelles and Central Bank President Antonio Carlos Lemgruber resigned, the country's private international creditors decided to give Brazil 140 days to reach a new economic stabilization agreement with the International Monetary Fund.

That agreement is necessary before the creditors will reschedule payment of the foreign debt.

Brazil's new economic team informed the chairman of the bank committee negotiating its debt that the nation intends to continue negotiations with the International Monetary Fund and to honor agreements already reached with the banks.

"In light of recent changes at the Ministry of Finance and Banco Central do Brasil, we wish to confirm the arrangements negotiated and approved (by former officials) and the members of the bank advisory committee during the week of Aug 19, 1985," William R. Rhodes, Citibank official who heads the committee was informed in a telex.

The officials were referring to conditions of a 140-day rollover on principal payments requested last week to give Brazil time to complete its talks with the IMF.

The telex, signed by Funaro, Fernao Bracher, president of the Central Bank, and Carlos Eduardo de Freitas, director of international affairs for the bank, said:

"We would also like to confirm that, as previously announced, a mission of Brazilian technicians will travel to Washington in early September to review with the IMF economic policies and results for 1985 and begin discussions about 1986."

Brazil has been holding talks with the IFM on so-called "Phase III" of its attempts to refinance its foreign debt. Agreement with the Fund would free up a \$4.2 billion credit that was suspended when Brazil failed to meet targets in the previous program.

The resignation Monday of Dornelles and Lemgruber following sharp differences in economic policy sparked concern that Brazil's negotiations with the IMF would be delayed.

CSO: 3300/52

BRAZIL

BAHIA BUSINESSMEN OPPOSE LAND REFORM: HELDER CAMARA COMMENTS

Bill Opposed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Aug 85 p 11

[Text] "The First National Agrarian Reform Plan [PNRA] contains malignant ideological incitements, which, instead of diminishing the areas of conflict, will soon provoke an uncontrollable expansion of these areas, with alarming effects on the public order." This statement was part of the document drafted by the agrarian reform commission established by the Bahian Federation of Industries (FIEBA). The document was forwarded to President Jose Sarney and other authorities in Brasilia and divulged yesterday in Salvador. Signed by FIEBA president Orlando Moscozzo and by Almir Mendes de Carvalho, chairman of the commission, the document recommends greater "prudence" in carrying out rural reform and reminds that history has demonstrated that, particularly in the Americas, agrarian reform has been carried out "in the heat of a revolution or has led many peoples into a bloody revolution."

FIEBA declares it is solidly behind the federal government and "in the spirit of cooperation, inspired by the best civic sentiments," it believes that the establishment of a new land ownership regime in the country must be conducted in an effective and coherent manner. "Otherwise, any slip-up in the process could generate one of the most serious and insoluble crises for the new administration." In the FIEBA's view, the existing conflicts are not being generated simply by unscrupulous landgrabbers, but also by homesteaders, who need land and are often spurred on by ideological stimulation.

Dom Helder Camara

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Aug 85 p 11

[Text] Dom Helder Camara, archbishop emeritus of Recife and Olinda, has defended agrarian reform, announcing that the Catholic Church will conduct a new survey to determine how much land it owns in the country and to "set an example" by distributing its land. He said he considered agrarian reform to be "urgent" and defended his support for the Land Statute of former President Castelo Branco, calling it "not the ideal, but a good start in solving a serious social problem."

He declared that the CNBB [National Conference of Brazilian Bishops] had not yet prepared an official document regarding the PNRA, but that it was making "an important effort to encourage" the priests and laymen to defend the settlement of the landless. He criticized those who call the government's initiative subversive and said that, in his opinion, subversion is the concentration of rural property in the hands of only 6 percent of the population.

Dom Helder advocated a reform "without hatred and without violence" and recommended that Christians educate the owners of large unproductive estates regarding the "social and humanitarian" purpose of the initiative. He warned that if the distribution were not carried out with some urgency, "we run the serious risk of social upheaval."

6362

CS0: 3342/252

BRAZIL

FUNARO SEES BUSINESSMEN AS FEARFUL, INDECISIVE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 aug 85 p 23

[Text] Dilson Funaro, president of the National Economic and Social Development Bank [BNDES] said yesterday during a meeting of the ABDE (Brazilian Association of State Development Banks) that he could see a resumption of solid development only in July, when the loan requests to FINAME [Fund for Financing Machinery and Equipment] for the purchase of machinery and equipment--and not just to clear up debts--increased 15 percent.

Dilson Funaro said he had made a real pilgrimage through several states to persuade the businessmen to resume investments, because he does not believe that the current development, based only on the use of idle capacity, will last much longer. He observed, however, that businessmen, traumatized by 4 years of recession, are timid and indecisive.

According to the BNDES president, it is necessary to put an end to the recession, because Brazil's social problems can only be solved with development, "but a new type of development." He explained that during the 1970's the country could count on savings of 21 percent of the PIB [Gross Domestic Product] and another 1.5 percent in foreign savings deposits for its development. It now has only 14 percent of the PIB in domestic savings and must send 5 percent abroad for interest payments, leaving only 9 percent of the PIB for investment, so projects must be cost-effective and represent a high return on capital.

According to Funaro, the new style of development must be geared to decentralization, to the democratization of capital and to reduction of regional differences. He feels that the country's great tasks today are to modernize the institutional apparatus of the state and, at the same time, to modernize the industrial park so as to remain competitive on the international market.

In his opinion, the national consciousness--which we have been losing in recent years--must be present as never before in the decisions of our leaders. In this regard, he has been talking with businessmen, asking them to stop investing in the "open," to believe in the country and to invest in projects which will lead to the spread of technology and the modernization of the industrial park.

He believes this modernization is essential if the country is to remain competitive with other countries. Otherwise the road to the solution of social problems will be extremely arduous, because the nation's obsolescent economy will

create an unfavorable relation between wages and inflation, create greater distortions in the national income and inflationary pressure.

With the current shortage of resources, in his opinion, every cruzeiro invested must work to relieve the present bottlenecks in our economy, to obtain a high production rate for a small rate of investment.

Funaro added that the National Monetary Council [CMN] omitted the question of interest rates for microbusinesses from the agenda of its last meeting. The BNDES had proposed a 7.5-percent interest rate for the Northeast and North and 8.5 percent for the other regions. In the expectation of a rise in the inflation rate and to avoid granting subsidies, the CMN did not want to approve the proposal but, according to Funaro, the finance minister must come up with a solution. Some 1.2 trillion cruzeiros in funding is destined for PROMICRO, and this whole line of credit is waiting on the establishment of the interest rates by the CMN.

Regarding the denationalization of companies, he said the BNDES is mounting a scheme for the sale of eight companies on the securities exchange, to obtain a just indemnification for the assets of these companies.

Regarding the problem of Carajás Metais, he said that this company, which had invested \$1.2 billion, could take a definite loss of \$400 million on the investments in the copper mines in Bahia and Rio Grande do Sul, which proved to have an extremely low copper content. The supermodern metallurgical plant, in which \$800 million has been invested, could yield a return if there is enough copper ore in the recent finds in Carajás.

6362

CSO: 3342/252

BRAZIL

PETROBRAS CUTS DERIVATIVES STOCK BY HALF; PRODUCTION UP

Dependency on Imports Reduced

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 85 p 28

[Excerpt] Rio de Janeiro--Petrobras reduced its stocks of crude oil and derivatives by half, from 44 million barrels to 22 million barrels, to relieve itself of the financial cost of maintaining large reserves and also because the successive increases of domestic production have reduced dependency on the imported product.

The previous stocks assured domestic supply for a period of about 50 consecutive days, in view of the current average domestic consumption of 916,000 barrels of derivatives daily. With 22 million barrels, Petrobras has reserves of petroleum and derivatives for 24 days of consumption.

Reduction of stocks does not worry the management of the state enterprise, in view of an international petroleum market characterized by weak price support on the part of OPEC nations and also by excess supply. Petrobras experts believe this situation will continue, benefiting importing countries and reducing the need to keep large stocks as a hedge against possible price increases.

Reduced dependency upon imported petroleum, thanks to the successive increases of domestic production, also contributed to the Petrobras decision to reduce the nation's oil stocks. Brazil now imports only 368,000 barrels daily, with national production providing an average of 548,000 barrels daily. As a result, there has been a significant reduction of the nation's vulnerability to the effects of external supply problems, which could arise, for example, from a worsening of the Iran-Iraq conflict.

The need to reduce the firm's financial costs also led Petrobras to work with smaller stocks. Retention of large stocks now involves expenses.

Production Up, Consumption Steady

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 85 p 27

[Text] Production of petroleum and liquid natural gas reached a daily average of 548,017 barrels during the January-through-July period, an increase of 19.9 percent over the same period of last year, while consumption of derivatives, at 916,000

barrels daily, was practically unchanged from the first 7 months of 1984, when the daily average was 914,000 barrels. In July, production was 564,044 barrels daily, an increase of 12.8 percent over the same month last year. But consumption reached 976,000 barrels daily, 3.9 percent more than in July 1984. Data for both production and consumption differ slightly from those reported on the basis of estimates at the end of July. From January through July, domestic production reached 116,180,000 barrels of petroleum and LGN [liquid natural gas]. On the continental shelf, output was 81,934,000 barrels from January through July, an increase of 27 percent over the same 1984 period.

8834

CSO: 3342/247

BRAZIL

BRIEFS

CONTADORA SUPPORT ROLE--Brazil, represented by Foreign Minister Olavo Setubal, should do more listening than talking today in the Colombian city of Cartagena, where it is participating in a meeting to discuss the problems of Central America. The 3-day meeting is part of the Contadora process, in which Mexico, Venezuela, Colombia and Panama are leading the attempt to find a peaceful way out of the Central American conflict. Brazil was invited to participate during the recent inauguration of Peruvian President Alain Garcia. Argentina, Uruguay and Peru have also entered into the project. The purpose of expanding the number of participants is to give new impetus to the process. Brazil supports the Contadora process, but had refused to participate directly, feeling that Central America is an area far removed "from the direct interests of Brazilian foreign policy." At Alain Garcia's inauguration, however, the Sarney government accepted the idea of joining a support group for Contadora, which has been designated the Lima Group. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Aug 85 p 2] 6362

STEEL PRODUCTION UP--Guayaquil, Ecuador--Brazilian steel production--which accounts for 55 percent of the total Latin American production--rose 7.1 percent in the first half of this year, reaching a record 9.6 million tons. This result was the decisive factor in the production of 17 million tons--also a record--registered by Latin America from January to June 1985, representing a 4.7-percent increase over the same period in 1984. The figures were released by the Latin American Iron and Steel Institute. The good performance of the steel industry in this region is in contrast to the 1.8 percent decline in production by the 25 major industrialized countries in the first half of 1985, and to the 13-percent contraction in the United States. In Mexico, production fell 1.5 percent, totaling 3.7 million tons. Production rose only 0.2 percent in Argentina, reaching 1.3 million tons, and production in Venezuela reached 3 million tons, an increase of 14.4 percent. [Text] [Rio de Janeiro O GLOBO in Portuguese 6 Aug 85 p 20] 6362

NIGERIAN INTEREST IN TUCANO--Lagos--Nigeria could replace its 12-year-old British training jets with Brazilian planes, the independent newspaper GUARDIAN reported yesterday. Vice Marshal Ibrahim Alfa, chief of staff of the Nigerian Air Force, said Brazil's Tucano training plane, a light turboprop for ground attack, which made its debut 5 years ago, is among the bidders for the replacement of the 30 Bulldog training planes manufactured by British Aerospace, the newspaper reported. Alfa did not say how many Brazilian jets Nigeria would acquire, but the AFRICAN DEFENSE JOURNAL, published in Paris, suggested last

month that the Air Force would purchase 50 Tucanos for 1.3 million naira (\$1.5 million) apiece. [Text] [Brasilia CORREIO BRAZILIENSE in Portuguese 20 Aug 85 p 12] 6362

ANIMAL SKINS SMUGGLED--Sao Paulo--Over the last 6 years, 19 tons of alligator, snake and other animal skins were smuggled out of the country by the Iguape Comissaria de Despachos Ltda, headquartered in Sao Paulo. The last lot--2,700 kilograms of skins, representing the slaughter of about 80,000 animals--was seized last month at the Viracopos airport, awaiting shipment to Hamburg, FRG. The seizure was announced only yesterday by Joao Leite Neto, regional delegate of the IBDF [Brazilian Forestry Development Institute], who had withheld the information so as not to jeopardize the investigations, conducted jointly with the Federal Police and Federal Revenue. According to Leite Neto, Iguape had effected 29 shipments in the last 6 months, to New York, Barcelona and, particularly, to Hamburg, totaling 18,825 kilograms and earning 200 million cruzeiros for the company. Two men connected with Iguape--Flavio Lima and Nelson Esteves--were questioned and released by the Federal Police last week. The IBDF regional delegate is sure they are not the leaders of the ring, which had help from officials of dispatching agencies which handle foreign shipments. Joao Leite Neto said that whereas a legitimate company may wait more than 2 weeks to ship its products out of the country, Iguape managed it in only 24 hours. Yesterday Joao Leite Neto asked Marcelo Palmerio, national president of the IBDF, to take the matter up with the Foreign Ministry and to request, through the FRG Embassy, an investigation of the activities of Paul Gunther and his partner, Kluene Nagel, who received the skins in Hamburg. [Text] [Rio de Janeiro O GLOBO in Portuguese 30 Jul 85 p 6] 6362

ENTRY INTO BIOTECH MARKET--Without the direct participation of any state enterprise, Brazil yesterday began its entry into the closed world market of modern biotechnology products with the signing of a protocol of cooperation between the Brazilian industries Biobras-Bioquimica of Brazil, SA and Bioferm Research and Development, SA and the Argentine Polychaco SAIC and Sidus IC Institute, SA. The initial object is to manufacture insuline (for diabetics) and interferon (antivirus) through genetic engineering processes for distribution in Latin America. The four companies are private and their capital is 100 percent national. They reached agreement without the intervention of the governments and are now seeking more partners in Latin America who are in a position to cope with the competition of the multinational companies in that sector. Since the Brazilian Government plans to make biotechnology, along with informatics, one of the national science priorities, it deferred to the office of the minister of science and technology, Renato Archer, the signing of the agreement. In the next 2 years, the companies of the two countries will invest between \$200 and \$300 million in research, development and marketing. In 1 month, Brazil will already begin to export insulin to Argentina. The interferon will be produced by the two countries on the basis of an Argentine process. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jul 85 p 11] 8711

NEW PARTIES AUTHORIZED--The Superior Electoral Court (TSE) yesterday certified two more parties in the process of formation to run in the 15 November municipal elections. They are the Progressive Renewal Party (PRP) and the Reformist Labor Party (PRT) which, added to the previous ones, make up a list of 25 party organizations, including the traditional ones. In its platform, the PRP supports private property, the right to free health care, education and food. The PRT, on the other hand, advocates the predominance of the domestic market over the foreign market, especially as regards the foreign debt. The president of the PRT, Iremir Pereira, added that his group does not believe in the existence of the New Republic, stressing that it could only exist if it were the result of a new social pact. In addition to those, the Agrarian Socialist Party, the Renewal Labor Party (Pasart) and the National Communitarian Party, among others, are still awaiting certification by the TSE. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jul 85 p 5] 8711

RELATIONS WITH CUBA--Brasilia--Responding to reporters yesterday at the Ministry of Foreign Affairs, Minister of Foreign Affairs Olavo Setubal denied that the matter of reestablishing diplomatic relations with Cuba was moving ahead "slowly." On the contrary, "it is taking firm steps." The Ministry of Foreign Affairs has already given its opinion, but the matter is also being considered by other government bodies: "This is a very important foreign policy decision." The minister confirmed that he will leave for La Paz at 1000 hours tomorrow to represent the Brazilian Government at the inauguration of the new Bolivian president. Asked whether he would go even if the new president turned out to be Gen Hugo Banzer, Setubal answered: "Provided that he is installed by Congress, Brazil will be there. What may occur is some sort of delay for some constitutional or parliamentary reason." Setubal will take the opportunity to talk with representatives of other countries. On the subject of South Africa, the minister said there were no more practical steps for Brazil to take. He said: "Brazil has already taken all the steps that the entire world is now taking with a lot of hullabaloo. Brazil has already withdrawn its ambassador, banned athletic and cultural exchanges, and suspended the sale of arms and petroleum products. It has not taken any further steps because it is in no position to do so--by cutting off loans and investments, for example. Brazil is in no position to make loans or investments in South Africa." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Aug 85 p 2] 11798

NEW PARTIES CONFIRMED--Brasilia--By unanimous vote, the Superior Electoral Court [TSE] yesterday confirmed the eligibility granted to 14 new parties by the reporting judges during the court's recess. The only exception was the Brazilian Socialist Party (PSB) headed by writer Antonio Houaiss. Review of its case was deferred because of a challenge by another PSB. This brings to 29 the number of parties eligible to participate in the municipal elections on 15 November. In an open session, the TSE countersigned the eligibility authorizations for the following: the Brazilian Municipalist Party (PMB), the Nationalist Party (PN), the Labor Reform Party (PRT), the Independent Democratic Party (PDI), the Renewal Labor Party (PTR), the Progressive Renewal Party (PRP), the Independent Socialist Party (PSI), the New Republic Party (PNR), the National Community Party (PCN), the Brazilian Liberal Party (PLB), the Agrarian Socialist and Labor Renewal Party (Pasart), the National Mobilization Party (PMN), the Youth Party (PJ), and the Democratic Nationalist

Party (PND). During its session on 9 July, the TSE had already authorized the following: the Brazilian People's Party (PPB), the Christian Democratic Party (PDC), the Community Municipalist Party (PMC), the Humanist Party (PH), the Social Christian Party (PSC), the National Tancredist Party (PTN), the Liberal Party (PL), the Brazilian Communist Party (PCB), the Communist Party of Brazil (PCdoB), and the Liberal Front Party (PFL). [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 85 p 5] 11798

CSO: 3342/238

CHILE

POST-RESHUFFLE CARABINERO LEADERSHIP LIST

PY262258 Santiago LA TERCERA DE LA HORA in Spanish 17 Aug 85 p 5

[Text] Pursuant to the latest reshuffle in the Chilean Carabinero corps, the leadership structure of this force is as follows:

Director: General Rodolfo Emilio Eduardo Alejandro Stange Oelckers;

Deputy director: General Juan Bautista Segundo Alegria Valdes;

Minister for National Assets: Inspector General Rene Alberto Peri Fagerstrom;

Director of Logistics: Inspector General Hector Hugo Insulza Gonzalez;

Chief of the Higher Advisory Council: Inspector General Osvaldo Arriagada Pazmino;

Director of Personnel: Inspector General Victor Waldo Vargas Cabrera;

Director of Order and Security: Inspector General Oscar Luis Torres Rodriguez;

Director of Welfare: General Jorge Hernan Veloso Bastias;

Director of Technical and Professional Support: General Andres Maria Cadiz Cuinas;

Chief, 4th Inspection Zone, Concepcion: General Alejandro Cabezas Paice;

Chief, 3d Inspection Zone, Central: General Victor Arturo Fontaine Manriquez;

Director of Training: General Claudio Leon Alberto Calderon Moraga;

Chief, 6th Inspection Zone, Magallanes: General Rene del Carmen Astorga Reyes;

Chief, 1st Inspection Zone, Antofagasta: General Jorge Hernan Portilla Carvajal;

Director of Prevention: General Pedro Rolando Casanueva Ulloa;

Chief, 5th Inspection Zone, Valdivia: General Claudio Alejo Leonidas Venegas Guzman;

Chief of the Metropolitan Zone: General Mario Enrique Salazar Silva;

Chief, 2d Inspection Zone, Valparaiso: General Waldo Emilio Prieto Acuna;

Chief of the Carabinero Household at the Government Junta: General Teofilo Rigoberto Gonzalez Munoz.

CSO: 3348/942

CHILE

RETURNING EXILES FACE MULTITUDE OF PROBLEMS, OBSTACLES

Santiago HOY in Spanish 12 Aug 85 pp 45-49

[Article by attorney Mario Soto Venegas, editor of REVISTA JURIDICA DEL TRABAJO and member of the Chilean Right to Work Association; passages enclosed in slantlines printed in italics]

[Text] We wanted to tackle this subject objectively and from a strictly legal viewpoint.

We are convinced that the reconciliation all we Chileans aspire to will be reached through the analysis and solution of problems that our compatriots who are returning after several years in exile now face.

The ideas we will express here are based on the end of exile and the definite possibility of returning.

John Paul II, in a speech to the diplomatic corps at the Vatican in 1982, said: "Man must not be deprived of the basic right to live and breathe in the fatherland where he was born."

"To live and breathe in the fatherland where he was born" means not only returning but basically joining, becoming an active part of the community where he was born, with equal opportunities and rights, blending into the surroundings and human panorama of the country.

Unfortunately, the reality that the exiles who return to Chile experience today is very different.* This situation might be one reason many of those compatriots have not returned to their fatherland.

We do not want to bring in other considerations that could be misinterpreted and distract us from our essential objective in this delicate and painful subject. However, we must point out that exile, in practice, does not end upon return. The Chileans who return remain outside society, trying to overcome the indifference toward their pain and frustration.

*It is obvious that exile ends upon return but, although it seems like a contradiction, we will continue to speak of "exiles who return to Chile" to specify more clearly whom we are referring to in this article.

What are the problems of the exiles when they return to Chile?

We will try to list them but this list cannot be considered complete. We will point out the main ones.

Customs Problems

A Chilean who has been abroad for more than 3 years (many have been in exile for more than 10 years) and has worked and supported a family during that period has had to acquire furniture, furnishings, work implements, technical books, textbooks and possibly a modest car.

What facilities is he given to bring in those goods, the fruit of hard personal and family work?

In general, Chileans--exiles or not--outside the country for 2 years can bring in /used/ merchandise, paying the corresponding customs based on an appraisal of those goods. The National Customs Service makes the appraisal and customs vary between 30 percent and 60 percent of the appraised value (Finance Decree No. 10 of 1967, Item 0033 on Customs Duties).

Consequently, there are no special exemptions or different treatment for the exiles. Before returning, they must consider the economic cost of bringing in their furnishings and other used goods.

It should be recalled that the DIARIO OFICIAL of 21 December 1973 published Decree Law No. 204 that granted various exemptions to Chilean professionals, technicians, craftsmen or skilled workers living abroad before 11 September 1973 in order to get them to return to the country.

That decree law stated "that the manifest desire of the Government Junta is to unite all Chileans to achieve the basic objectives of peace, justice and reconstruction of the national economy." "This desire for unity must reach the Chileans abroad whose abilities must be exploited to benefit their own nation."

These clauses led the authority to establish a number of customs exemptions to facilitate the return of many Chileans who had voluntarily left the country before 11 September 1973.

Today, when we all support reconciliation, those clauses are again applicable. We believe it is time to establish similar exemptions like those cited in Decree Law No. 204 based on current legislation.

Citing Article 1, these exemptions include the following:

Authorization to import household furnishings, necessary equipment for their profession or job and a motorized vehicle totaling \$8,000 or less, FOB, exempt from the obligation to register at the Central Bank of Chile and make prior deposits; and

Release from all customs, taxes, rates and other charges that affect imports including the shipment charge and the tax on the merchandise indicated in the preceding paragraph.

Article 2 added: "The furnishings must be used and suitable to the normal needs of the family of the beneficiary.

"If the interested party had two or more professions and/or jobs, he can only import the equipment for one of them under these provisions.

"The vehicle must be used and be a car, van or something similar, suitable for the use of the beneficiary and his family.

"In the case of couples where both spouses can benefit under the previous article, only one of them can import these articles. A child will have the right to these exemptions only in the case set forth in Article 243, No. 1, of the Civil Code"--that is, goods acquired by the child through a position, profession, industry or job.

The goods imported could not be transferred by any legal act between living persons that entailed the transfer of control, possession, holding or use to third parties until after all obligations without the legal exemptions already indicated were paid with a surcharge of 50 percent or until after 3 years had passed since their import.

/We asked if these exemptions that were granted to the Chileans who only lived abroad for 6 months (Article 2 of Decree Law No. 204) were established today to make the return of the exiles who have lived outside of Chile 5 or 10 years a reality....Would they be unjust, inappropriate or discriminatory?/

This is a topic that we tackle from a legal viewpoint but no one can ignore the fact that it transcends this field.

There is a legal saying: "Where there is the same reason, there should be the same provision."

The reasons for Decree Law No. 204 of 1973 have reappeared. Only the legal provisions that could be dictated on these exemptions are missing.

Educational Problems

The exiled head of the household who has the chance to return must keep the educational future of his children clear in his mind.

The lack of information at the consulates and the nebula of provisions, regulations and laws hurt the exile who wants his children's studies to continue. In many cases, the uncertainty about recognition or validation of professional degrees, academic degrees or partial studies obtained or taken abroad by the exile himself hinder making the right decision.

Ignorance of the certificates that must be requested and attested to in the country where the studies have been taken is an obstacle that means greater expenses and loss of time once in Chile.

Article 5 of Decree Law No. 204 was very clear on this and gave certain facilities to Chileans who returned, prescribing that their children "can enroll in the course of studies equivalent to the one they were taking abroad, whether in elementary, intermediate, special or university education, with the superintendent of education or the respective university authority deciding on the case."

As a reference, we will try to give an overall view of the existing provisions on this matter.

In the first place, Article 31 of Law No. 17.073 that replaced Article 49 of Law No. 15.266, organic statute of the Ministry of Foreign Relations, provides that "the certificate of studies obtained abroad by the children of Chileans granted for primary and secondary education will be valid in Chile for all legal effects, after recognition by the Ministry of Public Education."

Resolution No. 1336 of the Ministry of Public Education of 14 June 1983 indicates that this ministry, through the Directorate of Secondary Education, must recognize the certificates accrediting studies abroad based on cultural agreements or agreements for validation of studies and existing laws on this.

According to Article 83 of Decree No. 62 of the Ministry of Public Education of 25 March 1983, the Directorate of Secondary Education must establish the procedure to resolve requests for validation of studies taken outside of the country.

Those interested in obtaining recognition of studies must present a request to the Directorate of Secondary Education accompanied by the following documents:

Birth certificate;

Certificate of study of the last basic (primary) education course or intermediate (secondary) course passed abroad, duly attested to by the Ministry of Public Education or competent authority in the country in which it was issued, by the Ministry of Foreign Relations and by the Chilean Embassy or consulate in that country; and

Certificate of the last course taken in Chile before those taken abroad, when pertinent.

If the certificate of studies is issued in a foreign language, the Directorate of Secondary Education can require the corresponding official translation. The originals of the documents indicated must be presented; photocopies will not be accepted.

Once the request is approved, the directorate gives the interested party a certificate of recognition of studies after payment of the corresponding legal fees.

New Obstacles

Special provisions of Decree No. 185 of the Ministry of Public Education of 13 March 1974 apply to recognition of studies taken in one of the signatory countries of the Andres Bello agreement.

Article 1 of that decree states that primary or basic studies and intermediate or secondary education, complete or partial, taken in any of the signatory countries of the agreement are recognized. Students coming from those countries will be admitted to the corresponding course or year after presentation of duly attested certificates of study issued by establishments recognized by the country the student is coming from.

To obtain this recognition, the interested party must present:

Certificate of studies of the last course of basic (primary) education or intermediate education passed abroad; and

Verification by the last establishment where he studied that accredits the number of years of study in the educational system of that country.

These documents must be issued by the corresponding educational establishment or educational authority, authorized by the provincial and local authority, when pertinent, and authenticated according to Chilean laws.

In practice, when the exiles return, they try to comply with all these demands in order to enroll their children in the course that corresponds to them based on their studies abroad. There are so many requirements, documents and conditions that they cannot always comply with them and the difficulties in enrolling them sometimes cannot be overcome.

Some academies have been created in Santiago for the children of exiles. In our opinion, this will retard the integration of those children into the national community.

At another level, ignorance of existing regulations to enter the university is another serious obstacle for the exiles who try to return.

As in the case of basic and intermediate education, we will give some background related to entrance to the University of Chile by people who took their intermediate studies abroad.

This situation is governed by Rector's Decree No. 17.280 of 28 December 1973 amended by University Decree No. 002341 of 1977 and Decree No. 0001042 of 1980.

Article 1 of this regulation states that "Chileans and foreigners who have taken at least the last 2 years of their intermediate studies in another country and who would have fulfilled all that country's requirements to enroll in university education can enter the university without submitting to the regular established selection procedure, within the quotas approved for students who have studied abroad."

The Chileans and foreigners who have taken only the last year of intermediate studies abroad must submit to the regular student selection procedure (Academic Aptitude Test). The children of officials who are abroad in the service of the Chilean Government are exempt from this requirement and their enrollment is not subject to the quotas indicated above (Article 2).

Those who meet the conditions indicated in Article 1 must provide the following documents:

Request indicating the school or schools they want to enroll in with a maximum of three;

Certificate that accredits the completion of intermediate studies and the fulfillment of the subsequent qualification requirements to enter advanced education in the country in which they were taken;

Certificate of the grades obtained during intermediate studies with indications of the grade scale; and

Certificate from the embassy or consulate in the country in which they took the intermediate studies verifying that the interested party fulfilled all the requirements to enter advanced university education in that country.

This is a brief description of the requirements in normal situations of intermediate studies taken outside the country.

As can be seen, there are many important documents that must be requested before returning to Chile.

Last, there is a lengthy regulation for the recognition or validation of professional degrees, academic degrees or partial studies taken abroad that we will not present due to its complexity and length.

All the above leads us to a clear conclusion: All the Chilean embassies or consulates must provide information that tells the exiles who are going to return the requirements, conditions, certificates, etc., that they need to bring with them in order to solve the educational problems that they will face in Chile.

Social Security Problems

Most of the Chileans who went into exile were under the old Social Security system and have not paid in for several years. This "gap" in their Social Security file prevents them from enjoying a retirement pension when they meet the conditions of age and years of payment.

Those over 50 cannot reasonably plan to join the new pension system created by Decree Law No. 3.500 of 1980. We must point out that the people under the old Social Security system who opted for the new one must record at least 12 monthly payments in some Social Security institution in the 5 years before 13 November 1980 to have the right to the recognition voucher. Many exiles

cannot meet these conditions and the system of individual capitalization does not suit them since they do not have recognition for their past years of payment. The fund that they can accumulate before 65 will normally be very low.

We believe that the legal solution to this problem is a special law for these cases that permits the people affected to fill the Social Security gap of their years in exile within a prudent time limit.

Another case that should be mentioned is the person who went into exile without having Social Security in Chile. While abroad for more than 10 years--to give a period--he had to join some Social Security system.

When this person returns to Chile, he must join some AFP [expansion unknown], according to existing legislation, since it is a legal obligation for workers who join Social Security for the first time to join under the new pension system.

Now this person would begin his Social Security record without any endorsement, without a recognition voucher, and, depending on his age, would have to accumulate a considerable fund in his individual account in order to have the right to a modest pension when he reached 65 years of age.

With respect to this case, we feel that the legislators should give the exile the right to choose what Social Security system is best for him, the old one or the new one, and in both cases give him facilities to make payments for the entire period when he was in exile.

We have learned that the need to legislate this matter was presented to the Socioeconomic Council. The importance and justice of this law support all the studies and bills on this topic.

We appeal to the Social Security organizations and professionals to announce concrete projects to legally solve this Social Security problem.

Labor Problems

The drama of unemployment that afflicts a large part of the working masses surrounds and isolates the exile who returns.

The exile does not suffer greatly from this situation at the beginning since the fact of being with his relatives and friends and returning to his environment overcomes his anxiety about his job future. As the months pass, though, and work is not found, an interior struggle begins in the head of the household. On one side, he sees an indifferent community that prolongs the exile in his fatherland. On the other side, he hopes that a door will open, giving him the necessary work to support his family.

Consciously or unconsciously, many have blacklisted the exiles. Professionals who want to practice their profession find themselves without the endorsement of clients who fear, for example, that by hiring the services of a lawyer who has returned from exile, their case might be hurt.

The same thing happens with technicians and specialized workers.

This is reality. We cannot ignore the pain and suffering of many Chileans who returned hopefully with the good, firm intention of contributing to the construction of their longed-for fatherland through their effort and work.

It is necessary to create organizations that are concerned especially with the job situation of these people who return. The professional associations have a very important task in this. These associations must show solidarity and provide work for those people who identify with those institutions due to their training, technology or work.

It is necessary to shake off public and private indifference and find solutions for these problems we have indicated.

Problems of Nationality

This is a point that requires calm analysis. Frequently we react impulsively to Chileans who have been forced to renounce their citizenship.

There are many countries that demand that foreigners renounce their citizenship and adopt that of the new country in order to obtain a permanent visa and, consequently, be hired for more than a year.

Facing this legal requirement, the need to survive and the uncertainty about how long the exile will last, the head of the household has had to make the decision to renounce his citizenship in order to look after his loved ones.

With the chance to return to Chile, the exile is in this situation because he was forced by circumstances completely beyond his control.

Article 11 of the Political Constitution of 1980 refers to this subject and indicates that Chilean citizenship is lost by nationalization in a foreign country. However, the ground for loss of Chilean citizenship adds that it /does not govern/ "for Chileans who, by virtue of constitutional, legal or administrative provisions of the country in whose territory they reside, adopt the foreign nationality as a condition to stay in it or have legal equality in the exercise of civil rights with the nationals of that country."

Did the adoption of the other nationality imply the renunciation of Chilean citizenship?

The Constitution has resolved this question by conditioning the adoption of another nationality to constitutional, legal or administrative provisions or requirements of the country in which the Chilean resides. Adoption of another nationality based on those requirements does not mean or imply renunciation of Chilean citizenship.

The great majority of the exiles are in this situation. In other words, they have not lost Chilean citizenship for having adopted another nationality as a condition of staying in the new country or achieving legal equality with the nationals of that country.

We must point out that the exile who has voluntarily adopted another nationality without being compelled to by constitutional, legal or administrative provisions has obviously stopped being a Chilean.

Ignorance of this constitutional norm, applicable to so many exiles who continue to be Chileans despite having adopted another nationality, hinders the return of many of them.

We feel it is necessary, therefore, that Chilean authorities and diplomatic representatives be explicit so that the exiles who are in this situation know that they are still Chileans. Upon returning to their fatherland, they can exercise all their rights and fulfill their corresponding obligations like any other citizen.

The top spiritual authorities of the country ask and plead for a real reconciliation. We believe that, by tackling these topics and proposing that solutions be discussed and found in a high-minded and responsible way, we are not only heeding that call but we are trying to make the Chile of today more united and solid for the Chile of tomorrow.

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CSO: 3348/899

CHILE

FORMER ALLENDE MINISTERS SUPPORT NATIONAL ACCORD

PY312140 Santiago Radio Chilena in Spanish 1700 GMT 30 Aug 85

[Text] Former Ministers in the government of the late President Salvador Allende have released a public statement of support for the document on National Accord for Transition to Full Democracy. Sergio Vitar, who was Mining Minister under that government and who was banished to Dawson Island after the 1973 military takeover, talked about that statement:

[Begin Vitar recording] Seven ministers, who served in the Allende government have thought it appropriate to make a statement about the National Accord for Transition to Full Democracy. Former Ministers Carlos Briones, Roberto Cuellar, Luis Mate, Anibal Palma, Pedro Felipe Ramirez, Alfonso David Lebon, and Sergio Vitar have made this statement:

The undersigned, former ministers of the last constitutional government of Chile, which struggled for broad democracy and social justice, express the following:

First, we thank Monsignor Fresno for his efforts to reconcile Chileans and to find a peaceful solution to the deep crisis the country is experiencing; second, the document handed over to the Santiago archbishop is an important step toward democratization, which the Chilean people want, because the National Accord for Transition to Full Democracy is a generous gesture for understanding and unity, which contrasts with the failure of the dictatorship and its measures intended to divide the Chilean people and the political parties; Third, we appreciate very much the united attitude of the left and its support for this initiative, just as we endorse the decision to increase social mobilization to recover our freedoms and to institute as soon as possible a democratic government that will represent hope and dignity for Chileans. [end recording]

Sergio Vitar, a leader of the Christian Left, was asked whether that group was joining with the Popular Democratic Movement, MDP, and particularly with the Chilean Communist Party to support this effort toward unity:

[Begin Vitar recording] The Christian Left has participated in and signed the National Accord, because it seems to us that it is a fundamental step. As we have said, we also believe that a broad agreement among all opposition

groups is necessary to respond to the aspirations of the Chilean people. We have made modest efforts to attain this agreement, and we are assessing the development. We will continue to seek this broad agreement, especially an understanding within the left to support this initiative. [end recording]

The declaration made yesterday by Luis Maira angered the Communist Party, which wanted to use the word appreciation instead of support. As a result it erased its signature from the so-called board agreement of the left.

CSO: 3348/947

CHILE

MANY SECTORS SUPPORT NATIONAL ACCORD FOR TRANSITION

PY311302 Santiago Radio Chilena in Spanish 1700 GMT 30 Aug 85

[Text] The following parties support the National Accord: the National Party; the Republican Party [Partido Republicano]; the Movement of the National Union [Movimiento de Unidad Nacional--MUN]; the Liberal Movement; the Christian Democratic Party; the Social Democracy; the Radical Party; the National Democratic Party; the Social Democratic Movement [Movimiento Social Democrata]; the Socialist Party of Chile, headed by Carlos Briones and the (Mandujano) sector; the Radical Union [Union Radical]; the United Popular Action Movement, headed by Victor (Barrueto); the Chilean Socialist Front [Frente Socialista de Chile]; the Christian Left; the Socialist Bloc; and the Popular Socialist Union.

However, those who do not support the National Accord or only agree with part of it are: the Independent Democratic Union, the Communist Party, and the Movement of the Revolutionary Left.

The Nationalist Movement [Movimiento de Accion Nacional] presided over by Federico Willoughby supports it to some extent, and the National Vanguard has still not commented on it. However, it is known that National Vanguard leader Cesar Hidalgo might support the Accord.

The workers support and have joined this initiative, which has already been qualified as historical and meant to save Chile. This is expressed in the communiqués issued by the National Workers Command, which groups, among other organizations, the Sole Workers Front [Frente Unitario de Trabajadores], the National Coordinating Board of Unions [Coordinadora Nacional Sindical], the copper and construction workers, and the bank employees.

The Democratic Workers Central Organization [Central Democratica de Trabajadores], the Federation of Oil Workers [Federation de Trabajadores del Petroleo], and some professional associations, including those of the engineers, executive engineers, medical doctors, social assistants, the regional and metropolitan associations of medical doctors, social assistants, engineers, nurses, and chemists, also support the National Accord.

The (ABED) [expansion unknown] neighborhood organization, the Professors Association of the University of Chile, and the National Association of Graduate Auditors also are included.

There are so many organizations that it is impossible to read out the thousands of names that are supporting this Accord throughout the country.

CHILE

DAILY NOTES DANGER IN 'SOCIAL MOBILIZATION'

PY012209 Santiago EL MERCURIO in Spanish 27 Aug 85 p A 3

[Editorial: "Social Mobilization and Transition:]

[Text] Lately, the country has seen frequent disturbances of public order as a result of calls for stoppages and demonstrations. This seems to be a seasonal phenomenon because for some years now, this time of the year has been marked by increased agitation. It is also a consequence of the opposition's grand strategy against the regime.

As is well known, the Communist Party has formally and explicitly opted for the path of toppling the current government. This strategy, however, is condemned by the rest of the opposition. Some sectors find this strategy unacceptable and not conducive to the return to democracy, while others consider it unviable in the country's current circumstances, especially in view of the cohesiveness of the Armed Forces. This establishes an imbalance of forces, which dooms any chances of success for an armed insurrection.

Without disregarding the above considerations, in the opinion of most of the opposition sectors, the transition to democracy will not be possible by following the timetable established in the 1980 Constitution or by attempting negotiations with the government. It is argued that the authorities are not inclined to advance toward democracy, and that negotiations cannot be undertaken in the presence of an imbalance of strength between the opposition and the government.

To overturn this imbalance of strength, the majority of the opposition proposes different forms of "social mobilization," creating a climate in which the country will become ungovernable, thus forcing the government to relent its position, eventually.

With that objective in mind, common strategies have been devised to encourage street demonstrations and student disorders. Efforts are also made to engage labor and class organizations in this line of action. As a "tactic dictated by circumstances," the development of common actions with the Communist Party is deemed acceptable and legitimate. A large sector of that opposition, likewise, seems to believe that the formal political parties will be able to maintain leadership and control of the social forces once they have been unleashed.

Experience and common sense tell us that the climate of public unrest and fear this strategy spawns tends to harden the regime and to support the false assumption by the government that any change will bring chaos and, therefore, that keeping the status quo is the only safe option.

On the other hand, all these acts of "social mobilization" through "self-controlled violence" have shown that the forces unleashed do not respond to directives from democratic parties. Soon these forces become uncontrollable and, although they may not be led by the Communist Party, they are used by it. In this way, the Communist Party manages to get the upper hand and to lead the opposition. This is logical and predictable because given its nature, its violent inclinations, and its organization, the Communist Party is in a position to gain the most in an environment of agitation.

The country indeed wants to make progress toward democracy, but it wants this transition to be made through a peaceful process so as to ensure a stable regime in the future. The possibility that this aspiration may be frustrated increases in direct proportion to the degree in which the democratic sectors become complacent with violence and disorder.

CSO:. 3348/947

CHILE

PCCH'S TEITELBOIM SUPPORTS POPULAR REBELLION

PY040252 Paris AFP in Spanish 2257 GMT 2 Sep 85

[Text] Buenos Aires, 2 Sep (AFP)--Volodia Teitelboim, a member of the political commission of the Chilean Communist Party (PCCH), today stated in Buenos Aires that the popular rebellion of the masses, which does not mean a popular and prolonged war, is the essential tool to put an end to the military regime of General Augusto Pinochet.

The former congressman denied that his party advocates armed struggle, but emphasized that the people have the legitimate right to defend themselves vis-a-vis the aggression of an illegitimate government.

During a press conference, Teitelboim stated that the mobilization to be held in Chile on 4 September, coincidentally marking the 15th anniversary of the election of Salvador Allende as president, will reach vast proportions and will be the people's reaction vis-a-vis a government in crisis.

In that regard, the PCCH leader called Santiago Archbishop Cardinal Juan Francisco Fresno's appeal to refrain from participating in the protest a serious mistake.

We regret this statement, but this circumstantial discrepancy does not tarnish at all the gratitude we owe to the Catholic Church in our country for what it has been doing during the past 12 years of dictatorship in defense of human rights, Teitelboim emphasized.

Teitelboim stated that the PCCH endorses the reconciliation of the Chilean people and that the PCCH is fully struggling for democracy. He added that a government representing all the forces fighting Pinochet, including the participation of the Armed Forces, must emerge in Chile.

We agree that negotiations must be held with the Armed Forces on the hand-over of power to civilians, but we believe that this step can only be taken when the Armed Forces get rid of Pinochet, Teitelboim emphasized.

The former senator for Santiago Province said that his party agrees with the proposal made by his countryman and leader of the World Union of Christian Democrats, Andres Zaldivar, to support civil disobedience, which implies

disobeying Pinochet's constitution and making the country ungovernable for the dictatorship.

Teitelboim stated that the Popular Democratic Movement (MDP), which is made up of the PCCH, the Socialists led by former Foreign Minister Clodomiro Almeyda, and the Movement of the Revolutionary Left (Mir), proposes a freely elected constituent assembly, an emergency socioeconomic program, and the reinstatement of human rights, even for those who have not respected us over the past 12 years.

He said that the document released last week by 11 right-wing, center-right, and center-left parties has very important and positive aspects, including the demands that the state of exception, the political recess, and exiles be ended.

Nevertheless, Teitelboim stated that the big omission of that document is that it does not include Pinochet's immediate departure from power.

Teitelboim stated that, unlike the institutional dictatorships that ruled Uruguay, Argentina, and Brazil, the Chilean dictatorship is a one-man dictatorship because it has been run by a single tyrant for 12 years, a tyrant who, because of his ambitions and fears, is clinging to power.

The PCCH leader stressed that Pinochet has burned his bridges and that for this reason he cannot accept a transition or a reconciliation, because this would mean a personal sacrifice.

In turn, Luis Guastavino, a former deputy and also a member of the political commission of the PCCH, said that the proposal made by the moderate opposition to reject general trials for human rights violations and to accept only those in which responsible denunciations are made is an unfathomable weakness.

This position simply sidesteps a real issue that interprets the sentiment of a taunted people, Guastavino said.

CSO: 3348/947

CHILE

MLN GROUP DENOUNCES CONCENTRATION CAMP

PY051707 Paris AFP in Spanish 1516 GMT 3 Sep 85

[Text] Buenos Aires, 3 Sep (AFP)--The National Liberation Movement (MLN), comprising dissident soldiers and people who are living underground in Chile, told AFP today in Buenos Aires that there is what can be considered a real concentration camp at the Dignidad Colony Benevolent Society.

According to the MLN's spokesmen, who asked AFP not to reveal their names, the group supports popular socialism with the aim of unifying the masses under the banner of an ideology for the common welfare. When it was founded in 1978 it included the so-called Dissident Soldiers Command, but afterward it was transformed into the MLN.

The spokesmen asserted that their charge is based on the knowledge of the various Chilean security services and they claimed that the highjacking of seven trucks, distributing of food to the poor, disseminating pamphlets, and painting slogans on walls are among their recent public activities.

They stated that in Dignidad Colony, a 15,000 hectare-ranch located in the area of Parral in San Fabian de Alico, there is an authentic fortified city with an airport, private cemetery, a hospital containing highly technological equipment, a sophisticated security system, its own laws. The spokesmen said it has the cooperation of the Armed Forces and Carabineros.

According to the MLN, the Condor Operation for the elimination of opposition politicians including Orlando Letelier, a former foreign minister of deceased President Salvador Allende, originated there.

This is where Alvaro Modesto Vallejo Villagran, Maragarita Parra, and Ricardo Contreras Catalan, who are among at least 23 cases that have been registered by the MLN, were killed and their bodies incinerated. Regarding Vallejo, they said, this case was confirmed by the Solidarity Vicariate.

The MLN also claimed that Commander Fuentes and Lieutenant Palma, among others, killed dissident soldier Brati Cornejo, communist Regidor Fuentes, and the Baible Navarrete brothers. It also said there were two attempts to try to kidnap Lieutenant Jose Belmar Barrero, an exile who is a member of the MLN, in the Argentine city of Mendoza.

The spokesmen also stated that many of these charges have been submitted to various Chilean political parties and that they were used to the advantage of those parties or ignored and no credit was given to the group.

They denied the verticalism of the Armed Forces that is preached by General Augusto Pinochet and they asserted that the handing over of those allegedly responsible for the recent throat cutting of opposition militants and of other murders is the beginning of the break up of that verticality, which could be foreseen as early as 1978.

According to its spokesmen, the MLN is seeking international support in order to increase its activities within Chilean territory. It is also seeking support from Latin American countries.

CSO: 3348/947

CHILE

BRIEFS

DETAILS OF VIOLENCE ON DAY OF PROTEST--The result of yesterday's violence in the capital and other parts of the country was tragic. The unfortunate and tragic result of the violent actions carried out by opposition sectors include 6 dead, 8 wounded, 18 Carabineros injured, extensive material damage, 22 businesses looted, and 577 people arrested. The Carabineros have released an official communique on the result of the vandalism carried out by known professional political agitators. The police reported that six people were killed. The police also arrested 36 vandals in the possession of articles looted from businesses. The Carabineros report indicates that five of the people wounded are in serious condition. The official list issued by the Carabineros on the number of people wounded indicates that the bullet wounds of the remaining three people are not very serious. The report says that 18 policemen were injured during the violent actions throughout the country. It adds that 22 businesses were looted in Santiago and that police personnel had to intervene to control vandalism. The report says in conclusion that 577 people were arrested throughout the country, 348 in the Santiago area alone. Macul Intendet Delia Mocha has said that several acts of violence occurred in this intendency. She said that two traffic lights and several street benches were destroyed. She also reported that violent actions were carried out in Santa Julia and Jaime Izaguirre districts. In Pudahuel, the demonstrators destroyed several traffic lights and looted several stores. In Lo Prado, vandals destroyed street signs, benches, and windows of private and public properties. [Excerpts] [Santiago Domestic Service in Spanish 1730 GMT 5 Sep 85 PY]

CANESSA CONFIRMED DEPUTY COMMANDER--The first round of meetings of the Chilean Army Promotion Board concluded today after 5 days of meetings. Today's meeting was attended by all the Army generals headed by General Augusto Pinochet who announced that Lieutenant General Julio Canessa Robert has been confirmed as Army deputy commander. The meetings started on 27 August. These are the initial proceedings in the Army every year to propose promotions and retirement process for Army personnel. The Promotion Board will meet again in October and at the conclusion of the second round of meetings will release the names of the officers who have been retired, promoted or assigned to new duties for the 1986 period. [Text] [Santiago Domestic Service in Spanish 1730 GMT 30 Aug 85 PY]

1986 ORGANIZATION OF NAVY HIGH COMMAND ANNOUNCED--Navy Commander Admiral Jose Toribio Merino has released the 1986 organization of the Navy High Command, ending the evaluation process for Navy officers. The announcement was made in an official communique released yesterday by the Navy Public Relations Department. The organization of the Navy High Command for 1986 is as follows: Vice Admiral German Guselaga Toro, chief of the Navy General Staff; Vice Admiral Hernan Rivera Calderon, commander in chief of the 1st Naval Zone; Vice Admiral Sergio Sanchez Luna, director general of Navy Services; Vice Admiral Rodolfo (Undurrega) Carvajal, director general of Navy Personnel; Rear Admiral (Arthur Montana Borgatto), auditor general of the Navy; Rear Admiral John Howard Balaesque, commander in chief of the Squadron; Rear Admiral Rigoberto Cruz Johnson, Chief of the Naval Mission in London; Rear Admiral Fernando (Camus Sherer), Director General of the Maritime Territory and of the national Merchant Marine; Rear Admiral Jorge Sepulveda Ortiz, Chief of the Naval Cabinet; Rear Admiral Fernando Narvajas Irigoyen, chief of the Chilean Naval Mission in Washington; Rear Admiral Gustavo (Faiser Niersbalki), commander of 3d Naval Zone; Rear Admiral Arias Acuna Figueroa, commanding general of the Navy Infantry Corps; Rear Admiral Humberto (Yanus Morales), director of Naval Armaments; Rear Admiral Rolando Vergara Gonzalez, deputy chief of the Navy General Staff; Rear Admiral Jorege Martinez (Bosh), director of the Navy Training Department; Rear Admiral (Telber Gurgun Tiedelman), director of the Naval (?Medical) Corps. The Naval Public Relations Department also announced that the resignations of the following admirals have been accepted, effective on 1 January 1986: Ernesto (Huber Ponapen), Luis Lara Marshall, Enrique (Malfan Tiperio), Mario Ibarra Valenzuela, and Martiniano Parra Castillo. [Text] [Santiago Domestic Service in Spanish 1100 GMT 3 Sep 85 PY]

CENTRAL BANK REPORTS ON BALANCE OF PAYMENTS--The Chilean Central Bank has reported that the trade balance shows a surplus of close to \$500 million from January to 15 July 1985. The report also indicates that during this period exports reached \$2.056 billion and imports \$1.57 billion. Therefore, officials are estimating that the commercial surplus this year will reach \$700 million, since it is already close to \$500 million. The report indicates that the figures show an improvement in relation to 1984 despite the lower international prices for export products. Chilean exports during that period are as follows: 43 percent for copper, 29 percent for industrial products, and 15 percent for fresh fruits. The import sector shows 28.9 percent for consumer goods, 18 percent for machinery and equipment, and [words indistinct]. The Central Bank report also refers to international reserves. It says that up to 15 July 1985, the reserves were \$1.319 billion which represents a reduction of \$737 million so far this year. The balance of payments, which is the difference between what the country has received and what it had to pay, shows a deficit of \$662 million. [Text] [Santiago Domestic Service in Spanish 1730 GMT 4 Sep 85 PY]

COMMUNISTS WILLING TO TALK WITH OTHER PARTIES--Chilean Communists are willing to establish a dialogue with all those who wish to see the Pinochet regime end, including those who have supported him, Jaime Insunza, the leader of the Communist Party of Chile [PCC], has said. French newspaper LE MONDE

today published an interview with Insunza, who said that it is a matter of trying to find out whether these people want to put an end to the Pinochet dictatorship or to negotiate with him. Insunza, who went underground 13 months ago, qualified the document for transition toward democracy drawn up by 11 Chilean political parties as a dangerous initiative. He said that an authentic democracy does not exclude anyone, but he admitted the importance of this position in face of Pinochet's regime. When asked about the armed fight against the military, Insunza replied that his party does not preach or support the armed struggle, although the PCC does support the Manuel Rodriguez Patriotic Front [FPMR]. If you want to talk about violence, we must also talk about the rightist violence of the government, and about the thousands of Chileans who were tortured and murdered during the last 12 years, he said. However, Insunza does not believe that the regime can be ousted through military violence alone, but through a combination of all the actions (strikes, demonstrations, barricades). Regarding the position of the United States, Insunza said that the U.S. Administration will try to keep Pinochet in place as long as possible while at the same time it will tell opposition leaders to reach an agreement, seek peaceful solutions, and remain anticommunist. Finally Insunza qualified the attitude of the Catholic Church and of Cardinal Fresno in particular as very positive and brave. [Text] [Madrid EFE in Spanish 1652 GMT 29 Aug 85 PY]

WORKERS DETAINED AFTER WELCOMING RETURNING EXILE--Santiago, 29 Aug (EFE)--The National Confederation of Construction Workers today denounced the fact that seven of its members have been detained at the National Intelligence Center [CNI], the political police section of the Chilean military regime. The National Executive Council of the construction workers made an appeal to the courts and denounced that Mercedes Bokros, Jose Bengochea, Froilan Bobadilla, Victor Fuentes, Alejandro Zuniga, Manuel Alegria and German Llanca were detained by Carabineros on 27 August. The workers had gone to the airport to welcome the former president of this trade union, Hector Cuevas, who was returning from exile, with cancer. According to the report the Carabineros detained the workers at the airport and, on 28 August, placed them at the disposal of the CNI. The leaders of the confederation said that the workers were originally accused of carrying pamphlets, but that now the reason for their detention is unknown. [Text] [Madrid EFE in Spanish 0046 GMT 30 Aug 85 PY]

MANZO NAMED AREA SOCIALIST YOUTH PRESIDENT--Santiago, 25 Aug (EFE)--Hugo Manzo Vitali, leader of the Revolutionary Radical Youth of Chile [Juventud Radical Revolucionaria de Chile], has been named the new president of the Socialist Youth International of Latin America [Internacional de Jovenes Socialists de Latino America]. The announcement was made in Santiago today by Radical Youth leader Luis Acevedo, who pointed out that the decision to name a Chilean to the highest position in the regional socialist youth leadership was made in Madrid during a congress of the Socialist Youth International. The Chilean Radical Youth is divided into two organizations, one presided over by Manzo and the other by Hector Jara. The latter is officially recognized by the Executive Board of the Radicao Party, which is presided over by former Comptroller General of the Republic Enrique Silva. [Text] [Madrid EFE in Spanish 1434 GMT 25 Aug 85 PY]

CSO: 3348/947

COSTA RICA

ODUBER SEES CAMPAIGN AS FAILING TO CONFRONT MAJOR ISSUES

San Jose RUMBO CENTROAMERICANO in Spanish 15-21 Aug 85 pp I-II

[Interview with former President Daniel Oduber by Ricardo Lizano; date, time and place not given]

[Text] It was no off-the-cuff remark inspired by the heat of the moment. When former President Daniel Oduber told followers of the National Liberation Party (PLN) on 4 August to "clobber" any adversaries who insulted the party, he was speaking "deliberately," aware of the possible consequences.

Oduber himself confirmed that to RUMBO CENTROAMERICANO during an interview he granted to this weekly, in which he discussed various aspects of the current political scene in Costa Rica. During the dialogue, the former leader did not hide his dissatisfaction with the way the political campaign has developed so far. In his opinion, it has become "a beauty contest."

Nor is he happy with the public debates between PLN candidate Oscar Arias and Social Christian Unity Party (PUSC) candidate Rafael Angel Calderon, particularly the one they had on the television program "Fuego Cruzado" [Crossfire]. He described the latter as a "sewing circle" in which the issues were not discussed in detail.

Upset with the strategy employed in the PLN publicity campaign, the former president said that "we are campaigning with jingles and commercials." He said that his party's advertising must emphasize the link he claims exists between the current leaders of the PUSC and the Rodrigo Carazo administration. "That is the most controversial issue there could be," stressed Oduber.

Looking at the results of the latest poll taken by the Interdisciplinary Development Consultants (CID), Oduber said he believed them. He reached the general conclusion that there is now a stalemate between the two candidates, and indicated that it is understandable that the majority of those interviewed stated at the time of the poll that Calderon will win the elections in February 1982 [as published], because the PLN was undergoing serious internal problems at the time.

[Question] What is your view of the current political situation in the country?

[Answer] Costa Ricans' political thinking has been changing gradually; due to the economic crisis of 1980, they now attribute great importance to all aspects of the economy. If we could determine what the citizens' greatest concern is, we would find that it basically has to do with the standard of living, which declined in 1980 and is beginning to recover now.

So one of the most important issues in this campaign is economic stability. What must be done to achieve this government's goal of rebuilding Costa Rica and regaining that stability, knowing that it is not easy? This country is more accustomed than most to spending and consuming, and the concept of the standard of living is closely linked to that.

The other issue is a very subtle one: security. Costa Ricans are feeling increasingly insecure, not only because of the ideological dangers that threaten to come from the north, but also due to the problems they face in terms of their own personal security and that of their families.

Costa Rica has become a country of bars; the main concern of all heads of household is how to bar the windows of their homes. This issue will also be very important in the political campaign.

[Question] But so far, these matters have been absent from the national political discussion.

[Answer] We are experiencing a political campaign that is just a "beauty contest" right now. What we see and hear in the media are photos of the candidates walking around accompanied by music, but there is little discussion of the issues in depth. I hope that now that the battle has officially begun according to the constitution, all candidates for president as well as vice-president and deputy will have the opportunity to express their thoughts on these topics.

[Question] What is your opinion of the public debates between Oscar Arias and Rafael Angel Calderon?

[Answer] I saw part of the one sponsored by the Federation of Costa Rican University Students (FEUCR) and part of the Association of Secondary School Teachers (APSE) debate. I saw all of the debate that took place on the "Fuego Cruzado" program. In the latter, I got the impression that there was no in-depth coverage of the issues, even though the questions were very probing; perhaps it was due to the lack of time available to respond. No one can go into detail in 4 minutes. I think the electorate was not satisfied with the way national problems were dealt with in those debates.

[Question] Because of the image you have projected in this country, people were surprised at some statements you made to the effect that PLN followers should "clobber" their opponents for their insults. Were those words the product of emotion brought on by the circumstances?

[Answer] No, no. It was deliberate. I am too old to improvise in politics and to let my emotions sway me. I said it on purpose, aware of the possible consequences.

You see, the political situation was becoming very dangerous, because of the constant threats to Liberation followers. People in the Unity organization, or others in their pay, were scaring women and children who were parading with PLN insignias by grabbing their flags, and were intimidating very young people who are actively participating in the election campaign, for the good of Costa Rica.

One Sunday I went down Paseo Colon and I saw how they were scaring and insulting women who were alone with their children in cars, decked out with flags. Then I calmly told the Liberation Party what this party should understand, and that is that they should not attack anyone, they should not take the offensive in physical aggression, but they should not allow themselves to be mistreated and humiliated or their women and children to be insulted for showing the party insignia. That was why I used the word "clobber," with all due caution, to show what a man must do when he sees his wife or children insulted for expressing their partisan views.

[Question] But do you think that the political leadership of the PUSC plans these actions in advance?

[Answer] I do not think it is a decision made at high levels. It appears to me that these are fanatics. Those groups have always had people like that who do such things to try to heat up the situation prematurely with aggression and insults. We have seen the same thing in several communities. The National Unification Party (PUN) has filed a specific complaint about that.

[Question] Considering the difficult period Costa Rica is going through, and the fact that Oscar Arias and Rafael Angel Calderon expressed more agreement than disagreement in the public debates, doesn't it seem dangerous to you to encourage this kind of action?

[Answer] I do not believe in the points of agreement. We are two parties with clearly defined positions. We may agree on a specific bill in the Legislative Assembly, but our platforms are at odds, very different from one another.

I hope there is no need to use violence to defend ourselves. I do not believe in violence to attack, but rather to defend. That, I repeat, is why I used the word "clobber."

If you read the text of what I said, you will see clearly that I urged them to use the flags to defend the party's symbols when they were attacked by their enemies. That is natural for any politician, although I hope there is no need to go to such an extreme.

[Question] I must insist that this position contrasts with the cordial atmosphere that was created in the "Fuego Cruzado" debate between Arias and Calderon.

[Answer] The two said they agreed on many things, but that was just what they put on for television, not what they were really thinking. I don't know if the last debate was fixed or not, but it looked like a "sewing circle" or

something. I think that the parties' platforms and their records totally disagree on the principal issues I mentioned earlier: economics and security.

It is a matter of comparing my administration and that of Luis Alberto Monge, with that of Rodrigo Carazo. If we study one by one the men who are working with "Junior" Calderon and appear in photos and on television, we see that each of them held some post in the Carazo administration. It is exactly the same team that is trying to return to power, under the slogan of change that Carazo used. They want to do the same thing they did between 1978 and 1982.

Thus, these two parties govern differently; they have different ideas and opinions about the nation's problems. As I said, there may be agreement on issues such as defending national sovereignty, but all democratic parties would agree on that, whether big, small or medium-sized.

[Question] So you did not like Oscar Arias' performance in that debate?

[Answer] He went overboard being decent. He did not deal with the issues which, I have been told, he did cover in the Channel 6 debate, such as Unity's responsibility in the Carazo administration. That is the most controversial issue there could be. He should have compared the men who would govern under Arias with those who would be in Calderon's administration.

In a democracy like ours, the president is the great team coordinator, but it is the team that actually does the work. And "Junior's" team is the same one that governed under Carazo, though for tactical reasons they do not want that to come out now.

Then they say we should not talk about the past, just the future. Quite the contrary. If Unity is at all serious about politics, no matter how young its candidate is, he should assume responsibility for Carazo's administration, because Carazo was the one who ran it.

[Question] How well do you get along with Oscar Arias?

[Answer] Very well. We are very good friends. He was a minister under Jose Figueres, and in my administration as well. Then I worked with him when he was a PLN deputy and secretary general of the party. I have an excellent relationship with him. At the convention, I supported Carlos Manuel Castillo because I thought he was better, but that's the way things are in my party. Oscar Arias won, and here I am, at his service.

[Question] What do you think of his performance as a candidate?

[Answer] He is a good candidate. A little better than "Junior."

[Question] One of the issues that Arias and Calderon seemed to agree on most was the sale of the enterprises in the Development Corporation, Inc. (CODESA). Because of the interest you have always shown in CODESA, it would be interesting to hear your views on this.

[Answer] If you review my writings since CODESA was founded, you will see that my thinking is the same. The institution's purpose is not to form an entrepreneurial state, but to establish enterprises that should later be sold. The difference of opinion between Unity and Liberation is that that party may want to sell the enterprises to a small, privileged group, while we want to sell them to broad groups of national investors who could be cooperativists, members of popular associations, "solidaristas," etc.

But the CODESA enterprises were never designed to remain in state hands, since the government is very bad at running this kind of company, as we have seen. Considering that the Unity administration tried to dismantle CODESA and the entire economy, Luis Alberto Monge's administration has been unable to provide CODESA with the financial support it gave the private sector. If it had backed the CODESA companies, the International Monetary Fund (IMF), the World Bank and the Agency for International Development (AID) would have cut off their aid automatically.

[Question] In the last CID poll, your popularity remained high, but the PLN lost ground. There are those who attribute this to the fact that at the time the scandal over the emergency funds had hit the country.

[Answer] Those are mere stories. I do believe in the poll and what it reveals about Calderon and Arias. It is true that they are in a stalemate right now. I have seen this wherever I have traveled in this country: I have seen a lot of "Junior" banners, but I have counted and there are too many houses that have no signs up, in view of the fact that the PLN is just beginning its publicity campaign, on my advice. If we put up banners in the winter, we will have to put up new ones in November, and they are too expensive for that.

I recently spoke with some foreign observers, and I told them I thought Calderon and Arias each probably had a 35 percent share, while 30 percent of the electorate was still undecided. As for the majority stating that Calderon will win, that is understandable, because when the poll was taken, the PLN was still reeling from the divisive effects of the convention and the legislative candidate selection process. I convinced some Liberation members of that at the time, and I told them we should wait for responsibility to be assigned between the parties and for the Oduber, Carazo and Monge administrations to be analyzed to determine which party Costa Ricans favor. The final decision, fortunately for Costa Rica, lies with the people who are thinking about how they are going to vote.

I think that by December or January the country will have leaned more strongly toward one candidate or the other. I hope it will be toward the PLN, because comparing the teams, despite all the mistakes made by my administration and Monge's, they are nothing like those made by Unity during the Carazo administration.

[Question] If you were the PLN candidate, how would you attack the PUSC?

[Answer] I would force it to take responsibility for the Carazo administration, and that is what I have maintained in discussions within the PLN. We

should debate party-to-party. They tacked on the name Christian to absolve themselves of the original sin, but there is nothing Christian about them, and they want to avoid any discussion of the Carazo administration. The PLN's strategy should be to show the country what it has found and what it has done, and to determine who was responsible for what happened in Costa Rica between 1978 and 1982.

[Question] Isn't the PLN doing that in its present campaign?

[Answer] No. We are still campaigning with jingles and commercials.

8926

CSO: 3248/496

COSTA RICA

LANDLESS PEASANTS STAGE PROTEST IN FRONT OF IDA

San Jose LIBERTAD in Spanish 19-25 Jul 85 p 4

[Text] As a protest measure to demand a solution to the land shortage problem, a large number of peasant families have gathered in front of the Agrarian Development Institute (IDA) building.

Some 250 people, including adults, children and the elderly, have come here from Rio Frio and Sarapiquí, intending to remain indefinitely to pressure the IDA to give them land in that region.

The peasants claim they have been evicted on numerous occasions by the authorities, and that several times they have been promised solutions to their serious plight. "The only thing we ask for is land that we can work; we do not understand why we are being denied that right," they said.

So far, they said, they have not received any aid from state institutions, but they have been given increasing assurances of material support from popular organizations. They indicated that they may take other measures to exert pressure, including moving to the grounds of the Presidential Mansion.

The peasants expressed indignation that the government is more concerned about meeting foreigners' needs in the area where they live. "We know them," they said, "and we know they are a bunch of bums and adventurers, misnamed refugees. Why are these people being helped, and not Costa Rican farmers?" they asked.

The protest by landless peasants from Rio Frio and Sarapiquí is one more indication of the explosive situation that has been created in the Costa Rican countryside. The unjust distribution and ownership of land has been growing worse, and discontent is mounting. Therefore, it is imperative that measures be taken to turn this situation around and provide people with land to work so that unproductive latifundios can be eliminated.

PHOTO CAPTIONS

1. Peasant families have improvised tents and kitchens in order to stay as long as is necessary, until they receive a positive response from IDA officials. If an adequate response is not forthcoming, the peasants say they will take other measures to exert pressure.

8926

CSO: 3248/496

GUYANA

CIVIL AVIATION ACCORD DISCUSSED WITH ROMANIA

Georgetown Talks

Georgetown GUYANA CHRONICLE in English 12 Jul 85 p 1

[Article by George Baird]

[Text]

GUYANA and the national airline, Guyana Airways Corporation (GAC), are expected to benefit significantly from talks resumed in Georgetown yesterday on functional co-operation with Romania in the field of civil aviation.

The discussions, started earlier this year when Minister of Transport Seeram Prashad and GAC General Manager Bob Dornford visited Romania, continued yesterday following the arrival of a Romanian delegation Wednesday night, headed by Deputy Minister of Transport, Major General Dumitru Nicolae Pulu, who is also head of the Romanian Civil Aviation Department.

Major General Pulu was accompanied by Cde Ovidiu Rizescu, Chief Inspector within the Civil Aviation Department and Cde Laurentiu Gheorghe, Manager of TAROM Airlines, responsible for North and South America.

After opening discussions yesterday, the Romanian delegation paid a courtesy call on Prime Minister Desmond Hoyte in the afternoon.

Before the Romanians leave Sunday they are to fly to Kaieteur today and Lethem tomorrow.

GAC is currently leasing a Tupolev 154B from TAROM and reliable sources said the lease is likely to be extended from the expiration date in September to early next year.

The granting of several scholarships for Guyanese personnel in the field of Aviation Engineering from September was also being discussed yesterday.

And well-informed sources said Romania has offered assistance to Guyanese pilots who have achieved Private Pilots Licence in Guyana and require training in simulator and multi-engine instructional flying.

Experts, including officials of the Ministry of Transport and the Civil Aviation Department, who were with Minister Prashad during yesterday's talks, were also said to be examining a proposal for the local training, over a two-year period, of "ab initio" pilots to Commercial Pilot Standards, using aircraft leased or purchased from Romania with instructors and equipment to be used in Georgetown.

The Romanians were entertained at a cocktail reception at the Pegasus Hotel last night and are to meet Vice-President, Social Infrastructure and First Deputy Prime Minister, Hamilton Green tomorrow morning.

Georgetown GUYANA CHRONICLE in English 13 Jul 85 p 1

[Article by George Baird]

[Text]

GUYANA and Romania are to sign agreements under which their functional co-operation in the field of civil aviation, with the emphasis on training for Guyanese, would be enhanced shortly.

Training and other aircraft could arrive in Guyana later this year and training programmes for civilian as well as Army pilots should also start before year end, well-informed sources indicated yesterday.

Technical personnel from the Department of Civil Aviation, the Guyana Defence Force and Guyana Airways Corporation were yesterday still studying Romanian proposals first discussed in Romania and broadly agreed upon earlier this year.

Authoritative sources indicated, however, that if all goes as smoothly as expected, documents to formalise agreements reached should be signed today when the visiting team, headed by Romania's Deputy Minister of Transport, **Major General**

Dumitru Nicolae Pulu and the Guyanese team, led by Transport Minister **Seeram Prashad**, meet Vice-President, Social Infrastructure, **Cde. Hamilton Green** this morning.

It is understood that Guyana is to supply bauxite as payment for the aircraft, equipment and training of Guyanese as pilots and aircraft engineers.

The trend of the discussions also indicated that GAC is to extend its lease of a **Tupolev 154 B** from **TAROM Airlines** of Romania.

Meanwhile, **Major General Pulu**, who was accompanied by **Cde. Ovidiu Rizeacu**, Chief Inspector within the Civil Aviation Department of Romania, and **Cde. Laurentiu Gheorghe**, Manager of **TAROM** with responsibility for North and South America, flew to Kaieteur Falls yesterday and was host at a **Bidco House** dinner last night.

Today the Romanians are to fly to Lethem, after the meeting with **Vice-President Green**. They are scheduled to leave tomorrow.

CSO: 3298/935

GUYANA

BURNHAM MEETS PRESS AT CARICOM SUMMIT MEETING

Georgetown GUYANA CHRONICLE in English 9 Jul 85 p 1

[Article by Colin King]

[Text]

GUYANA'S self-reliance programme and commitment to Caricom were among issues highlighted at a press conference hosted by President Forbes Burnham last Friday at the end of the sixth Caricom Summit in Barbados.

"We ... do our own thing. We honour our Caricom commitments. And if there is anyone who thinks what we're doing is worth looking at we're very happy," Cde. Burnham told regional and North American journalists at Sam Lord's Castle resort, the conference venue.

Guyana has embarked on its own course of self-reliance, "a course of taking advantage of its resources and trading those resources in and out of the Region," he said. "For instance, in exchange for rice and preserved tropical fruits we can get industrial equipment from the GDR," the President noted.

Guyana has got to make it, with or without assistance, the President said, expressing the hope "that our people in the Caribbean would understand that we have a capacity to survive, to survive as independent people rather than mendicants."

"There must be something in what Guyana is doing," he observed, pointing out that the country had modestly estimated its growth in 1984 at two per cent but the World Bank, after deeper

study, estimated it at five per cent real growth."

The President, most experienced of the 12 Caricom leaders who participated in the recent Summit, stressed the need for "give and take" in the affairs of Caricom.

The one national issue taken to the conference by Guyana, Cde. Burnham told journalists, related to "the failure of many of the Caricom territories to buy Guyana's surplus sugar instead of buying Dominican Republic sugar."

A subsequent undertaking of the conference, in relation to the suspended Caricom Multilateral Clearing Facility, was that member countries be encouraged to

purchase their sugar from regional suppliers with surplus. The proceeds of these sales would be applied to reducing debts to the CMCF.

And the President noted that the price asked by Guyana for its sugar was a price previously agreed on. It is not "expensive," he stressed, but priced to cover the cost of production.

In 1974 and 1975 Guyana was receiving 650 pounds (Sterling) per ton of sugar but agreed on a formula requiring the country to sell sugar to Caribbean countries at a "much lower price."

"It's a give and take world," he stressed, observing that now that "the bottom is falling out of the world market price," it is only reasonable that Guyana receives a fair price.

He noted there are many Caribbean products Guyana purchases, through its commitment to regional integration, "which are more expensive than their alternatives from other sources."

Regarding Guyana's regional debt, Cde. Burnham corrected a view sometimes expressed that Guyana owes Barbados. Guyana, he said, does not owe Barbados but is indebted to the CMCF through indebtedness to Trinidad and Tobago. Barbados has a surplus in trade with Trinidad and Tobago, he pointed out.

He anticipated that in about five years Guyana can cover its debt, providing the country's economic upturn continues and that Caricom buys Guyana's commodities which are alternatives to goods purchased outside the Region.

Asked about developments on Guyana-Barbados trade, Cde. Burnham said discussions were continuing at the bilateral level.

He noted that the use of cedar shingles in Barbados is one of the questions to be taken up by Guyana since this country produces excellent walleba shingles, some of which are exported to North America and Europe.

[GNA]

CSO: 3298/935

GUYANA

SECURITY ACT LINKED TO THREATS AGAINST NATION

Hoyte in National Assembly

Georgetown GUYANA CHRONICLE in English 26 Jun 85 p 1

[Article by Colin King]

[Text]

DEVELOPMENTS in the region in recent times make the re-enactment of national security legislation, after a lapse of a year, "an eminently reasonable, precautionary measure."

Stressing this point in the National Assembly Monday, Prime Minister Desmond Hoyte detailed four areas in which Guyana is under threat.

There has been:

- * An orchestration of an anti-Guyana media campaign;
- * Economic pressures have been brought against the country;
- * External interference in one form or another has been attempted; and
- * Efforts at internal destabilisation have been mounted, the Prime Minister stated.

The National Security (Miscellaneous Provisions) Amendment Bill 1985 was passed by the National Assembly Monday afternoon despite dissenting votes by the Minority (PPP) and (UF) parties.

Cde. Hoyte noted that it was regrettable that the major Minority (PPP) failed to interpret the geopolitical climate right, failed to assess current events correctly and failed to understand the duty to protect the integrity of the State.

He said the Act, the second part of which Government was seeking to re-enact, gives the Administration the capability to discharge its responsibility "to preserve and protect the State."

Prime Minister Hoyte described instances in which foreign media reports have promoted disinformation about Guyana, at times calculated to be conducive to unrest.

One international group sought local assistance to prepare a document aimed at stirring up racial strife in the country, he added.

There have also been efforts to subvert senior Public Officers and organisations in the country, Cde. Hoyte told the Assembly. Such efforts, he said, are "taking place feverishly."

And the Prime Minister revealed that in the past few months immigration officials have had to take action against persons entering Guyana on three occasions, on a number of pretexts.

One visitor entered on the pretext of having business with Caricom but immediately sought to make contact with certain opposition elements. The individual in question was asked to leave, Cde. Hoyte said.

On another occasion, in March, two persons entering as tourists were found with barrels of "anti-national" propaganda and were asked to leave by immigration authorities. They, however, made a further attempt to enter, passing themselves

off as a film crew wishing to visit Guyana's hinterland, Cde. Hoyte told the

Assembly.

He said members of the Minority may well find that the measure introduced by the Government would save them, adding that a publication of the Democratic Labour Movement (DLM) Party of Guyana had accused two PPP Members of Parliament of "taking over" religious buildings with the help of "PYO thugs."

He said opposition in a constitutional framework is acceptable but the Government will "oppose with any means at our disposal" opposition in the form of violence and destruction."

—(GNA)

Parliamentary Debate

Georgetown MIRROR in English 20 Jun 85 p 1

[Text] The PNC government on Monday last passed its National Security Amendment Bill Part 2 which re-enacts into force the controversial National Security Act (NSA) Part 2. This section of the Act had expired in April 1984. The PPP and the Single United Force member voted against the measure which was piloted in the House by Home Affairs Minister Jeffrey Thomas.

In his introductory remarks, Minister Thomas stressed that there was a need for this legislation at this time. He disclosed however, that a delegation from the TUC had held a meeting with him on the Bill, and had suggested the elimination of certain objectionable clauses. These pertain to a person who could have been detained "for the purpose of preventing him from acting in a manner likely to cause the subversion of democratic institutions in Guyana. Such a wide definition was objected to.

The PPP which historically was the main victim of the National Security Act, again expressed fears about the legislation, and urged that the Bill be finally withdrawn. It was twice postponed on the request of the PPP which sought a meeting with the government to discuss the matter. This meeting never materialised.

However, at the meeting with the TUC delegation (which included President Daniels, General Secretary Pollydore, GAWU President Albert Budhoo and several other top TUC officials) the Minister agreed to delete the above-mentioned clauses. This was done in the House during the debate. He, however, refused to withdraw the entire Bill as the PPP demanded.

Speakers for the PPP were Reepu Daman Persaud, Janet Jagan and Cheddi Jagan. Mr Persaud traced the history of the Act, pointing out that the PNC-UF government came into office during a state of emergency in 1964. Premier Forbes Burnham in 1965 moved the extension of that emergency which was then replaced by the NSA in 1966. By virtue of the NSA Guyana could be said to have been under a continuous state of emergency.

Mr Persaud charged that the Minister gave no evidence to justify the measure, and said that if any factors exist to justify the legislation, the government has in no way conveyed this evidence to the PPP.

The PPP whip drew attention to the tremendous powers being given to the security forces ostensibly to keep order, and observed that the government had the habit of extending the NSA during an election year.

He compared the provisions of the Bill with those in the criminal law, and pointed out that while innocent people could be picked up and detained under the NSA and have to prove their innocence, the kick down the door gangsters who rob and murder decent citizens in their homes are presumed innocent with the state having to prove their guilt.

He quoted from remarks made by Ranji Chandisingh in the PPP organ Thunder in 1969 when he had denounced the NSA and also from the Hansards of what former Opposition Leader Forbes Burnham had said about the state of emergency when he had intimated that he saw no need for it. That was a time of great civil commotion in Guyana when people were being killed, homes and shops burnt and looted, women raped, etc. Mr Chandisingh is now a Vice President in the PNC government.

Janet Jagan scathingly denounced the Bill and charged that it is intended to intimidate militant circles in the society particularly the new TUC leadership. She pointed out that rather than proceedings with such a harsh piece of legislation, government would be better advised to democratise the society, improve the performance of the economy, provide adequate social services including realistic pensions for old people, provide tax relief, update the divorce laws, improve NIS regulations, introduce severance pay legislation, etc.

She declared: "We know the way the wind blows and we are concerned. We do not have free and fair elections, although we are supposed to have them. We are also supposed to have freedom of expression but there are severe restrictions on press freedom. We know that torture takes place in the jails. We have scabs breaking strikes, with the government coercing civil servants to go into the fields. The government won't even allow Member of Parliament Nokta to travel in his own country..."

After citing more instances of violations of freedom in Guyana, she said that the Bill is "adding one more nail to the human rights coffin" contrary to the relevant UN Covenant.

Justice Minister Mohamed Shahabudeen who spoke next justified the Bill and sought to debunk all the fears and charges raised by the PPP speakers. He quoted a news item in Sunday Mirror (23.6.85) about the Conservative Party of Guyana and declared that when liberty is challenged by whomsoever, it is necessary and obligatory to stand in its defence."

Dr Jagan in his opening remarks referred to seeing "visions of Hitler, McCarthy, Pinochet and Botha as he was listening to the Ministers talk about the Bill. He declared that the government is making into a permanent law what even the fascist dictators do by decree only to last 6 months or so.

The PPP Leader argued that the state is not threatened to justify the measures in the Bill and enquired whether the government had (in keeping with the UN Covenant) informed the UN about the proposed law.

He mentioned the failure of the meeting with government to take place to discuss the Bill. The PPP wanted its withdrawal.

He criticised the way the People's Cooperative Units were set up describing them as illegal; he denounced the parallel May Day rallies held by the PNC; and stoutly defended the new TUC leadership, rejecting government's view that they are 'subversives.' He noted that the TUC leadership wants socialism, a revolutionary democratic government, and national unity.

Dr Jagan criticised government's economic policies. Calling on the PNC members to take heed of the PPP's suggestions on the economy. He said that borrowing more money and taxing the people more and more is a dead end policy. Noting the situation in El Salvador where large numbers of people have died and are still dying in political violence, he said that such a situation should be avoided for Guyana. He called for a serious attitude by government for the proposed party-to-party talks and noted that 'only in this way will this country be able to go forward in peace.'

In winding up the debate, Prime Minister Hoyte insisted that Guyana is facing a threat from imperialism and its lackeys, and made numerous quotations to back up his point. He charged that the PPP has 'failed to interpret the geo-political climate correctly' and called for an understanding of the way events are unfolding.

He said that 'it is the duty of the government to protect the integrity of the state and to preserve domestic tranquility.'

Hoyte on 'Destabilization' Efforts

Georgetown NEW NATION in English 30 Jun 85 p 1

[Text]

Security is the key ingredient in one's development. In the life of a nation the absence of security is an invitation to acts of destabilisation ... even invasion.

On Monday, the National Assembly approved a Bill which seeks to prevent acts of subversion against the national democratic institutions. Earlier there were amendments to the sections dealing with the acts of "persons likely to cause subversion" of democratic institutions.

Home Affairs Minister, Cde Jeffrey Thomas, who piloted the Bill through the National Assembly, said that Guyana needed to protect its revolutionary gains and promote the vital interests of the Guyanese people.

Member of the Central Executive Committee of the People's National Congress and Prime Minister, Cde Desmond Hoyte, who wound-up debate on the legislation, detailed four areas of destabilisation.

These are an orchestration of an anti-Guyana media campaign; effort at internal destabilisation; the application of economic pressures; and various forms of external interference.

In spite of Cde Hoyte's identification of these areas of anti-Guyana activities, the Minority opposed the passage of the national security legislation.

Cde Hoyte told of attempts to subvert senior public officers. There were also instances of people using a variety of pretexts to enter Guyana, he said.

Some came with anti-national propaganda, and when prevented entry, sought later to enter Guyana as members of a film-crew wishing to visit the hinterland.

One visitor entered Guyana ostensibly to conduct business with Caricom. But while in the country he sought to make contact with certain opposition elements. Cde Hoyte expressed regret that the Minority had failed to interpret correctly the geopolitical climate and to understand the duty of the state to protect its integrity.

Opposition within a constitutional framework is acceptable, but the Government will fight with any means at its disposal, opposition aimed at perpetrating violence and destruction, Cde Hoyte told the National Assembly.

There has been, for example, the case of an international group that sought to foment racial strife with the assistance of local agents, he said.

During this period of crisis there are some who in their quest for self-gratification, seek to foment unrest which they hope will lead to a change in the national leadership, having these replaced by puppets favourable to their cause. Grenada is a classic

example.

Toward the end of last year the North American Authorities uncovered a plot to kill Guyana's national leaders and those with socialist leanings or ties. The plan involved shipping a quantity of arms and ammunition in furniture coming to Guyana. The local recipients (if any) have not been identified.

The planners were former Guyanese who left this country many years ago and who wanted to return and inherit benefits for which they had not laboured. Perhaps their dreams of affluence did not materialise in their adopted land.

In the National Assembly the Minority contended that there was no need for the Bill since there is manifest peace in Guyana, and since the country is united against any threat to its sovereignty.

Undeniably, there is peace in Guyana. The country is also united against any threat to its sovereignty. But quite recently there was a published report to the effect that persons of Guyanese origin and based overseas are calling for a Grenada-style invasion of Guyana.

The Bill is aimed, specifically, at preventing the nation from suffering at the hands of these destabilisers and self-seekers who desire a return to colonialism and serfdom.

Reid Warning

Georgetown NEW NATION in English 30 Jun 85 p 1

[Text]

Deputy Leader of the People's National Congress Party, Dr Ptolemy Reid, has warned Party cadres of the "long and invisible arm" of the imperialist countries that still try to keep alive the capitalist system in the world.

The PNC Deputy Leader was at the time delivering the feature address at the annual Conference of the Upper Demerara PNC District, held at the Mackenzie High School auditorium Sunday.

Dr. Reid told the Conference that the PNC is in the process of constructing a Socialist-oriented society which is against the basic principles of capitalism, and this will bring all kinds of pressures from the "high and mighty" capitalist.

He said that the new system of socialism in Guyana is giving to the masses the sort of control the former imperialist

owners of Guyana wanted to protect and maintain. "The Imperialist will not willingly allow such a situation to take place," he stressed.

"We are now in a decisive long and hard struggle and those who perpetuate the system of capitalism are becoming desperate. Some of us are already feeling the pressure," the Deputy PNC Leader added.

He however, called on cadres to be steadfast. "This is the time all our sleepers have to be awake and vigilant to protect our revolution," Cde Reid said.

Referring to some of the strategies commonly adopted by the capitalist against socialist developing countries, Dr. Reid urged the conference not to forget what happened to Grenada or what is happening to Cuba through the American-

owned Radio Marti propaganda radio station.

In Guyana, he said, the forces of imperialism are blocking all sorts of loans that are vital to Guyana's national development. But that will not change the path the PNC has taken for the development of the Guyanese people, he reaffirmed.

Cde Reid also spoke of the talks that are taking place between the PNC and the PPP, adding that if Guyana is to develop there must be unity and all must be involved.

He reminded the conference that many revolutions failed, because there was not unity on the political front.

"We must mobilise our people, we must organise them, we must ensure that they are not trapped by the strategies being used by the imperialist," he said.

Attack on Church

Georgetown NEW NATION in English 30 Jun 85 p 8

[Text]

Minister within the Ministry of Agriculture, and Executive Member of the Young Socialist Movement, Dr. Simpson Simpson Da Silva told residents of Siparuta-Orealla in the Corentyne River, that they should guard their community against external forces who use the church to penetrate their society with the intention of destabilising it.

"The church is a good place for residents to meet and discuss positive spiritual and physical

development which would improve your standard of living. But we are to guard our communities from the counter-revolutionaries who operate through the churches", Da Silva said.

Delivering the feature address at the Siparuta-Orealla second annual district conference of the People's National Congress last Sunday, he advised that protective measures be introduced to guard against outsiders taking control of the minds of Guyanese and making decisions for them.

Earlier, some residents of the riverain Amerindian village explained that there are some six religious denominations in their community and this seems to be causing confusion and dissension among residents there.

Ex-village captain, Cde, Herman McLean supported this. He said "The churches are bringing different teachings to our people and confusing them."

"Most of them do not participate in community work as was practised years ago before so many churches established themselves. It appears as though the churches are directing their lives," he added.

And in a brief comment during the visit, Member of Parliament, Cde. Denzil Hinds, said that the churches should assist in stimulating the initiative of their "flock" for the development of the community in which they function. "If there is confusion in the community, then obviously progress will be absent", he warned.

District elections were held and the following persons were elected to office: Chairman Cde Frederick Vandenburg; Secretary, Cde Martin Antonio; Treasurer, Cde Amy Van Sertima; and Cde Vincent Williams as the Alternate General Council representative.

CSO: 3298/936

GUYANA

NEW THRUST, INCENTIVES PLANNED FOR POLICE PERSONNEL

Georgetown GUYANA CHRONICLE in English 10 Jul 85 pp 1, 4-5

[Article by George Baird]

[Text]

THE JUNIOR Officers' Course, run annually by the Guyana Police Force for participants from the Joint Services, has been reorganised and will last longer from this year.

The Ninth Junior Officers' Course, begun on Monday for 25 officers and prospective officers of the Guyana Defence Force, Guyana People's Militia, Guyana National Service, Guyana Prison Service, Guyana Constabulary, National Guard Service, City Constabulary and the Guyana Police Force, will be extended from three to four months.

During the additional month, all participants will be exposed to political orientation, Home Affairs Minister **Jeffrey Thomas** announced Monday when he opened the course.

Minister of Manpower and Co-operatives, **Cde. Kenneth Denny**, whose portfolio includes certain aspects of training, the Permanent Secretaries of the Ministries of Home Affairs and Public Service, Chief-of-Staff of the GDF and heads of other Services were in the audience at the Police Sports Club, **Eve Leary**, for the opening session.

Minister **Thomas** said that at the conclusion of the four-month programme, Police participants will remain on the course for a further eight months on attachments to the Criminal Investigation Department (four months), the Traffic Department (three months) and the Tactical Services

Unit (one month) making a total of one year's training.

Minister **Thomas**, who recently called for a new approach to policing, explained that attachments to the various branches were not designed to make Police officers specialists, but rather to afford them expertise to deal with all aspects of policing. It is hoped that this will produce a band of officers who would be "generalists" capable of operating in all departments of the Force.

Cde. Thomas also suggested that a "tracer" programme be undertaken to ascertain what has become of those who participated in such courses previously, their present status and their areas of operation within the Force.

The Minister expressed the hope, too, that a similar training programme would be embarked upon for senior officers.

He announced that certain allowances (meals and duty) would be increased and he directed that an incentive programme be established to give recognition to those ranks "who deal with matters such as black-marketing, contraband and smuggling activities, illegal sale of foreign exchange, predial larceny, cattle rustling and the apprehension of criminals involved in violent crimes."

These incentives would be extended not only to those ranks who apprehend the perpetrators of these crimes, but also to those responsible for the preparation and presentation of such cases before the Courts.

Cde. Thomas suggested that the Chief-of-Staff should initiate a similar programme of incentives for those members of the GDF Marine Wing who are engaged, like the Police, in patrolling Guyana's borders in an effort to curb smuggling activities.

The Minister expressed the view that the "delinquent and incorrigible" must be identified and every effort be made to purge the Service of "those few who continue to tarnish the image of the Force."

On the issuing and acquisition of uniform material for shirts for members of the Force, Minister Thomas indicated that in future "other ranks" would be given four shirts annually and that work had already begun at Sanata Textiles Mill to ensure availability of material.

CSO: 3298/936

GUYANA

PNC CADRES MOBILIZE TO PREPARE FOR NEXT PARTY CONGRESS

Fan-Out Exercise

Georgetown NEW NATION in English 23 Jun 85 p 1

[Text] From Friday, the Secretariat of the People's National Congress begins a national fan-out exercise which will take leading Party cadres to all the administrative regions in the country.

The exercise, which is scheduled to be extended over 10 days, is being launched when the final set of District Conferences are being held and in the hinterland regions. Those officials to function at the District conferences will spearhead the fan-out exercises.

The main areas of focus during the fan-out exercise will be the state of the national economy, the existing political campaign and the contributions that could be made by the people to further national development programmes.

Discussions on the current political situation will centre on the proposed round of talks between the People's National Congress and the People's Progressive Party; and the action of some churches in Guyana in their role as agents of imperialism.

The importance of the Regional development programme will also feature high on the agenda of the fan-out exercise.

More recently, Guyana has been subjected to some harsh treatment from some quarters. These attacks included the declaration of ineligibility for further drawings from the International Monetary Fund.

Guyana's position in talks with the IMF was that some of the measures prescribed would have led to untold hardships for the people of Guyana. They could also have sparked unrest as was the case in so many countries that adhered to the measures prescribed by the IMF.

The alternative is for Guyanese to unite and to produce to higher levels in spite of low prices for exports on the international markets. It is in the quest for unity that the PNC invited the PPP for 'constructive dialogue.'

With the Sixth Biennial Congress of the Party a mere two months away, the fan-out will also initiate a comprehensive membership drive.

Anticipated Agenda Items

Georgetown GUYANA CHRONICLE in English 1 Jul 85 p 1

[Text]

"We Can, We Must, We Will." That is the theme of the Sixth Biennial Congress of the governing People's National Congress (PNC) scheduled to be held from August 18 to 25 this year.

Congress, the highest decision-making forum of the Party is held every two years. It provides an effective platform for Party members, at every level, to impact upon the policies and direction of the People's National Congress, for the following biennium.

As is customary the essence of democracy will be manifested over the one-week period as Party members, officials and supporters from every Region of Guyana get an opportunity to offer ideas, comments, criticisms and suggestions in the determination to further the cause of national development.

Guyana's economic strategies within the context of the prevailing international situation, the national political climate,

ideological direction and the imminent General Elections are among matters expected to feature prominently at the upcoming Congress to be held at the Sophia Convention Centre.

Cde Urmia Johnson, the Party's Assistant General Secretary has been appointed Director of Congress '85. She is assisted by a Central Planning Committee, itself made up of several sub-committees dealing with - Questions and Motions, Documentation, Finance, Mobilising and Rally, Overseas Guests/ Invitees, Physical and Environmental Improvement, Local Accommodation, Registration, Public Relations, Food, Programme, and Workshops.

This year's Congress Theme, "WE CAN, WE MUST, WE WILL" is deceptively simple, but the message is clear and precise highlighting the "unconquerable will" and "indomitable spirit" of the Guyanese people.

Final Stages of Fan-Out

Georgetown NEW NATION in English 7 Jul 85 p 1

[Text] The last round of district conferences are being held today under the theme of the Sixth Biennial Congress, 'We Can; We Will, We Must.' At each conference delegates and observers are brought up-to-date on the state of the national economy; the proposed 'constructive dialogue' between the People's National Congress and the People's Progressive Party, and the developments leading to the forthcoming Sixth Biennial Congress.

Last week, Deputy Leader of the PNC, Cde Ptolemy Reid, who delivered the main address at the Georgetown District Conference, stressed the need for greater commitment on the part of cadres in the drive for self-reliance, self-sufficiency and defence of national sovereignty.

And while the District Conferences were specifically for party cadres, a mechanism has been put in place so that the wider society could be made aware of the political and economic developments in Guyana.

Members of the Central Executive Committee of the People's National Congress, Members of Parliament, senior officials of the Congress Place Secretariat and other leading cadres have been in each administrative region spearheading a national fan-out exercise.

Deputy Leader Cde Ptolemy Reid and one team were in Region Ten while General Secretary Cde Ranji Chandisingh was in Region Six. Member of the PNC Central Executive Committee and Prime Minister Cde Desmond Hoyte was in Region Three.

In keeping with one of the tenets of Regionalism, each administration was requested to prepare a programme for the visiting team which was to be strengthened by the inclusion of personnel from the respective regional administration.

The fan-out exercise accommodated meetings at the Party group level, general members meeting, worksite meetings and house-to-house visits all designed to sensitise the general community.

To ensure the success of the exercise the Party officials were residents in the region for a number of days.

A statement from the Secretariat of the Party explained that the ultimate aim of the exercise is to bring Guyanese together for active involvement in the national development thrust.

Such action on the part of the people will lead to increased production and productivity and to the achievement of economic recovery, the statement added. The fan-out exercise will also lead to a strengthening of the Party structure.

Green Activities in Region 4

Georgetown NEW NATION in English 7 Jul 85 p 8

[Text] Region Four is the most populous of the administrative regions in Guyana. It was not surprising therefore, that the largest team in the fan-out exercise was assigned to that region.

Among those assigned to the region are members of the Central Executive Committee of the People's National Congress, Cdes Hamilton Green, Cde Viola Burnham, Cde Rashleigh Jackson, Cde Robert Williams, and Cde Seeram Prashad.

Cde Hamilton Green who spearheaded the operations in Plaisance and at Mahalca was intent on ensuring that each community enjoys the benefits to be derived from socialist development.

At Plaisance where the

residents, complained of hoarding and black-marketing, poor water supply, improper drainage and other ills in the community, Cde Green visited the places identified as the source of these evils. At the Plaisance market where some vendors were accused of hoarding and black-marketing he called on the village councillors to take the necessary action in keeping with their authority.

He was later to attend a meeting of the district council where these issues were discussed in detail.

House-to-house visits, an integral part of the exercise, are being conducted with a view to providing an opportunity for the wider community

to meet with the decision-makers at an informal level.

Initially, it was planned that the exercise in Region Four would end today. However, the absence of some of the resource personnel, due to the Caricom Summit in Barbados, will result in an extension of the programme.

Among those who were attending the Barbados Summit and could not participate in the initial stage of the fan-out campaign in Region Four were Cde Haslyn Parris, Cde Rashleigh Jackson and Cde Carl Greenidge. These leaders will conduct their part of the fan-out after the next General Council meeting this weekend.

GUYANA

PPP ORGAN EXAMINES COMING 22D PARTY CONGRESS PLANS

Georgetown MIRROR in English 30 Jun 85 p 1

[Text] The new edition of the PPP official organ, THUNDER, which was released over this week-end, deals with the upcoming PPP 22nd Congress billed for August 3-5 next. Writing on the subject, PPP Education Secretary Feroze Mohamed had this to say:- "The three years since our 21st Congress have been unusually challenging. Distinctly new features have emerged both nationally and internationally. Naturally, this Central Committee in making fresh assessments, must take these developments into account.

"Its report, however, will surely not only analytically consider the scope and meaning of the global and national features which have appeared over the three years, but, most importantly, pay attention to the question of party building, its role, present tasks and as a Caribbean contingent of the world communist movement, its responsibilities in advancing the world and regional revolutionary process and to weaken, eventually defeat, especially US imperialism."

The PPP Congress is being held in the year of the Party's 35th anniversary and to this event, special prominence will be paid to veterans of the Party from all parts of Guyana. At the 22nd Congress, awards will be given to the best group in every Party region to the best Party district in every county and to the best regional body.

CSO: 3298/937

GUYANA

MIRROR ATTACKS EXPATRIATE CONSERVATIVE PARTY

Georgetown MIRROR in English 23 Jun 85 p 4

[Text] The Conservative Party, the tiny Guyanese group based in Canada, is calling for an invasion of Guyana by the notorious American Marines who have killed tens of thousands of innocent people in countries such as Korea, Vietnam, Dominican Republic, Lebanon and Grenada.

Some one dozen members of this rightwing terrorist outfit recently staged a picketing demonstration outside the United Nations Headquarters in New York. Using a megaphone, the group cried out aloud for an American-type invasion of Guyana.

On on-the-scene newspaper correspondent of the Indo-Caribbean News reported that the "depressed characters" on the picket line were chanting as follows:

"What do we want in Guyana?"

"The US Marines:"

"Louder, what else we want in Guyana?"

"The United States Marines! Freedom of the press! No more communism in Guyana."

In late 1983, Conservative Party leaders were arrested in an American-Canadian security operation as they were shipping arms to Guyana for the assassination of political leaders here. They were subsequently put on trial and convicted in an American court, and transferred to Canada for trial on related gun-running charges.

Just before the November 1984 American elections, CPG leaders published an appeal in an American newspaper urging President Reagan and Vice-President Bush to allow a US invasion of Guyana.

The CPG described the latest act of high treason outside the UN Building as an "historic event towards the liberation of deprived Guyanese people."

On the placards the terrorists bared their assassination plan once again: "No more Jagan and Burnham in Guyana." They also made it clear that Guyana should be taken over by Big Business: "Guyana is for free enterprise."

GUYANA

SPA COMMENTS ON PNC-PPP TALKS, ELECTION PLANS

Press Conference Statement

Georgetown OPEN WORD in English 1 Jul 85 p 3

[Text] At a press conference called by the WPA last Saturday to discuss the Report of the Electoral Mission and the future of the Free and fair election campaign, much interest was shown in the current talks between the PPP and the PNC. The members of the press present wanted to know whether the WPA would remain "aloof" from the talks, since it had stated that it was not consulted.

The WPA said that it was receptive to information about the talks. It ventured the opinion that the talks would be a failure of it achieved less than a decision for free and fair elections. Dr Rupert Roopnaraine stressed that none of the items on the agenda of the talks--economic crisis, defence of the country, the way forward--can be possible without the full intervention of the Guyanese people by means of fair and free elections. He said that "Guyana had been rendered insecure because of the exclusion of the people." He added that one had to assume that the PPP with its long experience was wise enough to understand that.

The current Chair of the WPA's Political Bureau referred to a countrywide event to invite the Guyanese people into the free and fair elections campaign. In answer to a question about whether the WPA would be prepared to contest the upcoming general elections under any conditions, Dr Roopnaraine explained that no decision had been taken. He said that the present mobilisation and agitation were around the demands for a free and fair election. The decision on participation will be based on a judgement as to whether it will advance the struggle of the Guyanese people for freedom. He added that in 1985 the party was more oriented towards participation in elections than ever before.

In the WPA statement issued at the press conference, the party noted a main effect of the postponement of local government elections in 1973, 1976, 1979 and 1982:

"There is low reproduction of political administrators at the local government level. People are not learning to govern...The regime is therefore presiding over the political underdevelopment of the people and mainly of the younger half of the population whose men and women reached 18 since 1973.

"Throughout Guyana, people have been deprived of the chance to take a direct or indirect part in the affairs of government of their country-- not only at the national level but also in the area of local government.

"Guyanese must break out of this cycle of national suffocation."

Meeting Problems

Georgetown CATHOLIC STANDARD in English 7 Jul 85 p 4

[Text]

THE WORKING People's Alliance (WPA) considers it unlikely that the electoral laws will be changed to ensure free and fair elections. Nevertheless, the party is pressing on with its election campaign.

This was said at a press conference held by the party on Sat., June 29, last.

It will agitate for some minimum conditions to be implemented, then decide whether or not it will participate in the elections, the party told newsmen.

The decision, it explained, will turn on whether or not participation will advance the struggle of the working people.

A march by its party leaders is planned from Wakenaam to Georgetown this month to pass on information to the people, test support for free and fair elections and recruit election helpers.

Although the WPA has experienced no harassment at its recent meetings (no thuggery) it has had difficulty in getting to hold them.

At the last moment it was in-

formed that a meeting fixed for June 13 at the Mall could not be held because the DLM had booked the place for that time. The DLM subsequently cancelled its meeting.

At Mackenzie permission was at first granted for the use of a noisy instrument at a meeting. This was withdrawn on the day of the meeting. It nevertheless was carried on for two hours without a PA system.

A blackout of the whole Corentyne region on the night a meeting was scheduled to be held at Rosehall prevented the meeting from taking place.

Asked what the WPA would do if the PNC and PPP agreed to postpone elections, the WPA said it would continue to agitate for elections but added that there was no evidence of a postponement being planned.

The WPA denied that it had been consulted by the PPP about its proposed talks with the PNC, but said it did not object to the talks being held between the PPP and PNC.

CSO: 3298/937

GUYANA

REPORTAGE ON DEVELOPMENTS INVOLVING UNIONS, WORKERS

GAWU Rally

Georgetown MIRROR in English 23 Jun 85 p 2

[Text] Speakers at a GAWU rally held in Enmore on Sunday, June 16 to commemorate the 37th anniversary of the death of the Enmore Martyrs lashed out at Government spokesmen who had tried to paint a rosey picture of the 'good life' sugar workers were enjoying. "They are either dishonest or ignorant" stated GAWU President Albert Boodhoo, when he outlined the hard conditions under which sugar workers labour. He told the large gathering of Enmore workers who had just completed a march around the housing estate that out-of-crop work is harsh, pricing is bad, conditions are very difficult and workers cannot earn a decent wage during this period.

He said that in actuality the large number of women workers, mostly weeders, do not get the same pay as men because the pricing is bad and militates against them.

During the period of the PPP government, when the PPP used its position to see that sugar workers were not neglected, some 6000 houses were built in the seven year period, 1957 to 1964. He contrasted this with the period since nationalisation, 1977 to 1984, an eight year period when only 500 houses were built. During the last five years, housing loans have been at the rate of 20 per year, reducing in the last 2 years to only 14 per year. The Sugar Industry Labour Welfare Funds are being diverted to other purposes which do not benefit sugar workers...

'The economy is bankrupt,' Boodhoo charged. "The working people need proletarian power to harness the resources of the nation. The struggle will be difficult, but we will win," he declared.

Other speakers at the Enmore Rally included N.K. Gopaul, NAACIE General Secretary who spoke for the TUC and Janet Jagan, MP, who had been on the historic funeral procession from Enmore to La Repentir Cemetery to bury the Enmore Martyrs in 1948. N.K. Gopaul said that for the first time the TUC was supporting GAWU at an Enmore commemoration. He called for the unity of all workers, sugar, bauxite, urban workers, noting that there were already growing unity. He lambasted the national news media for suppress-

ing news about the TUC and especially since May Day. The workers' point of view was not being expressed in the government-owned press and radio, he stressed.

Janet Jagan also joined the attack on government for spreading nonsense about so called 'good' conditions sugar workers enjoyed. No doubt Government was trying to drive a wedge between workers, to make it appear that sugar workers were better off than others. She discussed the insecurity of employment of sugar workers, the 3 days work in the out-of-crop season. Sugar workers, she said, are under-employed. They do not work 5-1/2 days per week 52 weeks of the year, and yet they have to pay exorbitant prices with the rising cost of living. Their annual income is lower than many workers.

She spoke of the long waiting period for NIS payments and then discussed the conditions on housing estates where pure water supplies were very poor and in some cases non existent. She spoke of the multitude of big holes in the Enmore road which marchers encountered. While there were no repairs for the Enmore road which thousands used, the sum of \$75,500 was being spent on a road from the Public Road going north, which did not have the traffic or the needs of the Enmore road.

Enmore Was the Torch

Janet Jagan referred to the events of the 1948 sugar strike and the shooting at Enmore as the torch that lit the way and inspired future momentous events and policies. It had influenced the history of the country and set a high level for all workers. She urged workers to have revolutionary optimism, to shed apathy, to continue the struggle with more vigour. She urged workers to remain in Guyana and not run away. 'The struggle is here,' she said. 'Fight back for your rights! Never give up!'

In the morning at an impressive ceremony, at the graveside of the Enmore Martyrs, representatives of GAWU, the TUC, the Bauxite Workers' Union CCWU, NAACIE, Bauxite Supervisors Union, University of Guyana Workers' Union, PPP, PYO, WPO, all spoke and laid wreaths, along with numerous relatives of the deceased. George Daniels, speaking for the TUC said that both Hubert Nathaniel Critichlow and the Enmore Martyrs believed in certain principles which guided their lives. These have not changed. The Martyrs sought the betterment of the working class and this struggle continues. He urged 'real working class unity, not artificial unity.' Steven Lewis of the Bauxite Supervisors Union said that freedom and independence of the working class has no less a price today than in 1984. There are many prepared to pay the price, he said.

Komal Chand, speaking for GAWU, observed that the ceremony was attended by the unions representing the largest number of workers in Guyana. He called for unity and an end to the divisions in the working class.

Strike Statistics for 1984

Georgetown MIRROR in English 23 Jun 85 p 1

[Text] In 1984 there was a total of 493 work stoppages (strikes) involving 60,300 workers and resulting in a loss of 151.999 5 mandays to production and \$3,361,019.80 in wages to workers. The total duration was 1,006.5 days with an average duration of 2.1 days; so said a report released by the Ministry of Manpower and Co-operatives and tabled in the National Assembly.

The report went on to note that following the pattern of previous years, most of the work stoppages took place in the sugar belt 'with 480 or 97 percent.' These arose mainly over the pricing of obstacles.

'It is important to point out that work stoppages of this nature in the sugar industry have in most cases been of a very short duration and do not give much cause for alarm. For example in 1984, 80 percent of the work stoppages in the sugar industry lasted between one to two days, the report said.

The report further said that outside of the sugar industry there were 13 work stoppages which resulted in a loss of 7.842.5 mandays, and \$63,054.12 in wages to workers. No strike occurred in the bauxite industry in 1984.

Giving statistics on the national industrial situation, the report revealed the following:

<u>Year</u>	<u>Stoppages</u>	<u>Workers</u>
1980	333	40,652
1981	621	87,697
1982	653	81,564
1983	731	103,519
1984	493	60,300

In 1983 strikes in the sugar industry amounted to 704, while in the bauxite industry they amounted to 12.

The value of production lost in the sugar industry in 1983, the report said, was \$16.8 million compared to the \$16.3 million in 1984. Wages lost by sugar workers were \$2.9 million in 1983, as compared to \$3.2 million in 1984.

In the bauxite industry wages lost in 1983 amounted to \$2 million. The amount of production lost is not stated.

The other 15 strikes elsewhere in 1983 cost workers \$73,606 in wages compared to 13 strikes in 1984 costing workers \$63,054. No figures on lost production are provided.

In the meantime the report noted the enormous downtime which 'seriously affected sugar producing during 1984.' This factor pertains to time lost by estates during maintenance, factory breakdown and out-of-cane periods.

The average hours lost through maintenance was 264.4; average hours lost through factory breakdowns was 379.7; the average hours lost through out of cane periods was 824.8.

In summing up this disastrous industrial relations situation, the report remarked:

'Considering the sugar industry working on a 24 hour day, maintenance resulted in a loss of 110 days, factory breakdowns 158 days and out of cane periods 344 days thus making a total aggregate of 672 days.'

This figure is just one and a half days short of 2 full years.

TUC Appointment

Georgetown MIRROR in English 24 Jun 85 p 4

[Text] GAWU First Vice President Janki Persaud has been appointed to fill the post of Assistant Organising Secretary of the TUC which was held previously by James Dastajir, who died recently. The appointment was made during the week.

Janki Persaud is a trade unionist of long standing and has been with the Guyana Agricultural and General Workers' Union from the very early days. For many years he has been a member of the Central Committee of the PPP.

Court Action Against GPSU

Georgetown GUYANA CHRONICLE in English 28 Jun 85 p 1

[Article by George Barclay]

The Guyana Public Service Union's sixth Biennial Delegates Conference, which was scheduled to begin today at G.P.S.U. Sports Complex, is off.

After the hearing of an ex parte application yesterday, High Court Judge Desiree Bernard granted an interim injunction restraining the executive members of the Union from holding the conference until the determination of a summons which is before the Court.

In the summons, expected to come up before Justice George Pompey on July 2, the plaintiffs — Pamela Telford, Carlton Clarke, and Lennox Blackman — have accused the G.P.S.U. executive of hand-picking delegates for the conference instead of having the branches of the union decide on nominees.

The plaintiffs have named three branches in support of their claim of irregularities on the part of the G.P.S.U. executive.

Among other things, the plaintiffs are claiming four declaratory reliefs and three injunctions.

They want the Court to declare that branch members of the Union can only be delegates to the biennial conference "if democratically nominated by their respective branches at a duly convened meeting."

They also want the Court to declare that **Paula Allcock, Doreen Scantlebury, Sheila Jacobs and Una Barry** of Public Hospital Ancillary Staff, Branch No. 4 of the G.P.S.U.; **Harold Trotman, Jeanetta Adams-Saul and Colin Tyrell** of Ministry of Information, Branch No. 20 of the G.P.S.U.; **Robert Callendar, Claudette Martin and Margaret Porter** of Upper Demerara Berbice, Branch No. 76, all of whom are recognised and named as delegates for the conference, are not eligible to take part or vote at the

conference.

The plaintiffs are contending that those named were not nominated in accordance with the rules.

The fourth declaration, sought is that **Norman Northe, Duncan Greene, Winston Jones, Jaiharine Harry, Kenrick Philadelphia and Leslie Melville** have ceased to be eligible to be ordinary members of the G.P.S.U. and are therefore ineligible to hold office on the Executive Council of the G.P.S.U.

One injunction seeks to restrain **Northe, Greene, Jones and Harry** from

taking part or voting at the sixth Biennial Delegates Conference.

Another seeks to restrain delegates **Allcock, Scantlebury, Jacobs, Barry, Trotman, Adams-Saul, Tyrell, Callendar, Martin and Porter** from taking part or voting at the biennial conference until the hearing and determination of the action.

A copy of the judge's order, granting the interim injunction restraining the G.P.S.U. officers from holding the conference was served on the defendants yesterday.

Pollydore Reaction

Georgetown CATHOLIC STANDARD in English 7 Jul 85 p 4

[Text]

THE SIXTH Biennial Delegates Conference of the Guyana Public Service Union (PSU), which was due to take place from June 28 - 30 last, was prevented from doing so by a court injunction granted by Justice Pompey the day before it was to start.

About a hundred delegates still turned up for the meeting, having travelled from distant areas, and President George Daniels explained what had happened.

Election of office bearers which should have been held some time before had also been deferred because of another court injunction.

Bro. Daniels told the gathering that the trouble started last Sept when he had been voted in as President of the TUC, and a number of government supporters had lost their posts on the TUC Executive.

Since then there had been all sorts of pressures and acts of intimidation in relation to the PSU elections, such as, pressures on returning officers to resign (one had already done so), heads of departments reportedly telling members of their staff what to do and approval of meetings being given, then withdrawn.

In the court summons the appli-

cants are claiming that there are many irregularities in the determining of delegates to the Conference and that a number of officials are no longer employed in the Public Service and so are ineligible for membership.

The summons came up for hearing on July 2 and was postponed for another date for fixture.

Among the 42 motions that are listed for presentation at the Conference is one by the Upper Corentyne Branch, fully supporting President Daniels for another term of office.

Various amendments to the PSU Rules are also to be proposed in order to remove certain ambiguities in the present rules.

Other motions deal with the unavailability of basic food items and shortages of drugs and dressings at Government Hospitals.

Contacted by the Catholic Standard, TUC General Secretary Joseph Pollydore expressed the concern of the TUC for these developments.

"We feel we have a duty to see in what way we can take appropriate action and are taking legal advice before doing so", he said.

He added that the TUC was discussing how best to minimise the delays in the PSU carrying on its business.

CSO: 3298/938

GUYANA

ORIENTATION URGED FOR CITY DWELLERS SENT TO REGIONS

Georgetown SUNDAY CHRONICLE in English 7 Jul 85 pp 1, 17

[Article by Vanessa Cort]

[Text] Georgetown personnel who are to be sent to the regions to work should first undergo an orientation course before taking up their posts.

This view was expressed yesterday by Chairman of the National Congress of Local Democratic Organs (NCLDO), Cde Hulbert McGowan, as he spoke with media operatives on the Guyana Broadcasting Corporation's 'Face the Nation' programme.

"The 'town' man going to the regions would have to understand the country man's vocabulary...the country man's attitude to certain things," he said.

The NCLDO Chairman remarked that 'town' people must not expect to find all the facilities they are accustomed to in Georgetown in the regions. "He (the officer) has to understand that he has to suffer some privations," Cde McGowan observed.

One of the five supreme organs of democratic power, the NCLDO is charged with the task of gleaning the views and opinions of the country's rural citizens and channelling this information to the central administration for appropriate action.

Government's primary aim in establishing this system is to ensure that the people of the regions have a say in and make tangible contributions towards the nation's development.

But more than this the regional system is intended to free central Government of the task of deciding on certain matters relating to outlying districts from what is often a position of ignorance of the issues involved.

Hence, as Cde McGowan indicated, the process of delegating power to the regions is in train.

He stated that the new system is "a local government system with new clothing."

In colonial times, he remarked, the tendency was for Central Government to dictate policy to local authorities so that local government was simply a blueprint of views coming from the centre. The new system allows for the democratisation of power and concomitant with this the greater involvement of the people in all the processes of development, he explained.

In fact, the NCLDO Chairman announced that at a meeting this week the Congress will recommend that its membership be expanded from 20 to 30.

This is to allow for the inclusion of Regional Chairmen or Vice-Chairmen whose views, it is felt, will help to enhance the functioning of the NCLDO.

However, the Chairman expressed his satisfaction with the progress being made so far by the Congress since its birth four years ago.

CSO: 3298/938

GUYANA

PROBLEMS, PROSPECTS OF CO-OP MOVEMENT EXAMINED

Georgetown SUNDAY CHRONICLE in English 30 Jun 85 p 14

[Text]

IN THE Co-operative Republic of Guyana, co-operativism is seen as the vehicle for achieving our aim of re-orienting the people of Guyana and equipping them to face the difficult tasks that lie on the road they must take to self determination.

Indeed, the Mission Statement of the Ministry of Manpower and Co-operatives is "To make the Co-operative the mechanism for ensuring maximum people involvement in economic decision-making by assisting, expanding and strengthening the Co-operative Sector and develop Co-operativism as the vehicle for Socialist development in every Community and Region throughout the Co-operative Republic of Guyana."

Guyana's economy is comprised of three Sectors — the public, the private and the co-operative — but of the three the co-operative is the weakest. The reasons for the weakness of the co-operative sector may be found in any or all of the following:-

- [a] the lack of education and dedication of co-operators;
- [b] poor administration of the co-operative societies due to inexperience and opportunism;
- [c] insularity among groups of co-operators who guard their wealth jealously;
- [d] an appallingly poor level of financial management in the co-operative sector as a whole;
- [e] the existence of societies which are clearly not viable concerns; and
- [f] a general lack of appreciation for the use of

scarce resources —
money and
knowledgeable people's
time and effort.

The co-operative sector has an asset base in excess of fifteen million (G) dollars of which a significant portion or percentage is in liquid or near liquid cash. The problem is, however, that funds are mostly placed outside of the co-operative sector and this helps to maintain this sector in its relatively helpless situation. Money is tight in our economy and, even though the co-operative is seen as a main force on our developmental drive, our financial institutions do not normally find investing in co-operatives attractive.

Therefore, investment in the co-operative sector is minimal and the reason(s)

for this lack of interest may be traced to a paucity of good investment opportunities within the co-operative sector, combined with a real fear of poor management and loss of capital.

The co-operatives need to have access to sources from which they can have sympathetic consideration for their goals and objectives and receive ready financial assistance at reasonably low rates of interest.

CONVENIENT SYSTEM

It is felt that the Co-operative Sector has within it, the means of financing its own development. The Credit Unions within this sector have a substantial amount in cash resources, which may be mobilised to meet the needs of the sector in general and enable co-operatives to gain access to other sources of finance which may have been previously inaccessible for one reason or another.

The Credit Unions could form the base upon which a financial superstructure may be built, primarily to benefit the co-operative sector but eventually benefiting the whole economy. Credit Unions present an easy and convenient system for accumulating savings and have shown much better progress than many other undertakings within the co-operative sector.

It is proposed that:-

- (1) a central unit be created to marshal and manage all the assets of the co-operatives. This unit will be responsible to the Subject Minister and will

be responsible for managing the portfolio created for the benefit of the Co-operative Societies in consistency with the aims of the Government. The unit must be independently staffed with paid employees having

- (5) intensive training and education programmes be launched with the active involvement of the nation's professionals and other highly skilled citizens to ensure improvement and continued viability of co-operative units. The situation should be made attractive and stimulating enough to elicit the contributions of the more capable members of our society.

This article is too brief to put forward all the details required to make the above proposals workable. The idea, however, is to create a central pool of funds whereby the co-operative sector may be expanded and waste eliminated. It should be noted that the "traditional view" of co-operative societies will have to be changed and societies will have to be given greater responsibilities and play a larger role in our forward thrust.

It will no longer be sufficient for a small group of likeminded individuals to come together and subscribe a token share capital after they had formed a co-operative society which, because of its narrow membership base, will not function effectively. In some cases, such actions satisfy a certain motivation and in most cases give rise to opportunity for the more

clever of the lot to enhance their personal fortune.

The community at large must be involved in co-operatives to achieve our national goal — a truly Co-operative Republic.

TOGETHER WE BUILD

the required degree of expertise for the job.

- (2) the Regional Co-operative Unions be more creative in the affairs of the Co-operatives, with sufficient authority to recommend and ensure that only viable units be allowed to function. Project evaluation may be conducted at this level after the co-operative societies have prepared and submitted their projects for appraisal.
- (3) the co-operatives be made, wherever possible, the sole agencies responsible for effecting government policy relating to the distribution, production and procurement of services in their areas. Depending on the system recommended by the entire centralised buying, warehousing and transportation facilities may or may not be required. It is only fair to afford the co-operatives a chance to survive and flourish.
- (4) stricter control be exercised over the use of and general disposition of funds in the individual societies. There will be need to use the power of surcharge and apply other appropriate sanctions to eliminate waste and maintain effective control. Of course, competent paid personnel must be employed.

GUYANA

GREEN ADDRESSES BUSINESSMEN, HITS PARALLEL MARKET

Georgetown NEW NATION in English 23 Jun 85 p 2

[Text]

Member of the Central Executive Committee of the People's National Congress and Vice-President, Social Infrastructure Cde Hamilton Green told Berbicians last week-end that the main task of the people today is to implement realities of the ideological position and to educate and remould members of the society into real revolutionaries.

Speaking at the 54th annual luncheon of the Berbice Chamber of Commerce and Development Association at the Cumberland Committee High School, East Canje, Cde. Green challenged the private sector businessmen to shy away from the parallel market and to venture into production and export trade to earn foreign exchange.

He pointed out that many small businessmen could cease being small traders and help promote production groups among young people in biogas and other economic projects in Berbice. "At this point in the development of our country we need people with courage and deter-

mination to forge ahead," Cde Green said.

Cde Green added that Government is prepared to provide a framework within which the private sector can operate and he implored upon the businessmen to take advantage of the Caricom and countertrade market.

He said the time has come for Guyanese to stop complaining and to move forward with hands and heads together to make Guyana proceed along the road to genuine development.

Cde Green also recommended to the Chamber to help rid the streets of what he termed "the new traders" who are creating shortages and robbing people of their money. Certain businessmen are encouraging this racket by skilful manipulation of scarce items, he charged.

He warned that this malicious practice must stop and he called on able-bodied young people who sell cigarettes and other scarce items in the streets to go to the land and be of service to their community and their country by producing food.

CSO: 3298/939

GUYANA

BRIEFS

GDF TRAINING FOR STUDENTS--Eighty-three students from community high schools in and around the city have begun a six-week stint of work study attachment to the Guyana Defence Force in the fields of mechanical engineering, electronics, seamanship, carpentry, agriculture and electrical engineering. At a simple initiation ceremony held at Camp Ayanganna, parents, teachers, education administrators and students were given the assurance by GDF personnel that the work-study students, even though they would be exposed to the world of work, would not be committed to night work and other rigorous training normally associated with army life. [Excerpt] [Georgetown NEW NATION in English 23 Jun 85 p 5]

PPP ON ABSENTEE BALLOTING--PPP Opposition Leader Cheddi Jagan has tabled a motion in the National Assembly calling for an end to overseas voting which is widely known to be fraudulent. His motion reads:- WHEREAS in the 1968 general elections the number of non-resident Guyanese who were declared to be eligible to vote was 68,588, of whom 36,745 actually voted (34,429 voted for the PNC, being 93.69 percent); AND WHEREAS in the 1973 general elections the non-resident electoral roll fell to 34,801, of whom 29,643 exercised the vote, with 29,031 voting for the PNC, or 97.95 percent; AND WHEREAS in May 1973 the Minister of Home Affairs admitted in the National Assembly that the 1968 overseas electoral lists had been padded by 'unscrupulous persons' for financial gain, payment to registration agents being on the basis of the number of names they registered: BE IT RESOLVED: That non-resident overseas voting be abolished. [Text] [Georgetown MIRROR in English 20 Jun 85 p 4]

MESSAGE TO BAHAMAS--President Forbes Burnham has expressed the wish that the fraternal ties between Guyana and The Bahamas are further strengthened in a National Day message to The Bahamas Governor-General, Sir Gerald Cash. The Bahamas celebrates its National Day today. In his message to the Bahamas' Head of State, Cde Burnham said: "On behalf of the Government and people of the Co-operative Republic of Guyana, I wish to extend warmest congratulations to Your Excellency, the Government and people of the Commonwealth of The Bahamas as you celebrate another independence anniversary. "May the fraternal ties that happily bind our two peoples be further strengthened as we seek to build the Caribbean Community to which we both belong and to enhance the social and economic well-being of our peoples. We cherish deeply the memory of your visit to Guyana earlier this year.

"Kindly accept, Excellency, my whole-hearted wish for your continued good health and for the lasting prosperity of the people of the Commonwealth of The Bahamas."--(GNA) [Text] [Georgetown GUYANA CHRONICLE in English 10 Jul 85 p 1]

PUBLIC SECTOR JOBS--The Central Recruitment and Placement Division of the Ministry of Manpower and Co-operatives has released a list of over 250 current vacancies in the public sector. The list compiled on July 4 includes vacancies for accountants, clerks, typists, office assistants, electricians, mechanics and farm attendants. Positions are also available for security guards, labourers, carpenters, handymen and janitors, waiters and one cook. In addition, a private sector organisation needs three carpenters, while a domestic is needed in the North Ruimveldt area. Persons desirous of filling these vacancies can obtain additional information from the Division's office, next to Telephone Houses, in Brickdam. (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 9 Jul 85 p 3]

JUDGMENT AGAINST PAPER--President Forbes Burnham has won his libel action against Brian Rodway, printer and publisher of 'Open Word.' Chief Justice Kenneth George has awarded judgement against the defendant Rodway in the sum of \$55 000 with costs to be taxed and certified for two counsel. The Chief Justice has also granted an injunction restraining the defendant or his servants from further writing or otherwise circulating or publishing the said or similar libel. The Chief Justice also granted a six-week stay of execution. The libel action stemmed from an article published in the "Open Word" on August 16, 1982, under the heading, "Guyanese also fund WRSB." [Text] [Georgetown GUYANA CHRONICLE in English 10 Jul 85 p 1]

CSO: 3298/939

MEXICO

YEARS-LONG FACTIONALISM SEEN SAPPING VIGOR OF TEACHERS' UNION

Mexico City EL DIA (23d Anniversary Special Supplement) in Spanish Jun 85
pp 22-24

[Article by Carlos Imaz Gispert: "Six Years of Teacher Mobilization"]

[For related articles, see the JPRS LATIN AMERICA REPORTS of 7 Jan 83 (JPRS-82-601, issue No 2632), pp 102-108, and 2 May 84 (JPRS-LAM-84-054), p 70.]

[Text] Over the past 6 years, the National Trade Union of Education Workers has experienced a phenomenon that must be noted and analyzed: the reemergence of trade unionism. To speak about trade unionism today in the case of the largest union in Latin America is to speak of the National Coordinating Committee of Education Workers (CNTE).

In organizing the CNTE, unionized teachers have since December 1979 initiated the formation of a political commitment of teaching factions opposed to the Revolutionary Guard and willing to fight for better living and working conditions for Mexican wage earners, particularly those in their sector, based on the massive mobilization of the rank and file.

Let us briefly recall what was happening in the sector when the appeal came, at the end of 1979, from workers in the Agricultural Technical Schools (ETAS) in the lagoon region (Coahuila and Durango) to move forward with national coordination.

In Chiapas, a strike was staged from 16 September to 13 October, with the central demand for a 100-percent increase in the extra high-cost of-living pay, promoted by teachers organized into a Central Fight Council (CCL). At the same time, a CCL also emerged in Tabasco and in November, it staged successive strikes demanding compliance with their petition. In the meantime, the Regional Trade Union Council of Montana de Guerrero gave the SEP [Secretariat of Public Education] a 48-hour deadline starting on 23 October to meet its demands. That same day, in the National Polytechnical Institute (IPN), the Coordinating Committee of IPN Workers gave the National Executive Committee (CEN) of the SNTE a period of 8 days in mid November to head of the demand for a wage increase.

With the holding of a First National Forum of Education Workers and Democratic Organizations of the SNTE, contingents from La Laguna, Chiapas and Tabasco

immediately rallied to the appeal for coordination. Guerrero and the IPN then also joined in, followed by political teachers' groups, the Valle de Mexico Demand Bloc, teachers and workers from the eastern zone of the Federal District, academicians and administrators from the National Institute of Anthropology and History (INAH), and democratic teachers from the states of Puebla, Yucatan, Valle de Toluca, Guanajuato, Queretaro, Monterrey and Michoacan.

At the forum, education workers stated that they are not fighting against the SNTE as a union, but rather, against the leaders "who use the rank and file in order to promote their own interests and negotiate behind their backs." They want "to form a National Coordinating Committee that will promote the work of the rank and file in order to develop the teachers' movement throughout the country." The first formal session of the National Coordinating Committee of Education Workers and Democratic Organizations of the SNTE (CNTE) would be held on 14 January 1980.

The National Coordinating Committee has taken up a long historic tradition of social action. "Rural teachers," Cardenas said, "are the peasants' guide.... They must second the peasant in his fight for land." Cardenas went on to say that "the teacher's mission is not confined to the school." Teachers still have the task assigned to them in "socialist education," which, according to Rafael Ramirez, put forth a new ideal of the work of teaching, proposing "to work, first of all, to see that all forms of exploitation of man come to an end." Paradoxically enough, it is precisely for having continued and carried further the line of action which the Mexican Government itself assigned to teachers that the Coordinating Committee has been the object of a multitude of attacks.

The cycle of teachers' struggles from 1979 to 1982 was initially marked by the 18-day strike in May-June -- being the core of the greatest effervescence in the teachers' mobilization in 1979 -- of Chiapas teachers that constituted a legal strike and, in the final phase, by the accords of 2 April 1982 between the National Executive Committee of the SNTE and the CNTE. After intense mobilizations such as partial strikes, indefinite work stoppages, workers-teachers marches, "mobile guards," the "tired-feet march," caravans to the Federal District, the taking of state delegations of the SEP, the occupation of trade union headquarters, a march demanding punishment of those guilty of having killed teacher Pedro Palma, and so on -- all in two weeks! -- the contingents showed symptoms of fatigue, their checks were held back, the economic resources of the CNTE were exhausted and the teachers evicted by police from the trade union headquarters in Belisario Dominguez in the Federal District and taken in trucks outside the city. One day later, on 1 April, the teachers regrouped and went back out into the streets, shouting "We have been hit hard but not defeated!" and reiterating the central demands of the CNTE: recognition of the Democratic Sectional Executive Committees of sections 19 (Morelos), 15 (Hidalgo) and 36 (Valle de Mexico), a 50-percent salary increase, immediate payment of the emergency wage increase, better benefits from the ISSSTE [Institute of Social Security and Services for Government Workers], a favorable solution in the Teachers Training Institute, a solution to government petitions, the presentation and release of Ezequiel Reyes Carrillo and punishment for the killers of Misael Acosta and Pedro Palma Batalla.

On 2 April 1982, the SNTE-CNTE accord was signed, which for the Coordinating Committee had the merit of calling for "the holding of the congresses of special sectional changes in sections 15, 19 and 36," Hidalgo, Morelos and Valle de Mexico, "in the month of September 1982." They also agreed to expand the "committees by six more secretaries, until the final, total number of 19 is reached." The CES of sections 15, 19 and 36 would then be made up of 13 vanguard members and six members of the CNTE.

The trade unionists also obtained other significant triumphs: the overwhelming victory at the Sectional Congress of the Executive Committee democratically elected in Oaxaca on 21 February. Mobilizations of teachers exerted significant pressure for the granting of the wage adjustment of 30, 20 and 10 percent announced on 19 March. While the SEP failed to recognize the director of the National Teachers Training Institute of Mexico (ENSM) on 2 April, during that same month, section 22 (Oaxaca) was formally incorporated into the CNTE and on 14 May, teacher Ezequiel Reyes Carrillo, kidnapped in January of that year, was released.

At the close of this period of mobilizations, a strong ebb began in teachers' activities and deepened during the July-August vacation. For its part, the Revolutionary Vanguard would take the initiative. Ignoring recently signed accords, the expanded Sectional Executive Committee posts were not occupied on time and the sectional congresses of Hidalgo, Valle de Mexico and Morelos were also delayed. The congresses would subsequently be held in Hidalgo and Valle de Mexico and would be labeled as "spurious" by trade unionists. To date, violating the agreement signed on 2 April and trade union statutes, the SNTE CEN refused to call its congress in Morelos.

Despite the ebb in mobilizations, the failure to recognize the resolutions of the national campaigns of vanguard members in the media, the CNTE could not be excluded from the 13th National Congress of the SNTE held from 31 January to 2 February 1983. Over 80 democratic delegates ratified their commitment to fight at the congress. The SNTE CEN had to yield and the CNTE obtained two departments and three committees on the new National Executive Committee.

The CNTE has also had to learn the difficult road of political negotiations, enjoying one advantage: the mass movement of teachers which gives the Coordinating Committee strength and political authority. Consequently, that strength is decisive in negotiations and its weight would still be solidly projected in the phases of ebb.

While for some, the image of negotiations at the top still existed, with the incorporation of SNTE [sic] into the CEN, or presumed a possible "opening" of the SNTE, things returned to their place on 1 May 1983.

The Revolutionary Vanguard called for participation in a parade, claiming that the union should be grateful for the economic and social policies of the regime and intending, by showing well-ordered and submissive contingents, to reiterate their importance in maintaining the power structure, thereby expanding their level of influence. In other words, they wanted to reaffirm their status as leaders before the Mexican Government.

On 1 May, the CNTE called for a mobilization that would mark that day as a day of struggle of workers, when teachers would present their current and historical demands and aspirations. The CNTE asked for wage increases, trade union freedom, better working conditions, and so on, and consequently, could not agree with the so-called "austerity policy" worked out with the International Monetary Fund, which would mean a wage freeze, higher prices, reduced public spending, growing unemployment and an increase in the containment of social movements in order to preserve "the confidence" of foreign lenders and investors in stability.

The CNTE called for a show of organized force from workers opposing support for a policy that would make them bear the weight of the crisis, if not check it.

On 1 May 1983, trade unionists of the CNTE were attacked by groups of assault troops armed with clubs, metal truncheons and teargas. The attack, blamed on the Revolutionary Vanguard, would have the opposite effect anticipated by its promoters at the very time of the assault and during the days that followed. CNTE members participating (nearly all sections from the XI [expansion unknown], the INAH [expansion unknown], the INBA [National Institute of Fine Arts], the UPN [National Pedagogical University], the IPN [National Polytechnic Institute], and so on) resisted the attack and broke through the barriers of the attackers, reaching the Zocalo of Mexico City. Their demands were heard and transmitted to other workers. The CNTE had achieved a far-reaching political victory.

The attack would become the standard for a new phase of teacher mobilizations in the midst of a complex social context.

The CTM [Confederation of Mexican Workers] announced a general strike for a 50-percent wage increase and managed to involve 80,000 workers. Prolonged strikes were staged in different universities, including the largest in the country (UNAM [National Autonomous University of Mexico], UAM [Metropolitan Autonomous University], the UPN). SUTIN [Sole Trade Union of Nuclear Industry Workers] also struck, the contradictions of the Revolutionary Vanguard and SEP sharpened and among vanguard members themselves, Jonguitud Barrios was threatened with a possible political trial in the Chamber of Deputies and placed in the center of the national political debate.

In May, the technological institutes, organized into the Union of Trade Union Delegations, would initiate an indefinite work stoppage, failing to recognize agreements which the SNTE had signed with SEP without consulting them. There were work stoppages for wage increases in Sonora, Tamaulipas and Baja California.

On 15 May, the CNTE staged a demonstration to demand punishment of the 1 May attackers, a 100-percent wage increase, immediate payment of back salaries, the waiver of Accord 101 decentralizing summer courses at the Advanced Teacher Training Institute of Mexico (ENSM), punishment of the killers of Misael Nunez and Pedro Palma and a solution to specific points in the national petition. It proposed a national strike on 27 May. Chiapas and Oaxaca struck on 20 May, voicing the CNTE demands.

On 23 May, the Secretariat of Finance issued a statement to the effect that teachers considered insulting: If necessary, SNTE dues would be used "to pay Carlos Jonguitud's debts to the San Luis Potosi city council."

On 27 May, thousands of teachers and workers (over 100,000) responded to the call of the CNTE and staged a national strike with the basic demand of a wage increase. The mobilization would grow and on 29 May, at a national meeting, the CNTE announced another strike and a national march in the Federal District for 9 June.

On 1 June, a strike was staged in the National Pedagogical University for equal wages with the IPN. It would last until 23 June.

The date of 9 June 1983 was a key date in this phase of teacher mobilizations. According to CNTE estimates, the strike involved some 300,000 members of the union in over 20 states. The march in the Federal District was also a success, with thousands and thousands of education workers, students and other contingents marching to the Zocalo. It should be emphasized that the CNTE contingent was headed, for the first time since 1979, by large groups from sections 9a, 10a and 11a, all from the Federal District.

The Revolutionary Vanguard went into action and on 9 June at the 12th Special National Congress (which did not allow the entrance of delegates from sections 22 from Oaxaca and 7 from Chiapas), the SNTE CEN reported that it would give the SEP until 7 August to provide a solution or it would begin a strike on 20 August. The central demand was a "substantial wage increase."

The proposal was harshly criticized because both 7 and 21 August were Sundays, no percentage of increase was set and the necessary preparations for a strike of such proportions would be impossible. The fact is that the objectives lay elsewhere.

The first, expressed that same day by the secretary of Section 36 of Valle de Mexico: "It is high time that people realize that the system needs Carlos Jonguitud Barrios," understandable because of the confrontation of Jonguitud's group with the Federal Government, involving the redefinition of current and possible power levels and the type of redefinition that would be established. The second, of equal importance for Vanguard, consisted in heading up the movement of discontent among the teachers, attempting to rebuild its hegemony. For this purpose, it sought to regain the consensus it had lost and take away the banners and credibility of the alternative force.

The SNTE initiated national mobilizations and campaigns defending Jonguitud -- "To attack comrade Carlos Jonguitud is to attack the SNTE" -- and supporting the "substantial wage increase" deadline, in addition to constant and virulent verbal attacks on CNTE members, which in many cases would end up with physical aggression and armed assault.

For its part, the CNTE would remain in the background, willing to pressure the SNTE in the decision made and supporting striking students. The time was very important, the situation seemed extraordinarily favorable for the CNTE and yet, there was no continuity of the political and organizational ascent.

With its National Assembly on 18 and 19 June, the Coordinating Committee formulated the following statements: "The demand is a triumph of the CNTE for the weakening of the Revolutionary Vanguard," and "The SNTE CEN will not meet the demand," but the latter was put forth by the boom in the teachers' mobilization, the internal splits in Vanguard and its defense of Jonguitud, which allows one to conclude that the "CNTE is the structural axis of teacher discontent." However, despite this characterization of the situation, the National Assembly agreed to call for a consultation on the terms of the demand and stage the 20 August strike and, "if the SNTE CEN should not stage the strike, then call for an indefinite national work stoppage."

The actions of the CNTE were planned in terms of what the SNTE did or failed to do. Everything would seem to indicate that the political line being advanced in the CNTE at that time was erroneous. The Coordinating Committee had managed to integrate new sectors, including the teachers from the northern states and teachers in the primary (Section 9) and secondary (Section 10) schools of the Federal District. It was the time of the greatest appeal of the CNTE since 1979 and the latter did not broaden its organizational capacity to allow the newly mobilized sector in. This same line of action checked the transformation of the promotional committee of section 9 of the CCL [expansion unknown] and gave priority to solidarity with professors on the work of internal propaganda and organization, which in addition was the most effective way of supporting striking students. Thus, any national organizational progress was unthinkable, despite the fact that it corresponded to the political needs of the movement. The CNTE lost the initiative and the teachers' mobilization would gradually deteriorate as the July vacation approached. At the end of June, the university professors suffered a harsh blow: They would be granted a salary increase and would obtain only 50 percent of the low salaries. SUTIN would be violently attacked and its very existence would be challenged. For some time the CTM had dropped out of the fight and from the 50-percent wage increase moved on to price control.

With the silence of the SNTE, SEP would initiate a policy against the Advanced Teacher Training Institute, culminating in its final closure with the decentralization and consequently, failure to recognize the intensive summer courses given there. At the same time, it failed to recognize the authorities elected by the administrative recess and named a commission from outside the ENSM to draft a proposed academic and administrative reorganization proposal (resolutions 101 and 106 of SEP).

ENSM students would defend their institution and call for a dialogue, but the response would be the blow of 21 July rather than recognition of their courses. As the head of SEP had said on 11 July: "When dealing with a cancer, surgery is the only answer, right? Or should we resort to homeopathy?" Surgery means bloodshed and such was the case.

On 2 September 1983, for the first time in the history of the school, it was taken over by the police, its doors nailed shut and its files taken away. Grenadiers replaced the police at night and the construction of interior walls began. "Academic interests" was the argument but many saw in the action a clearly political purpose and the proposals were much more improvised and incoherent than what is presumably to be transformed. (For example,

nothing was said about institutes training teachers in the private schools.) In question, undoubtedly, was the elimination of a space, not because of academic deficiencies, but rather, because it was a gathering place for teachers from throughout the country who exchanged ideas and obtained new struggle experiences. In this case, decentralization is not an educational proposal, but rather, a political purpose aiming to decentralize protest and break it down, closing off a place of national convergence won over by the trade union trend in the CNTE.

In order to close out the report on this phase in the teachers' struggle, something more must be said. As everyone expected, notification of the demand was not delivered on 7 August and was postponed indefinitely. On 8 August, the SNTE reported salary increases for teachers ranging from 22.5 to 24 percent, announced the presentation of the demand for 5 September and promised to set off the movement on 18 August if no "substantial increase" in salaries were not obtained.

On 5 September, the SNTE CEN decided to cancel the strike deadline for the salary increase, noting "the benefits obtained." The storm had died down, the teacher mobilization had been checked, attacks on Jonguitud had been dropped and the CEN appeared leading a wage increase demand that had to be granted. The effort to maintain control of the SNTE was great, results seem to be satisfactory and it might be risky to go further.

The CNTE would call the decision by the CEN and the Vanguard a "great betrayal" and announced its willingness to continue the fight for a 100-percent salary increase. The Popular Peasant-Worker National Assembly (ANOCPE) was incorporated, along with other coordinating committees from the sector (the CNPA [National Coordinating Board for the Ayala Plan], CONAMUP [Popular Urban Movement National Coordinating Board], COSINA [National Trade Union Commission], and so on) and it would participate in the National Civic Strike of 18 October.

The Revolutionary Vanguard felt it had new strength and tried to take section 22 of Oaxaca. Armed with machine guns and pistols, they took over the trade union headquarters and the Teachers Center, kidnapping the teachers leaders found there. However, the action was immediately counterproductive because of the massive response of teachers, who surrounded the premises, staged a state strike and denounced the events nationally. The Vanguard members had to abandon the premises with nothing more than a defeat: the occupation.

The political risk of taking over the banners of the CNTE of teacher discontent was very great for the Revolutionary Vanguard and also involved high political cost with respect to the government and the trade union rank and file. The events in Oaxaca show that the Vanguard members have decided to regain direct control over SNTE affiliates. Among other things, forms of control became more rigid and they tried to place delegation and especially sectional leaders. Such actions have caused great friction and splits in the Vanguard group itself, creating breaks that have opened up an extremely dangerous flank to the union in the face of the so-called educational decentralization.

For the first time in the history of the National Trade Union of Education Workers, with over 40 years behind it, a massive split occurred in a section in October 1984, which in fact means the separation of the section from the union.

In section 51 in Puebla, a split occurred in the Vanguard group, leading two candidates to seek sectional leadership at the 12th Special Congress. The splinter group had a clear majority over the Vanguard members and the SNTE CEN, in October 1984, suspended the congress, deeming that "the prevailing conditions are not favorable." In its move to exert hegemony at all costs, the Vanguard was incapable of negotiating with its supporters and brought about the break. Roberto Juan Lopez Torres, a former member of the Revolutionary Vanguard, led the call for the formation of the State Union of Puebla Workers (SETEP), which to date has nearly 7,500 members and its registration is before the Local Conciliation and Arbitration Board.

The latent danger of fragmentation of the union over decentralization has a militant collaborator in the teachers' ranks with a concrete proposal. On 12 May 1985, SETEP published a bill that would govern relations between the state government and teachers and whose central points are the formation of trade unions, relations with SEP and teacher participation in the drafting of education programs.

The SNTE CEN, controlled by the Revolutionary Vanguard, is directly responsible for this and it must resolve the problem. Trade unionists organized into the CNTE must, using all possible means, overcome the attempt to break up the largest national trade union in Latin America, despite the Revolutionary Vanguard and the National Executive Committee. The task will be a very complex one for it appears that desperation has set in and, not content with what happened in Puebla, they are repeating the tactic in Oaxaca.

In December 1984, the Executive Committee of section 22 in Oaxaca formally asked the national leadership to summon the congress for renewal of the sectional committee, which by statute was to be held in February 1985. Not until 19 April would the final summons for the 14th Special Congress of the section, signed by the secretary general of the SNTE, be issued. The summons stated that it was to be held on 21 and 22 June.

Oaxaca teachers were determined in their defense of the right to elect their representatives and received broad backing. To the attempts of the Revolutionary Vanguard to issue the summons in exchange for posts in the Sectional Executive Committee, Oaxaca teachers responded with many varied actions. On 4 March, they initiated an indefinite strike and guard in 27 towns. On 9 March, they staged a march in the state capital, with the participation of some 40,000 persons. On 13 March, a caravan of 2,000 teachers went to the Federal District. INAH workers in the state joined in the strike, adding great strength with the closure of museums and historical sites of great tourist interest. On 16 March, the CNTE held its National Assembly in Chiapas, a state where teachers staged an indefinite strike that would last until 18 February until 15 March and in which one of the demands was the holding of the congress in Oaxaca.

Chiapas teachers (sections 7 and 40), after 27 days of striking and 20 on guard, called an end to the movement with major achievements for a broad group of teachers (there was no wage revision in all areas), which on the whole meant an average salary increase of 20 percent and a political victory of national significance, inasmuch as the SNTE leadership did not obtain wage increases. In the IPN, administrative workers would at the same time stage a work stoppage from 7 to 27 March, becoming another important focal point of attention for the SNTE leadership, which would finally sign without consulting the strikers the same day they halted the work stoppage.

The march and indefinite strike of Oaxaca teachers would be suspended on 19 March, with an agreement with the CEN that the summons should be issued on 29 March for the congress to be held on 29 and 30 April. On 30 March, the CEN refused the summons, arguing that the "conditions of violence" did not permit it to be held and the existence of 46 Vanguard members who could not be found -- according to statements from the Unit of Educational Departments To Be Decentralized (USED) in Oaxaca, they had been located but had not appeared to pick up their documents. The CNTE gave complete support to the Oaxaca teachers with national campaigns and mobilizations of support in the Federal District and various states of the country. Finally, the Oaxaca teachers and the CNTE would impose the will of the teachers and the CEN would issue the summons for the congress.

Since the teachers ordered the strike in Oaxaca, Vanguard groups have been accused of carrying out actions such as the armed takeover of premises, attacks using Molotov cocktails, the kidnapping of teachers, and so on. The CNTE believes that it is for the purpose of creating the impression of violence that on Teachers Day, Jonguitud Barrios, retiring governor of San Luis Potosi and lifetime president of the Vanguard, stated that "there is no tranquillity" and that it is preferable to postpone it (the congress) somewhat so that the "conditions will be created" rather than "to create a serious problem with the summons."

Would it not be more fitting to respect the majority decision of Oaxaca teachers and try to achieve the wage increase?

Almost 6 years of constant teacher struggles have gone by, with periods of apparent calm preceding larger mobilizations and the groups succeeding one another. In the marathon for better living and working conditions and for trade union democracy, the change from region to region is now characteristic. None has left the arena and we can not affirm that the CNTE force is the largest mass force in the trade union.

And yet, its organizational capacity has not had the same rate of growth as its ability to rally. Despite the great progress, SNTE trade unionists, who in fact constitute a national movement, have not managed to make the political leap that consolidating a national leadership means. Sectorial and regional inertia continues to be very great.

Its ability to rally support, undeniable in the south-central and southeastern zones, already takes in old Revolutionary Vanguard enclaves in the central

and northern states of the country. Its growth in the 9th, 10th and 11th sections of the Federal District continues. I would dare to say that its expansion will be decisive in the course of the mobilizations that without any doubt are approaching.

Biographic Note

Carlos Imaz Gispert is a professor at the School of Political and Social Sciences of the UNAM, where he teaches the History of Education in Mexico and Problems in Education. He is the co-author, with Samuel Salinas Alvarez, of the book "Teachers and the State: Sociological Study of the Cycle of Teachers' Struggles From 1979 to 1982," published in two volumes by Editorial Linea.

11,464
CSO: 3248/487

NETHERLANDS ANTILLES

NETHERLANDS FIRM BIDS 1.2 BILLION GUILDERS FOR REFINERY

Willemstad AMIGOE in Dutch 9 Jul 85 p 3

[Text] Willemstad - The Dutch company, Chemotron, has made a bid to buy Shell Curacao. The company is prepared to pay 1.2 billion Dutch guilders for the refinery on Curacao. Contacts on this matter have already taken place with Shell headquarters in London, while the Netherlands Antillean Prime Minister and the trade unions in Shell have been informed about the intentions of this potential buyer. Well-informed sources have told AMIGOE that Shell is not taking the Chemotron bid seriously.

This morning trade union leader Roque Koeysers confirmed to AMIGOE that he had received a telegram from Drs Pikus, who represents Chemotron, requesting that Koeysers personally contact him. Koeysers was unwilling to give much information about this or about the company's background. According to him, it is well known that Chemotron has no experience in running a refinery; rather it is said to specialize in marketing oil products and oil derivatives. In addition, this company is said to have shares in the Monte-Edison company, which has refineries in Italy as well as in the United States.

Shell-The Hague reported that it doesn't know about this offer. The telegram in question from Chemotron on the other hand states that Mr Watkins (from Shell-London - ed.) has already been in contact with us."

Prime Minister Liberia-Peters' name is also mentioned in the telegram to FTPK chairman Koeysers. Her deputy, Minister De Paula, couldn't be reached for comment today.

This morning, however, trade union leader Koeysers didn't seem totally surprised by this offer. To AMIGOE he said he knew of "at least another two companies" which might have an interest in buying Shell Curacao. No official comment was made on it this morning.

13092
CSO: 3214/29

NETHERLANDS ANTILLES

STUDY SPELLS OUT IMPACT OF REDUCED SHELL ACTIVITY

Willemstad AMIGOE in Dutch 4 Jul 85 p 3

[Text] They must realize on Curacao that even with Shell's continued existence, the contribution the refinery makes to the economy through the 1980's will diminish drastically. This will be the case even if the company remains Shell-owned. This is stated in a memorandum written by Drs Hans de Boer: "Curacao with or without its oil refinery: a socio-economic analysis." From this extensive report, which records gloomy data, one can conclude that the government faces a true dilemma: on the one hand it doesn't have the financial ability to participate in the refinery, while shutting down the refinery would also have far-reaching negative consequences.

In the introduction, de Boer clearly states that Shell will no longer play the role which it has played until now; not even if the Netherlands Antillean Government indeed decides to buy up the shares. "It would be a gross mistake to presume that government participation would assure Shell's continued important role. If the government does participate, then the economic impact will be even smaller, and the danger exists that the economic impact will disappear completely. This will be the case when the government has to pay for the great losses," according to economist de Boer in this report published last April.

He believes that the present situation on Curacao requires economic diversification: while de Boer himself is betting on tourism, he believes that, given a choice, the government must opt for reinvesting those funds in Shell; on the other and, this will result in the depletion of funds available for developing other sectors. "Whichever decision is made, they all will have far-reaching effects on Curacao's community," according to de Boer, who makes it known that only the environment will benefit should Shell close down. he states that this indirectly will also benefit the tourist industry. "Adjustments in all other sectors will probably be painful, even if Shell remains on Curacao," according to the analysis.

In his report de Boer mentions various repercussions resulting from Shell closing, among others a great loss in foreign currency earnings and, following the natural scenario, an increase in unemployment to more than 35 percent. According to de Boer, this will result in large-scale emigration.

In the report is is clearly stated that Shell, even if the company is saved, will continue operating in a clearly "sober" way: scenarios point to a "streamlined" Shell in 1990 offering employment to 5,250 people, in contrast to the more than 10,000 now employed. Earnings will decrease from the current 385 million guilders to 180 million guilders, while the decrease in tax-earnings means that the present amount, 145 million guilders, will drop to 50 million guilders in 1990.

De Boer warns that one cannot prevent this development, even if the government becomes co-shareholder or owner. Even if the government becomes the major shareholder, this trimming will have to take place.

It is presumed that closing down will give a temporary push to the economy. However, that will fade away completely by 1990.

In his introduction, de Boer states that a streamlined Shell, in the hands of Shell, is the most attractive option; closing, he adds, is the most unfavorable.

13092

CSO: 3214/29

NICARAGUA

DRY WEATHER CAUSES DROP IN AGRICULTURAL OUTPUT

PA271805 Managua BARRICADA in Spanish 24 Aug 85 p 5

[Text] The deficit in the harvest of basic grains, mainly corn and beans, has caused the National Emergency Committee to react and to call on the non-governmental and international organizations that are in solidarity with Nicaragua to send help to overcome the national production problems.

The Agricultural Development and Agrarian Reform Ministry [MIDINRA], through Deputy Minister Eduardo Hollman, suggested that a medium-term solution can be found in the reorganization of the selection of crops by zone. The most serious situation in the production of basic grains is observed in the dry areas of the Pacific, this is currently causing losses of more than \$14 million.

Hollman presented an analysis of the overall situation of one area of the country during a speech before the National Emergency Committee. He pointed out that because of the irregular rainy season, losses had been total in some areas of Regions 1, 2, and 3.

He submitted the solutions of guaranteeing the second harvest and of introducing the sowing of sorghum in some of the affected zones. In addition, he urged that technical training and financing be reinforced in order to ensure a short-term solution to these problems which arise every year in the Pacific zone's dry area.

The members of the National Emergency Committee, which was founded in 1982, stressed the need to meet the demands for food of the affected peasants; they also asked for machetes, batteries, blankets, and materials for the 5,500 poor producers' families who have suffered a total loss of crops.

Factors of the Crisis

Hollman said that the main factors resulting in the loss of basic crops, mainly corn and beans, lies in the reduction of harvests in the zones affected by the war, the loss of harvests, and a drop in the yields of the harvests--the latter due to irregular rains and a lack of technical assistance.

Because of this, 768,000 out of 3.8 million quintals of corn will be lost, not including the unharvested zones. Likewise, bean production will also be

affected because 87,000 quintals out of a total production estimated at 361,000 quintals will be lost. Region 1 is the zone most affected, chiefly the areas of Somoto, Pueblo Nuevo, San Juan de Limay, Condega, Esteli, Erpaneca, and Ocotal, which comprise the country's dry zone.

Ivan Gutierrez, a delegate from the MIDINRA in Region 1, said that over 80 percent of the residents of the agricultural zones were affected by the lack of rain, and that the bean production area was most affected because that zone produces the seeds that will be used for the nation's harvests.

Plan for the Dry Zone

The emergency plan to help the affected families in Region 1 has already begun to be implemented with the cooperation of 680 MINSA [Ministry of Health] workers who are also implementing a training and environmental health program. The program cost over 3 million cordobas and is currently being financed by the National Emergency Committee.

CSO: 3248/514

PERU

GARCIA ADMINISTRATION EXECUTIVE, LEGISLATIVE APPOINTMENTS

First Lady Heads Commission

Lima EL COMERCIO in Spanish 1 Aug 85 p A-4

[Text] Yesterday, the National Intersectorial Commission for Social Development was established, under the chairmanship of Pilar Nores de Garcia, wife of the head of state, who is thereby assuming her first office in the government.

The commission is comprised of the Ministries of Agriculture, Education, Health and Housing, whose heads participated in the initial meeting.

It was decided to start the social assistance activities in four Lima slum areas next week, and in the department of Puno on 11 August. According to the plans, the communities themselves will decide what type of projects should be carried out in them with the government's backing.

Initial estimates made by the housing minister, Luis Bedoya Venez, prompted him to announce yesterday that 10,000 residents of four metropolitan Lima slum areas would benefit from drinking water service.

The combined activities are aimed at improving that population's educational, health and nutritional levels.

On 11 August, Mrs Garcia will go to Puno with Ministers Barturen, Pango, Tejada and Bedoya. Thus, the emergency program will be enacted in that department, the starting point for the Andean trapezoid defined by the chief executive.

Bicameral Budget Commission Installed

Lima EL COMERCIO in Spanish 9 Aug 85 p A-4

[Text] Yesterday, the Bicameral Budget Commission, which must determine the bill on the 1986 general budget of the republic, and monitor and inspect public spending, was installed.

The commission is chaired by Senator Javier Silva Ruete (PAP [Aprista Party of Peru]), and includes Guillermo Larco Cox, Ramon Ponce de Leon and Jorge Lozada

Stambury, of the Aprista congressional group; Gustavo Mohme Llosa and Carlos Malpica Silva-Santisteban, of IU [United Left]; and Gaston Acurio, of AP [Popular Action].

It also includes Deputies Alfredo Barnechea Garcia, Luis Heysen Zegarra, Jose Yrala del Castillo, Remigio Morales Bermudez Pedraglio and Alfredo Montenegro Oliva, of the Aprista congressional group; Eliseo Roman Pimentel and Carlos Tapia Garcia, of IU; and Aureo Zegarra Pinedo, of AP.

No member of the PPC [Popular Christian Party] was considered.

At the installation session, consideration was given to the need for the bicameral commission to have its own budget unit.

In this connection, it approved the formation of a commission chaired by Montenegro Oliva, to gear its internal regulations to the current requirements.

Another commission, headed by Senator Ramon Ponce de Leon, will undertake a study of the environment and security of the Congress, whose facilities offer no security.

At a forthcoming session, subcommissions will be appointed for the various budgetary specifications.

Deputies Committee Heads Approved

Lima EL COMERCIO in Spanish 8 Aug 85 p A-4

[Text] The members of the 35 advisory commissions (three of which are bicameral) were approved by the Chamber of Deputies. Following is a list of their chairmen:

Bicameral Budget Commission (Alfredo Barnechea)
Bicameral Drafting Commission (Fernando Valdivieso)
Bicameral Commission to Inspect the General Accounts of the Republic (Jorge Alegria Haya)
Agriculture "A" (Manuel Coronado)
Agriculture "B" (Julio Castro Gomez)
Banking and Insurance (Carlos Capelleti Cisneros)
Constitution (Miguel Caverio Egusquiza)
Cooperatives (Cesar Solano Aguilar)
National Defense-Armed Forces (Fernando Leon de Viviero)
National Defense-Police Forces (Walter Cuestas Diaz)
Territorial Demarcation (Manuel Benza)
Sports and Recreation (Victor Manuel Noriega)
Human Rights (Benjamin Madueno)
Amazon Development (Cesar Zumaeta Flores)
Residents Rights (Alberto Franco)
Decentralization (Romulo Leon Alegria)

Economy and Finance (Javier Labarthe Correa)
Education (Norman Arellano Lozano)
Hydrocarbons and Energy (Jose Carrasco Tavera)
Family "A" (Mercedes Cabanillas)
Family "B" (Guillermo Herrera Montesinos)
Commerce and Tourism (Jorge Alegria Haya)
Justice (Manuel del Pomar)
Environment and Natural Resources (Celso Sotomarino Chaves)
Mining (Daniel Vega Ballon)
Fishing (Hector Vargas Haya)
Planning and Development (Cesar Barrera Bazan)
Regulatory (Moises Tambini del Valle)

Ministry Official Appointments

Lima EL COMERCIO in Spanish 5 Aug 85 p A-4

[Text] The following appointments have been made:

Ministry of Interior

General Director of Government, Jesus Guzman Gallardo

Ministry of Housing and Construction

Board of Directors of the National Drinking Water and Sewerage Service Company
(SENAPA):

Ricardo Rojas Vargas (chairman)
Eduardo Janet La Torre
Hector Gallegos Vargas
Walter Machuca Arteta
Julio Luque Tijero

Board of Directors of the Lima Drinking Water and Sewerage Service Company
(SEDAPAL):

Hugo Garcia Salvatecci (chairman)
Lilian Caverio de Kocerha
Harry Dawson Vasquez
Raul Boza Callirgos
Juan Arroyo Laguna

Board of Directors of the National Building Company (ENACE):

Cesar Solis Rojas-Loaiza (chairman)
Eduardo Chullen Dejo
Gilberto Santisteban Martinez
Luis Leon Espinoza
Wenceslao Urbina Moscoso
Federico Mevius Andersen

Board of Directors of the Materials Bank:

Isaias Figueroa Escalante (chairman)
Javier Cayo Campos
Hernan Gutierrez La Madrid
Guillermo Carlin Hernandez
Pedro Alvarez Fernandez
Maria del Carmen Rivera Perez
Raul Bianchi Calderon

Materials Bank General Board of Stockholders:

Raul Boza Callirgos (chairman)
Elva Pastor Araujo
Teresa Barba Disz
Eduardo Llerena Aguirre
Jorge Garces Cardenas

Board of Directors of the Construction Price Readjustment Council (CREPCO):

Angel Tapia Carreno (chairman)
Jose Galvez Tinegli (vice chairman)

National Training Service for the Construction Industry (SENCICO):

Edgar Flores Benavente (chairman)

Board of Directors of the National Institute of Housing Research and Standardization (ININVI):

Miguel Alvarino Guzman (chairman)
Alicia Odiaga Voysest
Luis Vicuna Vidal
Daniel Torrealva Davila
Augusto Ortiz de Zevallos Madueno

Board of Directors of the National Institute of Urban Development (INADUR):

Luis Dorich Torres (chairman)
Luis Diez Castillo
Gustavo Laurie Duncan
Nivardo Rondon Aldave
Marco Gutierrez Plasencia

Ministry of Education

National Council on Science and Technology (CONCYTEC):

Carlos del Rio Cabrera (chairman)

Geophysical Institute of Peru:

Jose Carlos Pomalaza Diaz (executive chairman)

Ministry of Energy and Mines

Board of Directors of the Central Peru Mining Company, Inc (CENTROMIN):

Victor Raul Eyzaguirre Parra (chairman)

Jose Vicente Olcina Garcia

Fermin Bustamante Moscoso

Juan Zegarra West

Carlos Loret de Mola de Lavalley

Ricardo Valcarcel Caro

Juan Manuel Candia Vargas

Board of Directors of the Peruvian Mining Company, Inc (MINEROPERU):

Jose Vicente Olcina Garcia (chairman)

Victor Raul Eyzaguirre Parra

Fermin Bustamante Moscoso

Jaime Cenzano Caballero

Juan Zegarra West

Luis Palomino Toledo

Ricardo Beaumont Callirgos

Board of Directors of the Peruvian Iron Mining Company (HIERROPERU):

Felipe de Lucio Pezet (chairman)

Edmundo de la Vega Munoz

Luis Rodriguez Vildosola

Jose Antonio Aspillaga Plenge

Jaime Thorne Leon

Alfonso Zuzunaga Gutierrez

Lino Abraham Caballerino

Board of Directors of the Peruvian Petroleum Company, Inc (PETROPERU):

Alfredo Carranza Guevara (chairman)

Carlos Lizier Gardella

Jose Abramovitz Delmar

Arturo Tresierra Corrales

Enrique Rivero Velez

Cesar Gulman Herrera

Chairman of the Board of Directors of the Coal Promotion Company, Inc (PROCARBON):

Abel Gastanaga Coll-Cardenas

Chairman of the Board of Directors of the Bayovar Promotion Company, Inc
(PROBAYOVAR):

Carlos Lizier Gardella

Chairman of the Board of Directors of the Tintaya Special Mining Company, Inc:

Rolando Sanchez Verdeguer (chairman)

Chairman of the Board of Directors of the Peruvian Electric Power Company, Inc
(ELECTROPERU):

Jorge Ramos Ronceros

Chairman of the Board of Directors of the Mining Products Marketing Company
(MINPECO):

Edmundo de la Vega Munoz

Chairman of the Board of Directors of the Mining and Metallurgical Geological
Institute (INGEMMET):

Mario Samame Boggio (confirmed)

General Director of Mining:

Luis Augusto Sanchez Bazalar

Presidency of the Council of Ministers

Presidents of the Departmental Development Corporations:

Tumbes: Ricardo Flores Dioses

Amazonas: Magno Rivera Collazos

Cajamarca: Raul Antonio Centurion

Arequipa: Pedro Yugar Gallegos

Huancavelica: Mario Huaroto Atunga

Lambayeque: Guillermo Baca Aguinaga

Loreto: Alfredo Giulfo Suarez

Moquegua: Guido Badoino Acerbo

Ucayali: Luis Huerto Milla

La Libertad: Luis Santa Maria Calderon

Various Governmental Officials Appointed

Lima EL COMERCIO in Spanish 9 Aug 85 p A-4

[Text] Presidency of the Council of Ministers

Secretary general of the office of the president of the Council of Ministers:

Hugo Alfredo Garcia Salvatecci

Undersecretary general of the Presidency of the Republic: Roger William Ferreira Vildosola

Office chief of the General Secretariat of the Presidency of the Republic, first secretary of the diplomatic service: Augusto C. Soto Moreno

Chief of the National Popular Cooperation System: Victor Lopez Garcia

Economy and Finance

Vice minister of finance: Leonel Figueroa Ramirez

Vice minister of economy: Gustavo Saberbein Chevalier

Secretary general of the Ministry of Economy and Finance: Victor Lopez Rossi

General director of the Public Treasury: Alfredo Jalilie Awapara

General director of public credit: Javier Abugattas Fatule

General director of the public budget: Jorge Ordonez Ortiz

Head of the General Directorate of Taxaction: Manuel Luna Victoria Sanchez

Chairman of the board of directors of the Bank of the Nation: Adan Seminario Esquerria

Members of the board of directors of the Bank of the Nation:

Leonel Figueroa Ramirez

Gustavo Saberbein Chevalier

Juan Candela Gomez de la Torre

Benedicto Ciguenas Guevara

Guillermo Castaneda Mungi

Camilo Carrillo Gomez

Jaysuno Abramovich Schwartzberg

Housing and Construction

Vice minister of housing: Mr Julio Vargas Neumann

Vice minister of construction: Mr Juan Sarmiento Soto

Chairman of the board of directors of ENACE: Mr Cesar Solis

Agriculture

Vice minister of agriculture: Mr Jacobo Mishkin Eskenazi

Interior

Vice minister of interior: Mr Maximo Agustin Mantilla Campos

Mayor of Lima: Dr Jorge del Castillo Galvez

Administration Appointments Announced

Lima EL COMERCIO in Spanish 9 Aug 85 p A-4

[Text] The following appointments have been made:

Ministry of Interior

New departmental mayors:

La Libertad: Arnaldo Estrada Cruz
Ucayali: Alfredo Noriega Ojeda
Apurimac: Gilbert Urbiola Valer
Arequipa: Raul Gerardo Díez Ure
Cajamarca: Miguel Jave Rodriguez
Cuzco: Julio Jara Ladron de Guevara
Ica: Manuel Santana Chiri
San Martin: William Celis Rojas
Tacna: Victor Edmundo Arce Vildosos
Loreto: Alfredo Marill Cobos
Amazonas: Leopoldo Villanueva Mallqui
Moquegua: Gregorio Valcarcel Rodriguez
Junin: Humberto Simon Vicetti Saavedra

Ministry of Foreign Relations

Ambassador to the Organization of American States (OAS): Jorge Raygada Cauvi

Ministry of Justice

Chief of the General Archives of the Nation: Guillermo Lohmann Villena

Chief of the Leonidas Avendano Ureta Institute of Forensic Medicine: Victor Maurtua Vasquez

Executive director of the General Directorate of Justice: Manuel Angel Aquezolo Castro

Presidency of the Council of Ministers

Presidents of the Departmental Development Corporations:

San Martin: Demetrio Tafur Ruiz
Ica: Americo Mendoza Jimenez

Punto : Jose Luis Lescano Rivero
Huanuco: Antonio Huapaya Naupay
Junin: Felix Ortega Arce
Cuzco: Ramiro de Velasco Salas
Pasco: Pedro Porreas Narvaes
Madre de Dios: Antonio Pita Villa

CONADE, COFIDE Officials Installed

Lima EL COMERCIO in Spanish 8 Aug 85 p A-14

[Text] The board of directors has just been installed for the National Development Corporation (CONADE), the chairman of which is a technocrat who has held office in various public and private institutions, and who is also president of the Financial Development Corporation [COFIDE].

He is Dr Manuel Romero Caro, who was named to those positions by supreme resolutions Nos 371-85-EF/43.40 and 373-85-EF/43.40.

Moreover, Lino Abram Cavallerino was named chairman of the board of directors of COFIDE Investments, Inc (ICSA), and a member of that of COFIDE, Inc, by resolution No 374-85-EF/43.40.

He is joined on the COFIDE board by the following: Adan Seminario A., Jorge Ordonez O., Fernando Arias V., Gilberto Beingolea F., Luis Miranda A., Alfredo Olivares A., Lino Abram C., and Henry Barclay Rey de Castro.

Viceministerial, Other Appointments

Lima EL COMERCIO in Spanish 3 Aug 85 p A-5

[Text] The following appointments have been made:

Ministry of Transportation

Vice minister of transportation: Ernesto Alancastre Sanchez

Vice minister of communications: Juan Artet Rosas

Ministry of Justice

Vice minister of justice: Lucio Galarza

Secretary general of the ministry: Enrique Jose Vasquez Lafarga

Chief adviser of the superior administration: Alejandro Saco Miro Quesada

Adviser of the superior administration: Cesar Maticorena Matos

General director of legal affairs: Salim Strusberg Chaskel

General director of justice: Jose Leon Barandiaran Hart

Chief of the National Institute of Family Welfare (INABIF): Alejandro Castro Franco

Members of the National Council of the National Prison Institute:

Antonio Palomino Morales (chairman)

Saul Arellano Gomez (vice chairman)

Ruben Valdivia Chalco

Hildebrando Salazar Inga

Elias Batallanos Monzon

Chief of the ministry's General Office of Communications: Cesar Campos Rodriguez

Executive director of the General Office of Administration: Cesar Paurcarcaja Palomino

MICTI [Ministry of Industry, Commerce, Tourism and Integration]

Vice minister of industry: Julio Bernardo Pflucker Arenaza

Vice minister of commerce: Walter Guerrero

Vice minister of tourism: Raul Lanatta

Vice minister of integration: Javier Galvan

Adviser to the Ministerial Office: Alberto Vera la Rosa

Ministry of Health

Vice minister of health: Elias Meliton Arce

Ministry of Fisheries

Vice minister of fisheries: Nelson Cardenas Ojeda

Ministry of Labor

Vice minister of Labor: Oscar Guevara

Vice minister of social promotion: Oscar Rubio Betancourt

Ministry of Education

Vice minister of education: Ibico Rojas

Ministry of Economy

Board of directors of the Peruvian Housing Bank:

Armando Giulfo Zender (chairman)
Wilfredo Chao
Carlos Bravo
Victor Lopez
Julio Vargas
Antonio Biondi
Fernando del Bosque

Board of directors of the Financial Development Corporation, Inc (COFIDE):

Manuel Romero Caro (chairman)
Adan Seminario
Jorge Ordonez
Fernando Arias
Gilberto Beingolea
Luis Miranda
Alfredo Olivares
Lino Abram
Henry Barclay

Board of directors of COFIDE Investments, Inc:

Lino Abram Cavallerino (chairman)
Alfonso Priale Jaime
Jorge Villanueva Carbajal
Gilberto Beingolea Fajardo
Jose Abramovitz Delmar
Rolando Sanchez Verdaguer
Juan Candela Gomez de la Torre
Ricardo Valcarcel Caro
Fernando Blanco Palacios

Presidency of the Council of Ministers

President of the National Institute for Municipal Development: Victor Tantalean Vanini

Chief of the National Institute of Public Administration: Guillermina Flores Vínces

Technical director of the National Institute of Planning: Cesar Atilio Ferrari Quine

Ministry of Interior

Mayor of Callao: Victor Raul de la Torre

Ministry of Economy

Executive director of the General Directorate of Credit: Guillermo Runciman Saettone

Presidency of the Council of Ministers

Members of the board of directors of the Peruvian Institute of Social Security:

Jose Barsallo Burga
Elias Meliton Arce Rodriguez

Ministry of Energy and Mines

Vice minister of mines: Roger Arevalo

Ministry of Justice

Members of the ministry's Consultative Commission:

Drs Edmundo Haya de la Torre
Jose Leon Barandiaran
Ulises Montoya Manfredi
Mario Alzamora Valdez
Ricardo La Hoz Tirado
Cesar Augusto Mansilla
Domingo Garcia Belaunde
Luis Loli Roca
Francisco Chirinos Soto
Javier Ortiz de Zevallos
Dario Herrera
Francisco Rojas

Institute of Cooperatives

Head of the Executive Directorate: Jaime Angeles Landavery

Officie Newspaper EL PERUANO

Acting editor: Luis Nava Guibert

Senate Committees Reduced

Lima EL COMERCIO in Spanish 7 Aug 85 p A-4

[Excerpt] The Senate reduced the number of advisory commissions from 40 to 29, and, with the opposition of IU, PPC and AP, approved their respective members. The commissions are:

Agriculture: (chairman, Alfredo Santa Maria)
 Banking and Insurance: (Rafael Eguren)
 Constitution: (Jorge Lazada)
 Cooperatives: (Jose Linares)
 National Defense: (Armando Villanueva)
 Human Rights: (Javier Valle Riestra)
 Communal Development: (Jorge Torres)
 Amazon Development: (Raul Acosta)
 Decentralization: (Ramiro Priale)
 Economy: (Luis de las Casas)
 Education: (Eugenio Chang)
 Energy: (Ramon Ponce)
 Family: (Juana Castro)
 Hydrocarbons: (Alfonso Ramos)
 Industry and Tourism: (Lastenio Morales)
 Justice: (Rene Nunez)
 Mining: (Josmell Munoz)
 Foreign Relations: (Carlos Enrique Melgar)
 Social Security: (Adolfo Guevara)
 Labor: (Romualdo Biaggi)
 Transportation: (Cesar Robles)
 Housing: (Guillermo Larco Cox)

All the heads of the foregoing commissions belong to APRA [American Revolutionary Popular Alliance]. The other commissions are headed by:

Sports: (Enrique Bernales)
 Environment: (Andres Luna)
 Planning: (Javier Diez Canseco)
 Regulatory: (Jorge del Prado)
 Senate Accounts Inspection: (Rolando Brena)

All the foregoing are from United Left.

Fishing: (Ernesto Lanata)
 Health: (Esteban Rocca)

These two are independents.

No member of AP or PPC was considered for the chairmanships.

Furthermore, the Bicameral Budget Commission will be chaired by Javier Silva Ruede (PAP); the Drafting Commission, by Luis Neto (IU); and the Commission to Inspect the General Accounts of the Republic, by Jose Ferreyra (PAP).

2909

CSO: 3348/913

PERU

COMMUNIST PARTY STATEMENT ON APRA ECONOMIC POLICY

Lima EL DIARIO DE MARKA in Spanish 6 Aug 85 p 6

[Text] 1 -- Confronted with the failure and loss of prestige of the former ruling parties: Popular Action (AP) and the Popular Christian Party (PPC), characterized by a policy of submission to the dictates of the IMF, the incoming Aprista Government [APRA, American Revolutionary Popular Alliance] presents itself as the new alternative that will fill the vacuum left by the other rightist parties.

2 -- In accordance with the foregoing, the policies implemented by the APRA are nothing more than a continuation of the Belaunde regime. Consequently, the Aprista administration will be aimed at defending and safeguarding the interests of the bourgeoisie and the reigning system of domination. We are convinced that in the final instance and as the demands of the people's movement grow and become uncontrollable, the Aprista government will fulfill the role of agent of Yankee imperialism and not hesitate to assume fascist positions against the people.

3 -- The left and the people's organizations cannot be content with the offers made in the message of 28 July by Alan Garcia, inasmuch as restoring the tax payment to the oil consortiums does not typify the government as decidedly anti-imperialist. True anti-imperialism would lie in total cancellation of oil contracts with the transnationals and the transfer of oil development, operations and exploration to PETROPERU [State Petroleum Agency] alone.

4 -- Concerning the foreign debt: The fact of paying 10 percent of foreign exchange revenue a year implies committing financial resources that should be used to meet the peremptory needs of the people: preventing infant mortality, solving problems of unhealthy living conditions, malnutrition, unemployment and all poverty. True anti-imperialism means not paying that debt in order to use those resources in meeting the urgent needs mentioned, as proposed at the Havana forum.

5 -- For us as Marxists, actions speak louder than words. In that sense, what puts the Aprista government on the same level as those preceding it is its bullish policies along with the classic package of economic measures (followed since the time of Morales Bermudez) such as higher fuel costs,

devaluation of the currency, and others. In order to try to compensate for the damage of these measures on the people's economy, they are accompanied by paltry increases in wages and salaries (only for the nonunionized sector). There are also price and rent control measures, which would be merely declarative, inasmuch as they are not accompanied by the corresponding work and concern over mobilizing the people for such controls.

6 -- The other aspect that graphically demonstrates the continuist policies of the Belaunde regime is the lack of attention to disputes of government workers in the CITE [expansion unknown], SIMA [Maritime Industrial Service], MORAVECO [expansion unknown] and other firms in the private sector such as banks and civil construction. Instead of responding to their appeals, they are harshly repressed, as they always were. Another fact that confirms this anticlass phobia of the APRA is the attempt to place workers on the social pyramid of the APRA in the class of the privileged, ignoring the reality of the starvation wages which workers, the thousands of laid-off workers and others receive, who are forced to go begging in the buses of the capital.

7 -- Given the campaign of the Aprista press, aimed at presenting the government as being of the people and even similar to that of Velasco, we must clarify that it has nothing to do with that government, unless it is the fact that it has taken in fascistic-type elements such as "the Tantaleans," who were on the right of Velasquismo and who were known as "The Mission" and as implementers of the sadly famous Revolutionary Labor Movement. Furthermore, Velasco has left the APRA without any program for over a decade, having carried out truly radical and anti-imperialist structural transformations, which the Aprista government is now trying to copy.

8 -- For these reasons, the majority PCP warns its members and appeals to all political and trade union, peasant, student and other organizations not to allow themselves to be confused by the Aprista preachings and, through their work of information and mobilization, force the Aprista government into truly anti-imperialist measures such as: cancellation of the oil contracts with transnational consortiums and the transfer of oil operations to PETROPERU; nationalization of Toquepala; and nationalization of the rest of the private banks.

9 -- For the peasants: nationalization of the dairy consortiums of Peru-Lac in the north and Leche Gloria in the south. These are among the main measures that would achieve true national liberation.

10 -- We believe that the People's National Assembly should be the instrument that would channel these peremptory popular demands to the Aprista government and they would also channel the struggle to defend human rights. There must be a law of political amnesty for all prisoners accused of "terrorism." We must demand compliance of the thorough reorganization of police forces and require the trial of those guilty of the Uchuraccay massacre, as well as the trial of General Noel. In addition, that people's organization must ask the government for:

11 -- an immediate investigation into and trial of the officials of PETROPERU, CENTROMINPERU [Central Peruvian Mining Enterprise], ELECTROPERU [Peruvian State Electric Power Enterprise] and the rest of the national enterprises. The People's Assembly should demand immediate information for the people on the condition of the bank coffers during the investigation completed during the 2-day bank holiday.

12 -- unrestricted defense of labor communities and the creation of others in branches where they do not exist; immediate defense of the agricultural cooperative system; stoppage of the pending distribution processes; waiver of Legislative Decree No 02; expanded technical and credit aid to the peasants; and reorganization of the peasant communities, eliminating those not commune members.

13 -- an immediate solution to the requests of state workers in CITE, SIMA, MORAVECO and other unions.

14 -- a 200-percent increase in wages and salaries.

Lima, 4 August 1985

Ventura Zegarra A.

For: the Political Commission of the
Majority PCP

11,464

CSO: 3348/893

PERU

CHRISTIAN DEMOCRATS CONFIRM SUPPORT OF APRA

PY021347 Lima Cadena America Television in Spanish 0330 GMT 1 Sep 85

[No video available]

[Text] The Christian Democratic Party [PDC] has confirmed its support for and backing of Alan Garcia Perez' constitutional government. This was one of the resolutions of the 18th PDC national congress which started on 29 August. Carlos Blancas, PDC president and labor minister of the current government, said during a press conference that his party endorses the recent measures taken by the APRA [American Revolutionary Popular Alliance] government. He also said that the salary increase granted to bank employees has not established a bad labor precedent.

[Begin recording] [Blancas, in progress]...backing for the government and participation in this process of change in which also the PDC is participating, according to the electoral agreement we signed with APRA. We have very clearly confirmed our full support for the policy of a moral cleanup, of defense of our petroleum wealth and natural resources, of struggle against inflation, of a search for social justice in labor relations, and our determined support for the decentralization of the country. In our opinion, these are the roads toward a true democratic revolution.

[Unidentified reporter] Regarding the bank employees, why do you say, Dr Blancas, that the measure taken by the Labor Ministry is not inflationary?

[Blancas] I say this because the amounts established for the bank employees were foreseen in the emergency program. The emergency program approved by the government does not imply a salary freeze. The prices of some staples have been frozen, but not the salaries. It should be kept in mind that the salary increases granted by the government just after it initiated its administration of the emergency plan did not apply to the unionized workers; they are only granted to public employees and, in the case of the private sector, to workers not organized in unions. This shows that the government considers that it is part of its policy to improve the purchasing power of the workers. [End recording]

CSO: 3348/948

PERU

BANK EMPLOYEES' CONGRESS ELECTS BOARD OF DIRECTORS

Lima UNIDAD in Spanish 4 Jul 85 p 5

[Text] The 10th National Congress of the Bank Employees Federation (FEB) has come to a close. Some 400 delegates analyzed and debated trade union and national problems between 17 and 23 June and approved their 1985 Petitions, establishing their position vis-a-vis the new government.

The congress elected the new national board of directors that will guide the destiny of the FEB during the 1985-1987 period and in its platform of struggle, set forth the demand for radical economic, social and labor changes addressed to the new government.

Salary Increase

The 1985 Petitions were submitted to the officials of the 30 existing banks and the 2 regional and national banking associations on 27 and 28 June.

Bank employees earn paltry wages that scarcely stretch to cover a third of the family expenses (goods and services needed by a family to survive), calculated and put together by the INE [National Institute of Statistics]. Bank petitions ask for an increase of 2.5 million sols to make up for the steady rise in the cost of living.

Drafting of bank petitions responded to the demands of delegates to the congress, who represented 30,000 union members demanding a fair solution to their claims, bearing in mind the fact that the IMF policies have unleashed an uncontained price rise whose direct results can be observed in declining wages and income.

Jorge Diaz Alarcon, new secretary general of the FEB, notes that while the average wage of the bank workers is scarcely 900,000 sols, bankers continue to take advantage of the crisis, earning fat profits and speculating with millions of dollars.

The bank union demands severe sanctions for Leon Rupp, Luis Bertello, De Ferrari and all bankers involved in administrative, economic and financial irregularities, noting that these were possible because of the negligence of the Superintendency of Banking and Insurance which, as an auditing entity, did not at the proper time protect the interests of the country and the workers.

In statements made to UNIDAD, Diaz Alarcon noted that "the FEB will take up the essential task of fighting for labor stability, fair wages without indemnifiable limits, strikes, free unionization, unrestricted respect for collective pacts and agreements, reorganization of the IPSS [Peruvian Institute of Social Security] and finally, a dignified life for workers."

In behalf of the 10th Congress, the new bank official denounced the specific case of BANCOPER [expansion unknown] and BIC [expansion unknown], whose relocated workers are considered to be "new" in the banking system, which means arbitrary nonrecognition of their social and economic benefits guaranteed by law.

Position on APRA [American Revolutionary Popular Alliance]

After denouncing the 5 years of the Popular Christian Party (PPC) regime because of its policy of submission to the IMF, the 10th Congress outlined positions on the new Aprista government. It called the new regime "the alternative required by the bourgeoisie and imperialism in order to contain the advance of the progressive forces that want to move down the paths of socialism set forth by Jose Carlos Mariategui."

A bank worker for over 25 years, Diaz recalled the responsibility of the APRA party and the CTP [Confederation of Peruvian Workers] in the black days between 1964 and 1970, when any vestige of organic life was eliminated in the FEB and when 648 bank workers were laid off in circumstances demanding the right to job stability.

The bank union identifies with the banners of the United Left, a political organization that groups the most advanced forces of Peruvian society and that has managed to seat in the legislative chambers noted defenders of the workers' interests.

Regarding the "social pact" and the "trade union truce," the FEB follows the line of the CGTP [General Confederation of Peruvian Workers] in denouncing employer attempts to deceive the workers. "It is inconceivable to reconcile work, capital and the state in a capitalist system such as ours, where the exploitation of man by man still prevails," Diaz Alarcon said.

Poverty and Hunger

Given the situation of hunger and poverty afflicting our people as a result of the IMF policies, the 10th Congress of the FEB defines its class position, demanding, among other things, a moratorium on the foreign debt, nationalization of banking, mining, oil and other basic sectors of production.

Bank employees identify with the struggle waged by Cuba, Nicaragua and the courageous Salvadoran people, along with other nations in the Caribbean, the Far East and Africa seeking their national liberation.

Following the guidelines of the CGTP, "we shall fight to defend the interests of the country and the workers," Diaz noted, after indicating that the 10th Congress of the FEB backed the movements of the Defense Fronts and the Popular Assemblies.

After expressing solidarity with CITE [expansion unknown] workers, SUTEP [Sole Trade Union of Education Workers] employees, miners, civil construction workers, fishermen and all unions now fighting for better living and working conditions, the 10th Congress emphasized the need to fight for trade unity and centralization.

New Board of Directors

Secretary general, Jorge Diaz Alarcon (CF Callao); deputy secretary general, Luis Salazar Troncoso (Cusco); secretary of defense, Luis Carbajo Farfan (Ica); secretary of organization, Jose Barrientos Calle (CF Banco Popular-Lima); technical and statistics secretary, David Huarancca Cucho (Ica); secretary of control and discipline, Gaston Metzger Angulo (CF Banco Popular-Lima); secretary of interior recording secretary, Francisco Alburquerque Ibarra (CF Mortgage Bank-Lima); external affairs secretary, Marco Diaz Chavez (Trujillo); secretary of economy, Ernesto Campos Carreno (Huacho); secretary of press and information, Miguel Bracamonte Salazar (CF Agricultural Bank-Lima); secretary of cooperative promotion, Oscar Jara Lopez (CF Regional Bank-Lima); secretary of culture, Juan Melendez Aguirre (CF Mining Bank-Lima); secretary of educational affairs, Victor Tafur Medina (CF Belnarios-Lima); secretary of sports, Alfredo Munoz Milachay (CF BANPECO-Lima); secretary of social welfare, Alfonso Vasquez Campos (CF Banco de la Nacion); secretary of mutual affairs, Serafin Mafaldo Lopez (Iquitos); secretary of provinces and coordinating secretary, Gavino Vilela Guzman (Piura-Tumbes).

11,464

CSO: 3348/893

PERU

ENERGY MINISTER ON OIL CONTRACTS, FUTURE LAWS

PY301735 Paris AFP in Spanish 2333 GMT 29 Aug 85

[Text] Lima, 29 Aug (AFP)--Peruvian Energy and Mines Minister Wilfredo Huayta, today stated that Peru does not want to scare away foreign investment by rescinding the contracts of three oil companies that pocketed profits of \$655 million without reinvesting in further prospecting.

This drastic measure was enacted yesterday against the U.S. companies Occidental Petroleum Corporation and Belco Petroleum and the Argentine company Bidas Exploraciones, which supply 75 percent of the 180,000 barrels per day that Peru produces.

The minister said the administration of Social Democratic President Alan Garcia hopes that in compliance with a supreme decree it will be able within 90 days to persuade the three companies to renegotiate the terms of their contracts and promise to reinvest a huge part of their profits in prospecting for new oil deposits.

Huayta also held Pedro Pablo Kuczynski, the energy and mines minister in the previous administration, responsible for having passed a law that gave too many incentives to the oil corporations. He also blamed the officials of this ministry for not seeing to it that the law was applied properly.

He stated that the three enterprises used the law unduly and they weakened the treasury by wrongly implementing the guidelines of the tax credit, which was to have been used for exploration. He also announced that the officials responsible will be tried in the courts.

He also said that between 1980 and 1984, the three firms only drilled 13 wells, and the state company Petroperu [State Petroleum Agency] drilled 11. It is his belief that this investment does not amount to even 10 percent of the \$655,817,480 that should have been invested in new exploration activities, according to a preliminary estimate.

During a press conference granted at Government House, he said that the Peruvian Government is nationalist, democratic, and popular and that it has proceeded to safeguard the natural resources.

He added that it is the government's desire that the three firms continue to carry out their tasks normally and that the government does not intend to expel them from the country. But he warned: We will face reality if they do not conform with the spirit of the Constitution and current laws and we will resort to the courts if necessary.

Alfredo Carranza, Petroperu's president, has explained that it is a question of correcting the strictly contractual aspect of a badly applied measure and he announced that he will ask Congress to change the oil legislation and establish new rules of the game.

The minister also stressed that the new legislation will eliminate the gray areas in future contracts. He said: We are going to establish an incentive for international investment by applying formulas that range from contracts of participation in association, which could be one of the variables, to formulas for quick recovery of exploration investment.

He stated that the latter is used frequently in Brazil, Colombia and the PRC and he announced that the Brazilian company Petrobras [Brazilian Petroleum Corporation] is willing to cooperate with Petroperu if the three other firms decide to close down.

He said the three foreign firms should have made the following investments in exploration activities: Occidental \$361,660,253; Belco \$201,505,017; and Occidental-Bridas \$92,652,210.

The minister also revealed that they were granted income tax exemptions during the past 4 years amounting to 245,629,047,734 soles (approximately \$17.6 million at the current rate of exchange), according to a preliminary estimate.

Huayta reported that 4 years ago the proven reserves in Peru totaled 835 million barrels of crude and that last year the reserves decreased to 610 million barrels, a difference that exceeds 200 million barrels.

CSO: 3348/948

PERU

METEOROLOGICAL SERVICE FUNCTIONS DEFINED

Lima EL COMERCIO in Spanish 5 Aug 85 p A-6

[Text] The National Meteorology and Hydrology Service (SENAMHI) is the only decentralized public agency in the aeronautical sector authorized to supply information on the different atmospheric and hydric elements registered in the country.

Information which SENAMHI provides is used in planning the physical location of human settlements and establishes the environmental conditions required by preliminary plans and construction projects for centers of population, culture and commerce, industrial areas and transportation handled by companies responsible for their completion.

The service will also provide the proper Ministry of Agriculture agencies, companies and individuals with weather forecasts and meteorological information sufficiently in advance so that they might take the right measures in planning irrigation and determining what crops are to be grown in their respective territorial jurisdictions.

These standards are established in the regulations of Organic Law No 24031, recently passed by Order No 005-85-AE, published yesterday in EL PERUANO. It contains six sections, 18 chapters, 53 articles, 3 supplemental provisions and a temporary provision.

Article 1 states that SENAMHI is a decentralized public agency in the aeronautical sector, with the legal capacity of internal public law and with technical, administrative and economic autonomy, within the limits of the legal code of the public sector.

Its purpose is to plan, organize, coordinate, regulate, direct, supervise and oversee meteorological, hydrological, agrometeorological and related activities through the operation of a system of information gathering, in addition to scientific and technological research and the completion of studies and projects, as well as services within its area of competence.

Other objectives of SENAMHI are the determination of climate and meteorological forecasting in order to make the best use of natural resources and outline strategies to reduce harmful effects.

PERU

BRIEFS

TANK FALLS FROM TRUCK--A modern, French-made tank slid off the platform of the truck transporting it to the Ancon military base and fell to the ground, landing upside down, its tracks pointing toward the sky. One of the three crew members was instantly killed, crushed by the falling tank. The other two men managed to get out of the way. The accident reportedly resulted from the high speed at which the truck was traveling and the lack of chains to secure the military vehicle to the platform. When brakes were applied at kilometer marker 15 on the Northern Pan American Highway, the tank became unbalanced and toppled off the platform on the righthand side, as shown in the photo [not reproduced]. [Text of photo caption] [Lima EL COMERCIO in Spanish 8 Aug 85 p A-1] 11,464

POSTAL DEPARTMENT REORGANIZATION--The General Postal Department has been totally reorganized and carriers, whose number has been increased in Lima to 500, have been reassigned, according to an announcement made yesterday by the new director of the department, Felipe Salaverry Rodriguez. The first step in the reorganization was the creation of a commission to draft a plan of work for the coming 6 months. It will go into effect on Monday with the reassignment of carriers. It was noted that in order to have efficient service in Lima, where 70 percent of all letters sent in the country are handled, at least 2,000 postmen are needed. There are only 440 at present. Salaverry Rodriguez also said that inexplicably, many postal workers occupy administrative posts. "They will once again become carriers starting Monday, because someone collecting wages from the government without doing his 8 hours of work is just as immoral as someone stealing a letter," he said. The official added that out of the 7,000 workers distributed in 2,500 offices throughout the national territory, only 30 percent are in operations, which constitutes the driving force of the Postal Department. After announcing these and other measures, Salaverry Rodriguez said that the chaos prevailing in the department has created an extremely bad image in the community. [Text] [Lima EL COMERCIO in Spanish 9 Aug 85 p A-6] 11,464

CSO: 3348/893

VENEZUELA

MORALES BELLO'S CANDIDACY TAKES POLITICIANS BY SURPRISE

Caracas ZETA in Spanish 29 Jul 85 pp 10-12

[Text] The presidential precandidacy of David Morales Bello came to light unexpectedly last Friday in Ciudad Guayana, in the midst of a plenary meeting of AD [Democratic Action] city council members who enthusiastically applauded the pronouncement of their leader. The explosion occurred in the hands of Carlos Andres Perez, who stands to lose the most, inasmuch as Morales Bello appeared before the public as the chief of staff of the Perez movement and the definite campaign chief if Perez obtained the presidential candidacy.

The possibility of any misunderstanding was removed by the announcement itself. Morales Bello will be in the running until the end. But if there were any doubt, Morales Bello took it upon himself to tell those who asked him -- newsmen, members of the Chamber and regional leaders who telephoned him -- that he is actively campaigning for the candidacy and that he will stick it out until the votes are in from the electoral colleges which, as all signs seem to indicate, will choose the AD leader to represent the party in the 1988 elections.

Guayana Bomb

It seemed most natural that David Morales Bello, whose influence among Guayana AD circles is a well-established fact, should be chosen to deliver the central speech at the Second Plenary Meeting of Democratic Action City Council Members which the party's Department of Municipal Affairs organized in Ciudad Guayana last week. On the speaker's platform were regional leaders, headed by Carlos Lee, in addition to Lewis Perez, head of the Department of Municipal Affairs. Also present was Deputy Raul Leoni, a staunch follower of Morales Bello.

Speaking to an audience of Guayana municipal leaders, Morales Bello took advantage of the regional nature of the assembly to proclaim that the time had come for another Guayana leader to head the republic, a phrase that led to warm applause from Deputy Leoni. Morales Bello did not hesitate to give his own credentials, including that of having remained as an active leader, travel traveling throughout the republic during the past presidential campaign and during the year and a half that the AD has been in power.

The enthusiastic reaction of those present, almost totally controlled by the so-called "Afro-Asian power" led by Black leader Jorge Martinez and "El Chino"

Carlos Lee Guerra, was for many a sign that the AD leadership in Guayana was not totally surprised at the announcement, which would seem to show that Morales Bello has at least one important group behind him, that of Bolivar, although a number of trade union leaders rose and left the room in disgust. However, it is known that the president of FETRABOLIVAR [expansion unknown], Angel Zerpa Mirabal, is with Morales Bello, or was during the previous internal campaign. If he has changed, it would be because he makes a distinction, as do many, between loyalty to David and loyalty to Carlos Andres.

One can also note that on a national level, Guayana leaders act in concert with Humberto Celli, who not only controls his Carabobo sectional, but also enclaves of varying importance in nearly all sectionals. The support of the Afro-Asian Power group (the title is attributed to Guayana Deputy Pedro Batistini) would seem to indicate that in the Celli movement, the launching of Morales Bello's candidacy is at least not unpleasant.

Three Unhappy Persons

The person who did manifest his displeasure was Dr Barrios, pointing out the inopportune nature of the announcement -- presumably premature -- and noting that he would personally speak with Morales Bello about the matter. The Calderon group was also displeased by Morales Bello's political move. This was to be expected as part of the COPEI [Social Christian Party] strategy, which consists of promoting Perez' candidacy from the outside, mainly through the communications media with which it is in agreement, assuming that the candidacy will polarize the electorate, dividing it into pro- and anti-Perez voters with Caldera as the pole of attraction for the anti-Perez faction.

However, Perez' reaction was reserved, now involved in promotional activity whose creative element is attributed, probably correctly, to Diego Arria. It consists of a televised piece on the visit of the former president to Mainland China, where he is shown as an international recognized statesman. The video tapes were done by American experts who preceded the former president, scouting the terrain. The tapes were then said to have been edited under the political guidance of Diego Arria and are narrated by Edgardo de Castro. These reports are from sources in the Morales Bello camp.

Despite the silence, it is obvious that Perez suffered an unexpected blow from the candidacy, which not only deprives him of the only qualified leader he had to mobilize his followers throughout the country -- the poverty of a possible Perez staff is notorious -- but also means he will have stiff competition among those very followers, for an appreciable number -- it is difficult to say how many -- of the Perez supporters will back David's aspirations.

The arguments of Perez supporters now backing Morales Bello are of at least two types. The first is based on human and righteous considerations: They believe that Carlos Andres has already taken his place in history and that it is now right for him to pass the torch to someone, such as David, who has generously devoted his political life to him, serving as his chief of staff, campaign manager, defender in Congress and the streets. Thus, just as Betancourt declined the possibility of being a candidate for the second time,

thus helping Perez, the Perez backers now with Morales Bello believe that Carlos Andres should do the same with their candidate. Of great significance is the fact that among those of this opinion is Blanca Rodriguez de Perez, who is not only the wife of the former president, but also a front-line activist!

A second argument is political and has to do with the difficulties that the reelection of Perez would encounter, including the resistance which Perez' position on Central America and the Caribbean awakens in certain Western power circles. Some Perez backers have even said that they prefer Morales Bello as the representative of the sector, that any change for the worse in President Reagan's health would be harmful inasmuch as the constitutional successor, Bush, is even more radical than Reagan on these matters.

Naturally, the unpleasant surprise which Morales Bello had in store for Perez upon his return from the Far East will not stand in the way of Carlos Andres' aspirations or even come as a complete surprise. The astute former president could not assume that a fighter such as Morales Bello would meekly allow himself to be deprived of his last opportunity to be a candidate. Nor could he expect David to reconsider his decision. Morales Bello lets everyone know, friend and enemy alike, that he is above all a serious man and that if, in previous internal elections, knowing that he had no possibility of winning over the alliance behind Lusinchi, he fought to the very last, then one could not expect him to withdraw now, when it is his last opportunity on the Venezuelan political scene.

The figure of the little gladiator that David has always cut is being reevaluated personally and politically as well, for his troops are beginning to act independently. This will be seen at the coming AD national leadership committee meeting to be held on the last day of July to decide what procedure will be used in the selection of the candidate. The method will not be the one that would help Perez the most, but it will not bar the way to him either, for the electoral colleges, which may include up to 30,000 leaders and AD members distinguished by their rank or office, will be responsible for interpreting the feelings of the membership.

11,464

CSO: 3348/888

VENEZUELA

NUMBER OF AD PRESIDENTIAL CANDIDATES CONTINUES TO GROW

Caracas ZETA in Spanish 5 Aug 85 pp 12-14

[Text] Growth and expansion have been characteristic of the Democratic Action (AD) since it first came on the political scene. This characteristic has even been manifested in the profusion of potential presidential candidates. There are now 11 (one more needed to make up the apostolic dozen) leaders ready to fight for the AD presidential nomination.

The impatience of so many precandidates is explicable. Jaime Lusinchi's rise to the presidency over a rival, Rafael Caldera, who represented the "old guard," caused new figures on the scene to speak of new times, as did Manuel Penalver in presenting a pamphlet to the Labor Congress significantly entitled "When the Future Begins." Many were reminded of the trajectory of trade unionist Luis Alberto Monge, now president of Costa Rica.

Two Poles of Resistance

The strongest AD precandidates are found in two well-defined camps, but there is another, Luis Pinerua, who is still maintaining a moderate position even though he may end up being absorbed by the Perez movement. There are also the precandidates already running out of gas. The fact is that the AD presidential candidacy will emerge from the two blocs that resemble two trains on a collision course: the government, on the one hand, and the Perez movement on the other. In the middle is Pinerua, who, concerning Morales Bello's announced candidacy, commented that he would be "forced" to manifest his "legitimate aspirations."

The Perez camp includes Carlos Andres Perez himself and, to a certain extent, Carlos Canache Mata. A split occurred with Morales Bello's "Guayana pronouncement," because despite suspicion that it was due to a Perez maneuver -- a test balloon aimed at the government camp -- Perez knows nothing about the intentions of his old election campaign chief.

On the side of the government are Octavio Lepage, Reinaldo Leandro Mora and Manuel Penalver. In their own camps are the *desaspirados* -- not *desesperados* [dis-aspiring, not desperate]: Celestino Armas, Homero Parra, Luis Raul Matos Azocar and Marco Tulio Bruni Celli, who is trying to obtain the office of secretary general of the party in order later to jump to the hot corner: Miraflores.

The battle of the precandidates has so far been waged at mid-field and is still scoreless. Perez, who enjoys the greatest acceptance inside and outside the AD, is nevertheless encountering serious obstacles in internal politics and geopolitics. Internally, Perez faces the opposition of the AD establishment (Gonzalo Barrios, Reinaldo Leandro Mora and the majority of the members of the party's National Executive Committee) and the government. Nor would he receive support from the trade union bureau or the machine. In the external sphere, Perez' conduct and opinions on the Central American crisis and Nicaragua in particular constitute a limitation whose importance is growing as the situation in Central America grows worse. Perez thus has only his own strength and his enormous vote-getting ability. To top it all off, he no longer has David Morales Bello, his efficient election campaign chief in 1973 and the only figure of importance in the party he had to make up for the negative weight of Diego Arria on his staff.

Morales Bello has not been a minister or even occupied the presidency or vice presidency in the National Congress. Perez forgot him in 1974, but Morales Bello consolidated support and has undeniable political prestige. Morales Bello now has good relations with the trade union bureau. Perez might try to use it as an element of negotiation, but it may also happen that the Guayana politician will finally go to the other camp. Whatever the case, Morales Bello believes his time has come.

Carlos Canache Mata, also from the Perez camp, saw his time come and go. The proposal by Luis Alfaro Uceró, secretary of organization, that the institution of the electoral colleges be maintained to choose the AD presidential candidate, killed his chances. Canache's star is not declining, but it is being covered by clouds.

Reinaldo Leandro Mora might be the outsider of whom Gonzalo Barrios pointedly spoke. He could be the card that the president of the AD pulled out of his sleeve, thus erecting another barrier before Carlos Andres Perez. Anyone wanting to get along with the government camp will have to take the Leandro Mora factor into account.

Perez is not the only one affected by Leandro's presence. Octavio Lepage, who excused himself from taking about the precandidacy because he was minister of interior relations, had to leave the playing field and in San Cristobal, reacted -- amidst newsmen -- to Morales Bello's announcement saying that although he is not a precandidate, he does not rule out the possibility either. Lepage was hard hit when he tried to link him with the Commerce Bank scandal, a rumor promoted by the COPEI, whose polarization strategy is possible if Carlos Andres is a candidate, but with which Miraflores is not unconnected. Lepage could experience a fate similar to that of Pepi Montes de Oca when Luis Herrera "pulled the chair out from under him" on one memorable occasion.

Another aspiring outsider is Luis Pinerua, who is in the center of the AD court. However, he could ally himself with Perez, which would yield "PEPI" (Perez-Pinerua), without Pepi Montes de Oca being in any way involved.

The other aspirants are "bringing up the rear," as the old saying goes. Politically speaking, Homero Parra is more exposed than Adam before he covered himself up with the legendary leaf! Luis Raul Matos Azocar harbors the illusion of being the champion of trade unionism. Celestino Armas is still confident of hypothetical support from Miraflores. And Marco Tulio Bruni Celli, almost by himself, gives the impression that basically, he is in tune with Carlos Andres Perez. Such is the roster of the AD precandidates. And the tide has not even come in!

11,464

CSO: 3348/888

VENEZUELA

BRIEFS

POMPEYO MARQUEZ' CANDIDACY--This weekend will see the second part of the MAS [Movement Toward Socialism] national convention that will name the national figures to be president, secretary general, the main and alternate members of the national leadership. Also to be named are the chairmen of the national disciplinary council, the national electoral commission and the internal auditor. The presidency appears to be virtually in the hands of Pompeyo Marquez, the only candidate proposed before the deadline, which was at midnight on 10 July. According to Marquez, his nomination is the result of the support of people and members belonging to the most varied factions of the party "because we have remained outside the boundaries of the different factions for some time." [Text] [Caracas ZETA in Spanish 18-29 Jul 85 p 17] 11,464

OIL RESERVES--Caracas, 28 Aug (AFP)--The Venezuelan Petroleum, Inc [PDVSA] has reported that Venezuela's proved hydrocarbons reserves have reached 28,034 million barrels, the highest in the country's history. PDVSA has also reported that the reserves have increased by 18,398 million barrels, or 52 percent, since 1975, when the oil industry was nationalized. [Summary] [Paris AFP in Spanish 1357 GMT 28 Aug 85 PA]

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