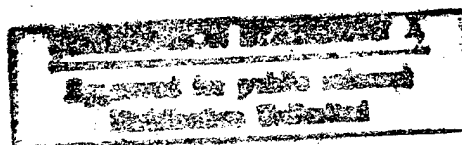


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21 October 1982

LATIN AMERICA REPORT

No. 2592

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BRIEFS

TULA REFINERY CAPACITY INCREASED--The productive capacity of the Tula refinery will double to meet the needs of the country's central market, it was announced yesterday by Julio Rodolfo Moctezuma Cid, PEMEX director general, upon visiting a plant located in Hidalgo. Tula, after having undergone a complete maintenance and repair program during 19 days, is currently processing 150,000 barrels of crude oil a day. Moctezuma Cid ordered the expansion program, which began immediately and will be concluded by July 1984--a little less than 2 years--when the Tula refinery will process 300,000 barrels of crude, something like 4 million liters of gasoline a day. PEMEX had previously made preparations to meet the demand for gasoline in the metropolitan zone, and at no time during the 19 days when the Tula refinery was out of operation was any scarcity experienced, stated the director. During the maintenance and repair program 24 design changes were installed, which will permit a substantial increase in plant productivity. [Excerpt] [Mexico City EXCELSIOR in Spanish 24 Aug 82 p 5-A] 9746

CSO: 3010/2330

COST OF FOODS IN CENTRAL AMERICA COMPARED

Managua BARRICADA in Spanish 2 Sep 82 p 14

[Text] A clearer perspective of the economic crisis that is scourging Central America and its impact on the family pocketbook is now presented by BARRICADA with what is called the basic minimum food basket for a family of six members throughout the region.

This research is the result of a more intensive study on the impact of the economic crisis, already overtaking working-class families and in which Nicaragua distances itself even more from the expectations that are revealed by the structures of our neighboring countries.

We continue to maintain that Nicaragua's situation in relation to Central America is, as you, dear readers, can see in numbers, the result of revolutionary economic policies directed toward defending the consumer.

On the chart you will notice the costs of products that perhaps may be very low but that trustworthy economic estimates such as SIECA's [Secretariat of Central American Economic Integration] own figures in fact guarantee.

In Nicaragua, with 1,026.28 cordobas one acquires 100 percent of the [food] basket; in Costa Rica, the same amount of cordobas one acquires 56 percent of the food basket; in Guatemala, 55 percent; in El Salvador, 54 percent and in Honduras, 50 percent.

In this regard, the purchasing power of one cordoba, according to the figures, in Nicaragua buys 4.90 ounces of food from the basket; in Guatemala one cordoba buy 2.67 ounces of food in this basket; in Costa Rica 2.74 ounces; in El Salvador 2.64 ounces and in Honduras one cordoba would buy 2.46 ounces of food in the basket.

The results of this investigation show what we have asserted in other studies.

Central America cost in current cordobas of the basic minimum food basket for a family of six members

Description	Amount	Nicaragua		Costa Rica		Honduras	
		Unit Price	Total	Unit Price	Total	Unit Price	Total
Total Cost in current cordobas		Cordobas	1,026.28	Cordobas	1,835.69	Cordobas	2,042.45
1. Beans (red or black)	20 lbs.	3.40	68.00	6.89	137.80	7.35	147.00
2. Rice	31 lbs.	3.20	99.20	6.65	206.15	9.03	279.93
3. Corn	40 lbs.	1.00	40.00	3.94	157.60	2.31	92.40
4. Common potato	8 lbs.	5.50	44.00	7.80	62.40	5.25	42.00
5. Chayote or guisquil	7 lbs.	2.10	14.70	2.53	17.71	5.46	38.22
6. Carrot	1 lb.	11.40	11.40	3.90	3.90	6.30	6.30
7. Cabbage	3 lbs.	6.76	20.28	2.86	8.58	1.75	5.24
8. Common onion	10 lbs.	8.00	80.00	6.43	64.30	10.50	105.00
9. Yuca	8 lbs.	1.90	15.20	3.21	25.68	3.15	25.20
10. Tomato	15 lbs.	6.28	94.20	10.10	151.50	3.15	47.25
11. Banana	10 lbs.	7.90	79.00	6.65	66.50	3.36	33.60
12. Chiltoma (or sweet chile)	1 lb.	13.90	13.90	14.46	14.46	5.04	5.04
13. Meat with bone	8 lbs.	5.00	40.00	17.21	137.68	18.90	151.20
14. Chicken meat	2 lbs.	10.00	20.00	19.28	38.56	17.85	35.70
15. Medium eggs	6 doz.	9.30	55.80	22.95	137.70	18.90	113.40
16. Fluid milk	60 liters	3.00	180.00	5.97	358.20	10.50	630.00
17. Common salt	6 lbs.	1.00	6.00	2.53	15.18	2.52	15.12
18. Common sugar	15 lbs.	1.90	28.50	4.59	68.85	5.88	88.20
19. Ground coffee	4 lbs.	14.80	59.20	8.95	35.80	15.75	63.00
20. Kitchen oil	1 gal.	46.00	46.00	119.11	119.11	99.75	99.75
21. Bar margarine	1 lb.	11.30	11.30	8.03	8.03	18.90	18.90

Central America cost in current cordobas of the basic minimum food basket for a family of six members.

Description	El Salvador			Guatemala		
	Unit		Amount	Unit		Total
	Price	Total		Price	Total	
Total Cost in current cordobas	Cordobas	1,906.00		Cordobas	1,877.83	
1. Beans (red or black)	20 lbs.	140.00		7.04	140.80	
2. Rice	31 lbs.	151.90		7.04	218.24	
3. Corn	40 lbs.	84.00		2.64	105.60	
4. Common potato	8 lbs.	21.28		1.76	14.08	
5. Chayote or guisquil	7 lbs.	31.85		1.76	12.32	
6. Carrot	1 lb.	9.28		2.86	2.86	
7. Cabbage	3 lbs.	5.46		1.14	3.43	
8. Common onion	10 lbs.	84.00		4.40	44.00	
9. Yuca	8 lbs.	56.00		3.30	26.40	
10. Tomato	15 lbs.	65.70		4.40	66.00	
11. Banana	10 lbs.	56.00		2.64	26.40	
12. Chiltoma (or sweet chile)	1 lb.	5.60		15.84	15.84	
13. Meat with bone	8 lbs.	98.00		11.00	88.00	
14. Chicken meat	2 lbs.	56.00		19.80	39.60	
15. Medium eggs	6 doz.	118.68		21.34	128.04	
16. Fluid milk	60 liters	630.00		10.12	607.20	
17. Common salt	6 lbs.	14.70		2.64	15.84	
18. Common sugar	15 lbs.	52.50		5.06	75.90	
19. Ground coffee	4 lbs.	140.00		29.70	118.80	
20. Kitchen oil	1 gal.	66.15		109.78	109.78	
21. Bar margarine	1 lb.	18.90		18.70	18.70	

Types of Exchange Used: (Prevalent in the month of July, Parallel Market)

Costa Rican colon to cordoba 0.60 for 1 colon.

Lempira to cordoba 10.50 cordobas for 1 lempira.

Salvadoran colon to cordoba 7 cordobas for 1 colon.

Quetzal to cordoba 22 cordobas for 1 quetzal.

Source: SIECA and our own records.

9545

CSO: 3010/2370

SALVADORAN PRIVATE SECTOR CRITICIZES MEXICO'S PRI

San Salvador DIARIO LATINO in Spanish 8 Sep 82 pp 3, 17

[Text] The National Association of Private Enterprise [ANEP] offers the following commentary regarding the crisis which the neighbor republic of Mexico is suffering and which has become more acute due to recent steps taken by the Mexican Government to nationalize the private Mexican banks and to establish a strict control on the rate of exchange:

1. It is common knowledge in the international community that one of the basic causes of the problems afflicting the Mexican nation, and therefore the people, is the 50-year rule by a single party in the government, the Institutional Revolutionary Party [PRI]. This perpetual rule by a single political machine has resulted in perpetuating the most cruel hoax on the aspirations of the Mexican people to have a government of their own choosing, converting such aspirations into a sorry frustration.

2. If this were not a bad enough crime, the results of it are even worse: runaway corruption at every level which has the shameful distinction of becoming institutionalized in Mexico. Right behind the mariachi as a symbol of Mexico, comes the bribe, "La mordida". Nothing has conceivably undermined that country like corruption which is the root of the many other ills afflicting the Mexicans.

3. Absolutism in the political arena has logically led to manipulations in the economic sphere, a fact which explains why Mexico, a country with abundant natural resources, oil being the primary one, has fallen into scandalous insolvency on its astronomical foreign debt which surpasses \$80 billion.

It also explains why in spite of its extensive acreage and 60 years of rural reform, the country is not self-sufficient in the production of food required by its population, which necessitates an annual expenditure of millions of dollars for food purchases.

4. PRI administrations in Mexico have been accumulating these problems year after year without resolving to properly tackle them, instead covering them up to give the appearance of a strong country capable of influencing world politics. It is for this reason that the Salvadoran people resent the Mexican regime, which is approaching its decline, for its abuse and interference in

signing an agreement with the socialist government of France which recognizes the terrorism that is devastating El Salvador as "an opposition political force", thus attempting to clear the way for negotiations with the established Salvadoran Government.

In rejecting this act of interference, the Salvadorans pointed out that the Mexican Government had enough problems at home with which to occupy itself and should allow its neighbors to resolve their own problems.

5. ANEP supports the Mexican business sector and condemns the irresponsible attitude of the government led by Jose Lopez Portillo in making this segment of business, private banking, the propitiatory victim of its erroneous and ineffective policies which have plunged Mexico into a chaotic situation.

We also condemn the conduct of those who in an attempt to justify a desperate measure like the nationalization of private banking, have begun to brand as "traitors" those who have done nothing more than encourage progress and development in a country like Mexico.

6. ANEP believes that the new government which will take office in December would do well to take into consideration and to reflect on the statement by the president of the Coordinating Business Council, Mr Manuel J. Clouthier on the subject of the nationalization of private banking, "It was a completely unnecessary step which places the economic life of the country in even greater jeopardy, which threatens totalitarian nationalization and which puts in doubt the strength of private enterprise in Mexico."

It is also prudent to consider the warning by Mr Clouthier that measures such as this will lead Mexico down the path to socialism.

7. Finally, with respect to the above-mentioned statement, it is significant that the first to enthusiastically welcome the nationalization of banking has been the Mexican Unified Socialist Party, which states in a full-page ad, "The plunder of much of the wealth produced by the Mexican workers has not only been carried out by imperialism in its traditional forms, but also, and to a greater degree, by the middle-class financiers and by other sectors of the ruling class."

This party, which was a staunch rival of the official party in the recently held presidential elections, now proclaims its "unity" with the government under the symbol of the sickle and the hammer.

It is distressing that Mexico, with its history and deep roots in the conscience of its neighboring countries to the south, rather than setting an example to be followed, is gradually becoming a blemish, casting a shadow on all of Latin America because of its bad governments, especially during the past 2 years.

HELIO BELTRAO SEEN AS NEW PRESIDENTIAL CANDIDATE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Sep 82 p 3

[Article by C.C.]

[Text] Brasilia--Anyone seeking evidence for including Minister Helio Beltrao on the list of palace presidential possibilities has only to consider the trip he will make to Cleveland in the United States this week to have a saphenous bypass implanted in his heart. It is a preventive measure aimed only at avoiding problems in the future. Such operations are not necessarily performed following infarcts, and Minister Walter Pires and former Governor Ney Braga chose to have one performed after routine clinical examinations as a way of avoiding future crises. Ordinarily, however, they are avoided, sometimes because of preconceived notions. In the case of the minister of welfare and social security, the choice was more his own than that of the doctors as far as timing was concerned, since the doctors were recommending that he have it done later. If the decision was objective and immediate, one has to ask why. And the answer is clear: it was because Helio Beltrao intends to continue devoting his time and experience to the government and its strategy. A candidate with his health problems overcome is better than a candidate who is likely to have health problems.

The trip to Cleveland confirms continual reports that his name will be among those considered by Gen Joao Figueiredo when the latter begins to deal with the choice of his successor. Everyone is aware of the president's admiration for the minister, and it was not without effort that he was able to recruit him for the presidential team--much later than the other comrades in the cabinet. Beltrao was reluctant: he was devoted to private activities, was living a quiet life, earning money, and looking after his family, with his time divided between Rio de Janeiro and Teresopolis. He decided to go live in Brasilia, where he accepted a post of less conspicuous importance than the others--as minister for debureaucratization. He wound up more or less as a tactical reserve, capable of being used in many positions--a possibility that remains even now following his transfer to the Ministry of Welfare and Social Security. If things get tighter by 1985 or if the economic impasse is not resolved or reduced by Delfim Netto, Beltrao is one of those most favored to replace him. But would that possibility be enough to justify the saphenous bypass?

It seems not, since he has just joined Octavio Medeiros, Mario Andreazza, Aureliano Chaves, and Costa Cavalcanti as a possible choice for Planalto Palace. Perhaps as a kind of compromise among the forces supporting the other precandidates mentioned above, since his qualities as a common denominator have been proven throughout his life. Figueiredo summoned him, but before that he had belonged to Castello Branco's second echelon and then to Costa e Silva's team as minister-chief of the Planning Secretariat. The only reason he did not stay on was that he did not want to when Garrastazu Medici took office. He was certainly invited to stay, and insistently so. But in those final days of 1969, he preferred to argue that he needed to return to Rio de Janeiro to look after his private affairs and his family. Actually, that was not the whole truth. He preferred not to stay on because of the increasingly arbitrary and irregular course being pursued by the regime. Later, when Geisel had already been chosen, Geisel called on him to join the future cabinet. In the talks--in which Couto e Silva took part--his resistance won out thanks to the same arguments: he needed to continue building a nest egg, his private activities were going well, and he preferred to remain where he was. In fact, he was keeping an eye on the regime and its prospects. Only when Joao Figueiredo came along did Beltrao no longer find it possible to resist. By coincidence, that was when the political relaxation was beginning.

No one knows whether the president has already broached the subject of the presidential succession with him. Probably not, but in general, such things are never said. At most, they are suggested, or perceived, in the routine course of political and administrative affairs. It is also obvious that when asked, Beltrao flatly denies it and even copies J. J. Rousseau. When faced with a number of reflections concerning his theory of the social contract--reflections based on facts--that philosopher answered his critics with his famous "too bad for the facts." It is the same with Helio Beltrao. When presented with arguments of fact concerning his move up the ladder, his closeness to the president, his interrelations with the palace group, and his supporters (even in the media) who have practically already nominated him, he answers simply that the problem lies with the facts, since he is not making such long-term plans. But he is making plans--or allowing others to do make them--and there is not an ounce of irony or criticism in that statement. When all is said and done, for a sincere democrat such as he is, there will not even be any question of whether or not he wants to govern the country if the occasion arises.

Among the above-mentioned precandidates, two apparently conflicting sentiments are noted, as is true in Helio Beltrao's case, since Octavio Medeiros, Mario Andreazza, Aureliano Chaves, and Costa Cavalcanti are all reacting in an identical way. The first sentiment reveals each one's natural ambition to become president. The second is the ease with which they will support any one of the others if the situation moves in that direction. Medeiros is not fighting Andreazza, just as the latter does not reject him or the others. This refers to them personally, since those stationed behind them are not behaving with such formality. Nor are those sectors or personalities with no direct ties with Figueiredo and his administration, examples being Generals Golbery de Couto e Silva and Ernesto Geisel, to mention only two. The former head of the Civilian Household [Golbery] is working against and vetoing--if in fact

he still has a power of veto--both Medeiros and Andreazza and even favoring Paulo Maluf over them. The former president [Geisel] would like to see Aureliano Chaves in the Presidency and would accept Costa Cavalcanti, but he has fundamental objections to the head of the SNI [National Intelligence Service] and the minister of interior.

Figueiredo may succeed in the almost impossible mission of finding a name that can be accepted by everyone, both those who are connected with the revolution and those who are not. And Helio Beltrao would be a basic piece in that chess game.

All this reasoning is formulated with an obvious proviso. The future president will be one of those named above if the government retains its majority in the Electoral College that will meet in January 1985, and that will depend on its first controlling the PDS [Social Democratic Party] Convention. It happens that Paulo Maluf, using his own special means and methods, is storming the PDS Convention and will be storming it even more. And rising up to block the prospect of domination of the Electoral College by Planalto Palace is the shadow of the November elections. The electors privileged to take part in the presidential succession will number 686 (479 federal deputies, 69 senators, and 138 state deputies). Who can guarantee that the PDS, if it loses its majority in the future Chamber of Deputies--and it will--will be able to counterbalance that with senators and representatives of the legislative assemblies? When all is said and done, it is almost certain that in the states where the opposition parties elect governors, they will also--because of the pledged vote system--elect the senators and win a majority in the state legislatures and thus appoint representatives coached to vote against the government.

11798

CSO: 3001/237

PCB HEAD UNAWARE OF LEGALIZATION EFFORTS BEFORE TSE

Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Sep 82 p 4

[Text] While PCB [Brazilian Communist Party] Secretary General Giocondo Dias was declaring in Rio de Janeiro yesterday that he was unaware of "any plan for new bylaws" to be submitted to the TSE [Superior Electoral Court] requesting legalization of the Brazilian Communist Party, his predecessor, Luis Carlos Prestes, asserted that "a true communist party achieves its legalization through a powerful mass movement and not on its knees before the regime."

As a member of the Central Committee (now called the "Collective"), Moises Vinhas revealed day before yesterday to FOLHA DE SAO PAULO that in a meeting held last week the party had decided to draw up new bylaws to be submitted to the TSE with the intention of having the party legalized, having been forced underground since 1947 by the same court. Vinhas reaffirmed that the meeting was held, despite the lack of knowledge alleged by Giocondo Dias.

"I am unaware that such a meeting has been held," asserted Giocondo, "just as I do not know of any plan to register the PCB with the TSE. It is our objective to work for the party's legalization, but nothing was decided so far as I know. Maybe Vinhas knows something I don't know. I don't know whether there was a meeting of the Collective nor whether there is a proposal to legalize the PCB."

Pressed to explain why, as secretary general, he would not have had to be informed of any initiative such as what was revealed to FOLHA DE SAO PAULO by a mere member of the "Collective," Giocondo became irritated and said: "Just publish what I said. I don't know."

Without irritation, but with some scorn, Prestes was crushing: "It would not surprise me if the party were to be registered, since it is no longer Marxist-Leninist, nor does it represent the struggle of the working class."

The former secretary general added that "in 1962 I got 55,000 signatures to submit the request for the party's legalization to the TSE, when the minimum required was 50,000. And even so my request was denied. If the nation has now reached 30 million voters, as is being estimated, 1.5 million signatures would be needed now, which makes the task much more difficult."

According to Prestes, "everything will depend upon the character to be adopted by the party in its new bylaws. If it is opportunistic, untrue to the working class,

it is possible that it will have some success in court, perhaps even adopting another name more acceptable to the regime. In 1945 we achieved legality in the streets through a mass movement that was benefited by the fall of Nazism and by the new international situation. Even so, this legalization lasted only 2 years."

In regard to the position of the majority of the "Collective" being opposed to his expulsion from the PCB--acknowledged by Geraldo Rodrigues dos Santos in another exclusive interview by FOLHA DE SAO PAULO--the legendary "Knight of Hope" denounced as "a lack of discipline the position taken publicly by a member of the "Collective" opposing the majority opinion of the party leaders." Regarding this aspect, the current secretary general was again evasive: "That is a personal opinion of Vinhas."

Informed of Giocondo's statements, Moises Vinhas himself reaffirmed: "As a matter of fact, a group of jurists is now analyzing the draft of the new bylaws. I don't know of any other way to achieve what we are after, which is the party's legalization. Perhaps Dias did not know of the meeting last week, as it was not really a formal meeting, since all the members of the 'Collective' were not present, and he was out of town at the time."

'Must Be Given Consideration'

"If the government is moving toward real democratic liberalization, this request of the communists must be given consideration," asserted Federal Deputy Freitas Nobre (PMBD [Brazilian Democratic Mobilization Party] in Sao Paulo, in regard to the request for registration the PCB intends to submit to the TSE.

Freitas Nobre said he is "entirely favorable to legalization of the PCB, as political and doctrinal groups already existing and organized almost the world over should not be excluded from a democratic party structure."

The congressman advocated existence of party plurality "and, within it, organizations that reflect political beliefs of significance in contemporary society."

'Good Initiative'

In the opinion of former deputy Ivete Vargas, national president of the PTB [Brazilian Labor Party], a request for registration by the PCB would be very good, "because we are living in a democracy and people have the right to take a stand. Secondly, for those who are opposed to communism, it will be easier to combat it knowing who is a communist and being in a position to debate. Finally, to criticize communists is something without answer. I think the legalization initiative is good and I hope the TSE grants the request."

8834

CSO: 3001/ 236

FIRST AMX FLIGHT IN LATE 1983, HELICOPTER EXPORTS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Sep 82 p 14

[Text] Sao Paulo--EMBRAER (Brazilian Aeronautics Company) announced yesterday in London during the inauguration of the 25th Farnborough International Air Show that the first prototype of the subsonic AMX fighter plane will make its inaugural flight at the end of next year. The military jet is being developed by a consortium made up of Brazil and Italy, whose air forces have combined their orders for 79 and 187 units respectively.

According to the communique, which was sent by telex from the firm's managers in London to its headquarters in Sao Jose dos Campos, which received it yesterday morning, the first day of the British Aerospace Show was the scene of obstinate competition among European and U.S. manufacturers in both the commercial and the military areas as they exhibited airplanes that will be flying for the first time in this decade. Being presented at the exhibit are 150 aircraft that will be seen by approximately 150,000 people by the end of the week.

Brazilian Presence

EMBRAER's presence in Farnborough for the third time is marked by its presentation of three projects. The EM-312 Tucano, a turboprop for military training, performed its first maneuvers yesterday and attracted the attention of a large select audience, the show being open only to invited guests.

The EMB-120 Brasilia, a 30-passenger turboprop being exhibited as a life-size mockup in two sections at EMBRAER's stand, also attracted general attention, chiefly because in the field of regional aviation, there are no less than four other international projects.

The trade press was interested in the commercial quarrel between EMBRAER and Fairchild, in which the American firm is charging that EMBRAER's planes are being built with subsidies. EMBRAER's trade director, engineer Ozilio Carlos da Silva, explained on this first day that the firm's position is that it is waiting for a decision "by the U.S. Government."

In the military area, EMBRAER announced that the AMX subsonic fighter plane, developed through a consortium with Aeritalia and Aeromacchi, will make its first flight in Turin, Italy at the end of 1983. In all, seven prototypes will

be produced (five in Italy and two in Brazil). EMBRAER also announced that a binational marketing and sales firm has been set up to market the aircraft to third countries.

Brazilian Helicopter Exhibited in Argentina

Belo Horizonte--This week in Argentina, HELIBRAS (Brazilian Helicopters, Inc) of Itajuba will present the first military version of the Esquilo-350, which is manufactured in Minas Gerais and is equipped with 14 70-7 antitank rockets from AVIBRAS and 7.62mm machineguns. The first tests of the craft began last month under the navy's coordination. This was announced yesterday by Col Nivaldo Alves da Silva, the firm's superintendent.

He declined to provide many details concerning the new Esquilo-350, saying only that it will be able to carry two crewmembers when fully equipped for attack missions. He also declined to comment on why the helicopter was being shown to the Argentine military, saying that it was a "marketing operation."

Exports

Since it began production in Itajuba in March 1980, HELIBRAS--which is owned jointly by the Minas Gerais government and the French state-owned AEROSPATIALE [National Industrial Aerospace Company], with the latter holding 45 percent of the stock--has delivered 40 aircraft, of which 9 were exported (six Gaviao helicopters to the Bolivian Army, one Gaviao to the Chilean Government, and two Esquilos to Venezuela).

On the domestic market, the 31 helicopters in service (6 of which are used by the navy) are Esquilos.

He added that until the expansion plan is completed (at a total investment of \$30 million or 5,953 million cruzeiros, one-third of which has already been invested), the rate of production, which has gone as high as four units, will be maintained at three helicopters per month.

The current program, which is scheduled for completion in 1984, calls for increasing the local content of the helicopters from the current 20 percent to 60 percent, with parts to be manufactured at the firm's Itajuba plant, whose manufacturing area will be increased from 2,500 square meters to about 13,000.

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CSO: 3001/237

FOREIGN MINISTER COMMENTS ON FALKLANDS, LEBANON

Brasilia CORREIO BRAZILIENSE in Portuguese 4 Sep 82 p 5

[Text] In a speech before the War College in Rio de Janeiro yesterday, Foreign Minister Ramiro Saraiva Guerreiro asserted the democratic spirit of Brazilian diplomacy, saying it furthers the nation's external security. In a broad analysis of international issues, he demonstrated that for foreign policy to be credible it must be built upon the solid consensus supporting civil society.

He pointed out that Brazil's external security is based upon settling its differences without emotional and heated passion, on topical issues devoid of connotations of hostile dialectics. He thus asserted that Brazil's increasing presence in international affairs is due to its preference for dialogue, based upon respect for political differences, the possibility of harmony and a willingness to compromise.

As examples of the variety of forms of dialogue with various countries, Guerreiro cited the Brazil-Africa connection, which is arousing interest among Europeans and North Americans in political rapport with Brazil; the association of this country with Europe and with the United States; and, "because it contains no connotations of subordination, the close and fraternal relationship with Latin America is relevant to outside parties and thus useful in a broad context as well as regionally."

Democratic Spirit

In advocating political pluralism and admitting that disputes and differences are natural among nations, the foreign relations minister expressed his belief that harmonizing interests must be the principal characteristic of the international system.

"There will be no willingness to compromise until it is realized that there are no world policemen. Dispersion and fragmentation of various forms of power make the practice of hegemony a cause of disturbances in the system, which is dangerous even for countries with substantial power."

Leadership cannot be imposed, the minister told his ESG [War College] listeners, because it can survive only to the extent it is supported through frank, open and generous dialogue, endowed above all with a democratic spirit.

Speaking about his own experience in conducting Brazilian foreign policy, he asserted that diplomacy has found the proper behavior in situations of crisis and difficulty. Guerreiro went further, revealing decisions in his daily encounter with issues within his responsibility. He said, for example, that "advice favoring automatic commitment that would dilute the position of diplomacy might bring false advantages in the short run, but would certainly hinder the possibility of more productive action."

Proposal

Minister Saraiva Guerreiro admitted that Brazil has limitations in transforming the prevailing international system, but it is the task of diplomacy to strengthen the forms of coexistence, and in this work he acknowledged the success achieved so far, asserting that one of the Brazilian proposals for the crisis is negotiation.

"The values at stake (in crises between countries) are too high not to seek solutions beyond the limits of national interest," said the minister, "showing that the only solution for our existing crisis is to negotiate a balance between the legitimate national interest and the orderly structure of the international situation," the success of which depends upon participation by all states, however much power they may have.

Guerreiro criticized the United States and the Soviet Union, saying that the first step in the process of negotiation, where there is occasion for neither victories nor defeats, would be for the superpowers to start behaving in a manner suitable to their power. Conceptually, he said, economic and political power carries with it an obligation for responsible behavior internationally, which is measured by the capacity to also respond to the more general interests of mankind.

He said that such a commitment must also bind the socialist nations and he called for actions to express detente. In reference to the situation in Poland, where Soviet interference brought oppression to the civilian population, taking away their freedom, the Brazilian foreign minister criticized the centers of tension in the East and recalled the commitment to the principle of nonintervention. The variety of national situations in the socialist bloc seems to be, Guerreiro suggested, "the strongest argument against the pretensions of any exclusive model of social change."

In a didactic passage of his speech to students and teachers at the War College, the foreign minister blamed the West for a large portion of Third-World crises, which he described as "vestiges of colonial domination." He deplored the "fragmentation" of the West, urging a rapid change in the "management" of its heritage, whose values--freedom, flexibility and full expansion of national individualities--he reaffirmed as "unsurpassed in creation of order." He stressed that "it is therefore necessary for all Western nations to be aligned with permanent Western values, which excludes automatic alignments, with behavior that does not always express [those values]."

Latin America

In relation to Latin America, the foreign minister reiterated Brazil's concerns about two questions: The Central American crisis and the Malvinas crisis, recalling that in both cases the government sought to halt the escalating violence and foster resumption of dialogue. In regard to the former, the minister said Brazil, besides appealing for local national solutions, examined and considered desirable the United States proposal for economic assistance, even though it would do harm to Brazil's trade, as in the case of sugar.

About the Malvinas, a dispute in which Brazil has supported Argentina since 1833, when Great Britain took those islands by force, he said the Brazilian position, as is well known, always sought a political solution and the country did what it was able to do. Guerreiro analyzed the consequences of the conflict for the relations of Latin America with the United States and Western Europe, due to the latter's support of Great Britain, and pointed to "significant changes" in the region's international politics.

In this context (of the Inter-American system), now that Brazil has succeeded in modernizing its foreign policy, it is in a position to make a positive contribution to a reappraisal, "avoiding the temptation of paths that seem easy or obvious." He promised that Brazil will remain true to the Latin-American commitment (the Malvinas question will be debated this month at the United Nations) and will "facilitate the thorough examination of the subject that is on our agenda, with neither undue haste nor unnecessary delay."

Other Tensions

In reaffirming Brazil's special commitment to the African countries, for historic and cultural reasons, Minister Saraiva Guerreiro expressed the hope that the process of independence for Namibia will be completed this year.

He deplored the "appalling events in Lebanon and its invasion by Israel, at an incalculable cost in human lives and material resources." Guerreiro recounted the list of crises mentioned in his speech of last year, because the same factors still persist and he declared that the Soviet presence in Afghanistan stifles through violence the efforts for a solution that would freely express the interests of the Afghan people.

Recovery

Despite the crisis of the international system and the worldwide stagnation in the rate of economic activity, Brazil is expanding and strengthening its trade relations with almost all countries of the world, achieving particularly good results in the Third World. Trade problems with the industrialized countries (protectionism in the United States, for example), although serious and critical, "do not unduly contaminate the political aspects of our foreign relations," said Guerreiro.

The foreign minister declared that for the Brazilian people to attain better living conditions a less unfavorable international climate is essential. In

that connection, he said the North-South dialogue could obtain specific and significant trade benefits if a global strategy were defined and implemented, taking the major international economic problems into consideration. Guerreiro acknowledged the inability of states or groups of states to transform the fragile international economic order and deplored the "new frustration" which was the Cancun conference.

Without beating about the bush, he said the viability of developing [countries] is remote and Brazil does not agree with the position of some rich countries that the solution for the crisis is their own individual recovery.

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CACEX PROJECTS 1982 TRADE SURPLUS OF UNDER \$500 MILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Sep 82 p 21

[Text] Rio de Janeiro--The surplus in Brazil's trade balance this year--which government officials had predicted would total \$3 billion--will probably not exceed \$500 million as a result of the drop noted in international trade and above all in trade with Latin American countries, according to a statement yesterday by Benedito Moreira, director of CACEX [Foreign Trade Department].

Moreira agreed with the chairman of the Association of Brazilian Exporters, Laerte Setubal Filho, that a better result could be achieved if it were possible to halt imports by state-owned firms at \$600 million. The director of CACEX mentioned Paraguay, Bolivia, Argentina, Venezuela, and Chile as the Latin American countries that have reduced their imports of Brazilian products most sharply. According to the forecasts by CACEX, which are based on the performance of the export trade to date, exports will probably bring in about \$21 billion this year, compared to \$20.5 billion in imports.

For 1983, however, the estimates are more optimistic, since CACEX believes in the possibility of export earnings on the order of \$24 billion, although to achieve that objective, according to Benedito Moreira, it will be indispensable to start working now "to develop what it was not possible to achieve this year."

The work referred to by Benedito Moreira consists of close cooperation between exporters and the authorities, with an examination and review of everything needed to increase sales abroad.

As an example of the need for such coordination, the director of CACEX mentioned the First National Meeting of Exporters of Forest Products, which he attended in Rio de Janeiro yesterday, as exemplifying the importance of the sectoral meetings that will be held more frequently, at least until the end of the year, to find a permanent solution to problems still hampering national exports due to shortcomings on the part of the government or the exporter.

Concerning the reserves of wood in Amazonia, Benedito Moreira said they are of great importance to Brazilian exports and should also benefit the balance of payments. But he emphasized that exports of wood and wood manufactures must be viewed more seriously. He criticized the quality of the Brazilian product,

which has not stood up to the test of the importer. In his opinion, a foreign market exists despite all the adversity, but what does not exist is quality.

Alteration of Rules

The director of CACEX defended the alteration of the Central Bank's Resolution No 674 (which grants export incentives for manufactured goods), claiming that in numerous instances, it has been applied on a case-by-case basis rather than across the board. According to Moreira, what is possible today is not possible tomorrow because of the way the resolution is enforced, and such a procedure creates a lot of confusion.

Discussing bilateral trade between Brazil and Iran, Benedito Moreira announced that a Brazilian mission will leave for Tehran within the next few days to discuss the rules for the new trade between the two countries that will start before this year is out. In principle, according to Benedito Moreira, Brazil will sell food products to Iran (meat and other products) and will buy petroleum. The resumption of trade between the two countries no longer presents a problem at present because the Iranians and Iraqis are at peace.

"We are quite foolish in throwing away our resources while claiming to be astute and clever. But anyone who is clever is not poor," said Benedito Moreira as he took part in the National Meeting of Exporters of Forest Products. He took the opportunity provided by the meeting to sharply criticize that industry's behavior.

After announcing that wood exports brought in \$391 million last year, "which is nothing but a joke," he asked for greater coordination between the government and the private sector "to see what can be done and make ourselves more competent, something that we have not been so far."

In the opinion of the director of CACEX, the government has not been refusing to support exports, but it is now becoming necessary to improve that support through a sectoral policy adapted to reality. In his opinion, "we must begin to talk about marketing, which is weak and inferior, and not think solely about export incentives."

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JANUARY-JULY EXPORT VOLUME UP, EARNINGS DOWN

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Sep 82 p 24

[Text] Brasilia--From January through July of this year, Brazil had to export about 3.5 million tons more than it sold during the same period last year to earn \$11.6 billion in foreign exchange from the marketing of its goods abroad. And even so, that figure was \$1.3 billion less than the \$12.9 billion earned during the same 7 months in 1981.

In the first 7 months of this year, Brazil placed about 70.1 million tons of commodities and industrial products on the international market, compared to about 66.6 million tons during the same period last year. Although it sold more in quantitative terms, Brazil earned less because the average price per ton for its exports from January to July of this year was down by 14.4 percent in comparison with the same period in 1981, according to data from the bulletin published by the Bank of Brazil's Foreign Trade Department (CACEX). The information was released by the Ministry of Finance.

An analysis of those statistics shows that it is not only the price of commodities which is down. Prices for industrial products have also declined substantially and even more sharply than those for commodities. The average price per ton for commodities fell by 13.3 percent, while that for industrial products fell by 21.28 percent. And in the latter group, manufactured goods experienced a price decline of 25.88 percent. Those figures prove that what Brazil does not lack is a market, since the export volume increased. What is contributing decisively to the poor performance of Brazilian exports, however, is the devaluation of European currencies and the high interest rates adopted in the United States, which affect the price of the goods we sell.

Commodities

In its sales of foodstuffs, ores, and other commodities, Brazil lost \$537.4 million from January through July of this year in comparison with the same 7 months last year, although the quantity exported was up by approximately 2.3 million tons. In return for the 61.2 million tons sold, the country obtained \$4.7 billion in earnings, while in the same 7 months of 1981, it exported 58.9 million tons and earned \$5.3 billion. Commodity exports provided 40.9 percent of the total earnings this year, compared to 41.1 percent last year.

Exports of Principal Items
January through July

Product	Value (millions of \$)		Quantity (tons)		Average price
	1982	1981	1982	1981	%
Total Geral (1)	11.637	12.912	70.111	66.627	-14,43
A - Básicos (2)	4.770	5.307	61.189	58.948	-13,33
B - Industrializados (3)	6.713	7.476	8.287	7.263	-21,28
Semimanufaturados (4)	845	1.241	1.800	2.158	-18,43
Manufaturados (5)	5.868	6.234	6.486	5.104	-25,88
C - Operações especiais (6)	153	128	634	415	-21,43

Key:

1. Grand total
2. Commodities
3. Industrial products
4. Semimanufactures
5. Manufactured goods
6. Special transactions

The highest earnings from commodities were provided by ores--\$1.2 billion--but ores also experienced the greatest drop in price (91.7 percent). The second-largest price drop during this period affected Demerara sugar (an average decline of 43.4 percent). Of the 10 major commodity items exported, only leaf tobacco did not experience a price drop--there was an average increase of 19.9 percent, and leaf tobacco exports brought in \$325.6 million during the first 7 months of this year.

Industrial Products

The other items on the list of Brazilian exports--industrial products, comprising both semimanufactures and manufactured goods--accounted for 57.7 percent of the sales, compared to 57.9 percent during the first 7 months of 1981. The remaining 1.4 percent concerned special transactions, according to the CACEX bulletin.

Also in the case of industrial products--whose average price per ton fell by 21.28 percent--Brazil sold more than last year but earned less. The overall loss from January through July in comparison with the same 7 months last year amounted to \$762.9 million. To earn \$6.7 billion in foreign exchange (compared to the \$7.4 billion earned from January through July 1981), the country sold about 8.3 million tons, compared to approximately 7.2 million during the same period last year.

Manufactured Goods

The drop in the average price for manufactured goods--machinery and equipment, processed food products, vehicles, and steel products--came to 24.88 percent,

while the loss in foreign exchange totaled \$366.3 million in comparison with the same 7 months last year. To obtain \$5.8 billion in earnings, the country sold 6.5 million tons of those products, while from January through July of last year, it earned \$6.2 billion by selling 5.1 million tons.

In this group, the sharpest price decline in comparison with last year--35.5 percent--affected steel products. The second-largest price decline affected iron and steel bars. In the case of automobile sales, there was an average price increase of 18.3 percent, with exports totaling \$217.4 million, compared to \$164.7 million from January through July of last year. The best price recovery in the area of manufactured products occurred, however, in exports of machinery and apparatus for extraction, earthmoving, excavation, and rock drilling (up 93.18 percent).

Semimanufactures

Sales of semimanufactures--crude soybean oil, ferroalloys, tanned hides and skins, cocoa butter, crystallized sugar, pig iron, crude tin, and peanut oil, among other things--brought in \$396.6 million less from January through July of this year than they did during the same period last year. From January through July of 1981, Brazil earned \$1.2 billion from those products, while during the same 7 months of this year, those earnings did not exceed \$845 million. The drop in the average price per ton was 18.4 percent. The largest price drop occurred in exports of crystallized sugar (52.6 percent) and of tanned hides and skins (48.4 percent).

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DEFICIENCIES IN WAR MATERIEL SECTOR DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Sep 82 p 5

[Text] Porto Alegre--Yesterday in Porto Alegre, Gen Henrique Beckmann Filho, commanding officer of the 3rd Army, and Gen Arnaldo Jose Luiz Calderari, chairman of the Association of Ordnance Producers, admitted to O ESTADO DE SAO PAULO and the JORNAL DA TARDE that Brazil's arms industry has deficiencies and limitations. Beckmann pointed out, however, that the policy adopted by the government calls for "achieving maximum development with minimum security," while Calderari emphasized that important steps are now being taken by the national ordnance industry both to strengthen its own technology and to absorb imported know-how.

After participating in the final part of the Third National Meeting of Managers of Ordnance Producers in Sao Leopoldo, a suburb of Rio Grande do Sul's capital, Gen Henrique Beckmann Filho said that "considering the size of our territory and our population, the Brazilian Army is one of the poorest in South America." He stressed, however, that all the same, Brazil's military position in relation to Latin America "is good."

The commander of the 3rd Army noted: "We must view the question of armament within the context of the economic situation we are experiencing. And in that context, the army is well off. It is well equipped and is keeping up with developments in modern technology. It is clear that we would like to be better off; it is clear that we are aware that there are deficiencies. But we are also aware that the current economic situation does not permit us to overcome all of them." And he added that all of the development and reequipment effort being made by the armed forces "must take place without sacrifices on the part of the population."

Gen Henrique Beckmann Filho regards as important the work being done to develop our own technology in the national war materiel industry and absorb foreign know-how. He commented that although there is no prospect of Brazil's becoming involved in conflicts, "no one is going to wait for a conflict to break out before getting prepared. As the saying goes: 'if you want peace, prepare for war.'"

Questioned about statements by armed forces officers in Rio Grande do Sul that the country's southern frontiers are vulnerable to foreign attack, the commander

of the 3rd Army explained: "Any frontier is vulnerable. We may suffer a surprise invasion. But if it happens, you (referring to the reporter) will see that our country has a potential that will rapidly be transformed into power. And we can recover in a short time."

National Production

Gen Arnaldo Jose Luiz Calderari, chairman of the Association of Ordnance Producers and also manager of IMBEL (Ordnance Industry), said, for his part, that although it is now "some years old," the Brazilian arms industry "is still in the process of being born." Admitting that Brazilian plants "are very old," he stressed the need to "reequip and modernize them."

In the general's opinion, however, there has been considerable progress in the industry despite the difficulties. He said: "As a result of the effort to produce within the country, we are now able to produce domestically and completely the FAL rifle, for example, which has been adopted by all the nations belonging to NATO. That rifle, which is light and automatic, is now produced entirely within the country--we are self-sufficient: we don't import anything for its production. As far as heavy materiel is concerned, ENGESA [Specialized Engineers, Inc] is now manufacturing, as one example, the 90mm cannon, which is a wheeled armored vehicle used on the Cascavel."

In addition, he continued, several other projects are being developed by national industry. This includes the project for "a real tank, a fighting vehicle on tracks." General Calderari added that the D. F. Vasconcelos firm in Sao Paulo is studying plans for tanks with highly accurate fire, including night vision equipment, and there are also "well-advanced" studies for the development of surface-to-surface and surface-to-air missiles.

The chairman of the Association of Ordnance Producers pointed out: "Our objective is to develop our own technologies and make ourselves independent of other nations, because if a country depends on another country for ordnance during a conflict, it must necessarily ally itself with that country because it lacks its own know-how." Concerning the surprise expressed by many sectors during the conflict in the South Atlantic, when Argentina showed that it had a number of sophisticated weapons, General Calderari commented: "They had that equipment, and Brazil could also have it, since it is imported."

Calderari feels that Brazilian arms production will tend to overcome its current limitations as the private sector develops. He emphasized that there is already good exchange between IMBEL and a number of private firms to which technology has been transferred: "For producing its 105mm rounds, for example, IMBEL receives various components from private firms, such as the cans, grenade casings, and so on."

Mobilization

The association's chairman added that in the event that Brazil becomes involved in a war, all ordnance firms can be mobilized "immediately." In an emergency, the flow of arms exports would be halted, and "in what we call the country's

industrial mobilization, all plants would activate their plans for converting from civilian production to arms production."

Following yesterday's meeting in Sao Leopoldo, Milton Rossi, chairman of the Amadeo Rossi Corporation--the firm hosting the event--said that information had been exchanged concerning the trading of products among the more than 20 firms represented. Rossi noted: "This meeting was a matter of harmonizing producers under the principle of national production. If we can produce our own materiel, why should we buy it from others?" He predicted that as soon as the U.S. economy recovers, the possibilities for expanding Brazilian arms exports should open up again. Such exports are made difficult today "by the international recession."

Contrary to what had been announced the day before yesterday by the management of Amadeo Rossi, the meeting was not attended by representatives of the army and air force ordnance departments. The navy's department was represented by its deputy director, Capt Nelson Murilo Martins, who emphasized to the press the "important step" that is being taken at present with the ship modernization program.

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NETTO OPTIMISTIC ABOUT ECONOMIC RECOVERY; EXPORTS BY AREAS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Sep 82 p 31

[Text] Brasilia--Planning Minister Delfim Netto asserted yesterday in a speech to the students of the War College in Rio de Janeiro that "all the sacrifice by Brazilian society was worth the pain," in its efforts since last year to adapt the nation's economy to the difficult world situation, as thanks to this "we will be able to sail on in the midst of the turbulence which has shipwrecked many countries."

Delfim Netto remarked that "the world will soon begin to grow again and when this happens, within a few months, the previous conditions will prevail again and we will again navigate much more easily, under much different conditions, in which our needs to import fossil fuels will fall, thanks to substitution programs, and in which our export capacity will be greater."

He pointed out that President Joao Figueiredo, at the United Nations General Assembly on 27 September, will show that "the world must become convinced that only by acting on its crises together--each one thinking of the other's problem--will we have the capacity to transform these world problems into prosperity."

Surplus

The planning minister asserted that, despite the difficulties faced by Brazilian exports because of price deterioration and closing of many important markets, Brazil has so far managed to obtain "a significant surplus" in its trade balance.

According to Delfim, "the continuation of our trade surplus despite our growth is not even more significant only because the world has changed very rapidly. People are frequently so wrapped up in analyzing the aggregate amount of exports that they fail to see what is really going on within exports." To illustrate this statement, Delfim said that export quantity fell 1.4 percent in the first 6 months of this year, compared with the same period of last year, while the drop in prices was 7.2 percent. "This means," he explained, "that what depends upon our own efforts fell only 1.4 percent."

Exports, by World Area, January through June, in Millions of Dollars

(1)			(2)
Discriminação	1981	1982	variação percentual
Total geral (3)	10.860	9.934	- 8,5
USA	1.810	1.829	1,0
CEE (4)	2.609	2.736	4,9
Japão (5)	580	649	11,9
Aladi (6)	2.010	1.330	- 33,8
Países Exportadores (7)			
de petróleo	685	564	- 17,7
URSS + Polônia (8)	711	421	- 40,8
Outros (9)	2.455	2.405	- 2,0

Key:

1. World area
2. Percentage change
3. Total
4. European Economic Community
5. Japan
6. Latin America
7. Petroleum-exporting countries
8. USSR and Poland
9. Others

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NATION SELLS 3 TONS OF GOLD TO INCREASE RESERVES

Rio de Janeiro O GLOBO in Portuguese 14 Sep 82 p 19

[Text] Brasilia--During July the Central Bank sold 3,293 kilograms of gold that was part of its international reserve, obtaining \$27.1 million. Through that month the nation had lost about \$291 million of foreign exchange and had to make it up.

The data revealed yesterday by the Central Bank about the nation's international gold-reserve position indicate that the transaction was made at a price of \$255 per troy ounce (31.1 grams), when the average price during the preceding 2-month period, which the Central Bank takes as a basis, was \$341. Thus, in this transaction Brazil failed to make \$9.1 million, or about 1.8 billion cruzeiros.

The following month the average price of gold on the New York Commodity Exchange during the preceding 2-month period was \$325.

In August, however, Brazil had recovered \$26 million in its international gold reserves, due to a higher price on the international market and by increasing its reserves by 62,000 troy ounces, bought at higher prices.

With these transactions, Brazil's losses in its international gold reserves were reduced from \$68 million in June to \$41.7 million. According to Central Bank sources, such sales transactions are normal in the Brazilian case.

Gold Reserves

<u>Month</u>	<u>Troy Ounces</u>	<u>Dollars</u>
December	2,204,600	905,100,000
January	2,223,800	882,300,000
February	2,240,900	848,900,000
March	2,253,500	789,500,000
April	2,307,600	778,100,000
May	2,391,700	817,200,000
June	2,515,900	817,100,000
July	2,410,000	787,000,000
August	2,472,600	863,400,000

Source: Central Bank

COMMODITY EXPORTS FALL \$338.6 MILLION IN 1982 FIRST HALF

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Sep 82 p 37

[Text] During the first 6 months of this year alone, Brazil lost \$338,675,000 in foreign sales of the eight major agricultural commodity exports, compared with the same period of 1981. Coffee beans, soybean meal and soybeans, leaf tobacco, raw sugar, raw cocoa beans, fresh or frozen beef, and frozen chicken--responsible for about 98 percent of commodity exports--yielded \$2.568 billion, or 11.65 percent less than during the first 6 months of last year, when \$2.9 billion was received.

But if the major processed agricultural exports are also taken into consideration, the losses in the period rise to \$699.076 million. Granulated and refined sugar, processed beef, orange juice and crude soybean oil yielded \$677.21 million between January and June of this year, which is 34.73 percent less than during the same months of 1981.

Contrary to what government experts have been asserting to explain this decline in exports, the revenue loss did not result solely from lower international commodity prices. The recession in industrialized countries, the strong dollar and high interest rates--inhibiting purchases for inventory formation--also forced significant reductions in the sales volume of some Brazilian products.

The figures of the Foreign Trade Department (CACEX) of the Bank of Brazil show that during the first half of 1982 Brazil sold 5,390,300 tons of eight agricultural commodities, which is 810,460 (or 13 percent) less than during the same 1981 period. The volume of processed agricultural products was reduced 407,368 tons (26.9 percent), with exports reaching 1,515,524 tons from January to June last year and 1,108,156 tons this year.

Among basic commodities, only coffee beans, leaf tobacco, raw cocoa beans and fresh, frozen or chilled beef showed increases in export volume, while among processed commodities reductions were the general rule.

Sugar and soybeans were responsible for the largest declines in sales volume and revenues. In the first half of this year, the nation sold 183,711 tons less of the sugar complex (raw, granulated and refined), which, combined with the lower prices for the product, generated a revenue loss of \$120.07 million in the period. In this case, the secretary general of the Finance Ministry himself, Carlos

Viacava, recalls that it is not the producers and exporters who are losing from this.

As sugar exports are controlled by the Sugar and Alcohol Institute, to which the planters deliver their output at a price established in advance, it is Brazilian society that is paying, through increased currency and higher prices for gasoline, sugar and alcohol at the consumer level to cover this revenue loss.

The president of the Pernambuco Sugar Industry Association, Gilson Machado Filho, believes that the nation has enough maneuvering room to force sugar prices higher on the international market, where it has a 12 percent share. According to him, it can be done by diverting part of the sugarcane for producing sugar to manufacturing alcohol, reducing the supply of the former. And, to absorb this additional alcohol in the domestic market, he suggests measures such as increasing the mixture of the product with gasoline from 20 to 25 percent; stepping up the program for using alcohol additive in diesel-powered vehicles; manufacture of light trucks, pickups and vans exclusively for alcohol fuel; and manufacturing alcohol motors for agricultural machinery.

Exports Not to Recover This Year

Contrary to expectations of government officials and the export sector, there are no indications that commodity exports can recover significantly by the end of this year, despite the beginning of the marketing season for agricultural crops. That is the opinion of Tito Ryff, coordinator of the Getulio Vargas Foundation's Agricultural Information Group, who believes that hopes for higher export income from agricultural products must wait for 1983, inasmuch as this year's results and the persistence of international market difficulties do not make for optimistic conclusions.

Falling interest rates in the international market are not the only factor needed to revive Brazilian exports, asserts Ryff. It will require adjusting the supply of several products, mainly longer-cycle crops such as coffee and cocoa. Another important point to consider, he says, is recovery of demand, which is difficult because it involves revival of the economies of industrialized nations. According to Ryff, all these events cannot and should not be expected to take place at the desired levels this year.

Surpluses

"Besides international financial and economic aspects," Tito Ryff continues, "there is a very serious obstacle to improvement of export revenues from agricultural products: the excess supply of some products compared with demand. This must be borne in mind in the cases of cocoa, soybeans and sugar. In the case of coffee, although surpluses also exist, its sale is controlled through the export quota system administered by the International Coffee Organization (OIC), making the problem less serious.

Ryff adds that there are pre-established quotas for sugar also, provided for in well-defined rules of the International Sugar Agreement, of which Brazil is a signer. The quotas established for each producing country represent greater

Major Agricultural Commodities (January through June)

(1) PRODUTO	(2) RECEITA (US\$ 1.000 FOB)		(3) TONELAGEM	
	1982	1981	1982	1981
Café cru em grão.....(4)	875.969	857.510	422.463	390.122
Farelo de soja.....(5)	872.195	1.048.694	3.943.027	4.104.714
Fumo em folhas.....(6)	296.395	229.008	89.094	84.309
Soja em grão.....(7)	93.057	261.056	374.831	914.458
Açúcar demerara.....(8)	91.330	226.742	315.975	521.375
Cacau em amêndoa cru.....(9)	87.746	74.351	51.679	38.182
Carne bovina congelada, fresca ou refrigerada.....(10)	97.071	42.935	47.309	14.300
Carne de galo, frango e galinha congelada.....(11)	154.252	166.394	145.950	133.326
TOTAL.....	2.568.015	2.906.690	5.390.328	6.200.786
VARIAÇÃO EM 1982.....(12)	- US\$ 338.675		- 810.458 T	

Key:

1. Product
2. Receipts (thousands of dollars FOB)
3. Tonnage
4. Coffee beans
5. Soybean meal
6. Leaf tobacco
7. Soybeans
8. Raw Sugar
9. Cocoa beans
10. Frozen, chilled or fresh beef
11. Frozen chicken
12. Change in 1982

Major Processed Agricultural Commodities
(January through June)

(1) PRODUTO	(2) RECEITA (US\$ 1.000 FOB)		(3) TONELAGEM	
	1982	1981	1982	1981
Açúcar cristal.....(4)	34.736	47.204	149.276	99.739
Açúcar refinado.....(5)	109.998	223.089	383.451	411.299
Carne bovina industrializada.....(6)	125.680	141.980	51.783	44.718
Suco de laranja.....(7)	288.766	299.459	262.216	311.464
Óleo de soja em bruto.....(8)	118.111	325.960	261.430	648.304
TOTAL.....	677.291	1.037.692	1.108.156	1.515.524
VARIAÇÃO EM 1982.....(9)	- US\$ 360.401		- 407.368 T	

Key:

1. Product
2. Receipts (thousands of dollars FOB)
3. Tonnage
4. Granulated sugar
5. Refined sugar
6. Processed beef
7. Orange juice
8. Crude soybean oil
9. Change in 1982

volume than that of market demand, but the agreement contains a clause permitting reduction of up to 15 percent of the fixed quota to the extent that prices fall on the international market.

Brazil's sugar-export quota has already been reduced the maximum 15 percent and is now 2.8 million metric tons, whereas it was 3.2 million tons initially. Ryff points out that it is not possible to reduce established quotas further, not only for Brazil but also for other producers, using the simple argument of supporting the market for AIC [International Sugar Agreement?]. "It would be the same as collaborating with the European Economic Community (EEC), which does not participate in the agreement," he says.

The EEC is one of the largest exporters of beet sugar. Last year it sold 5 million tons and an equal amount is predicted for this year. According to Ryff, the EEC's extraordinary sales resulted from a sizable increase in its production and maintenance of a subsidized stockpile of 1.7 million tons of sugar. The EEC producer receives 25 cents a pound, whereas the international price is 8 cents a pound.

In regard to cocoa, Ryff remarks that for 5 consecutive years world supply has exceeded demand. In 1982 the excess will be between 640,000 and 680,000 tons, which represents 47 percent of world consumption. He says cocoa prices began rising in 1977 and in 1979 reached their high point of over \$2.00 a pound. Currently the price is 85 cents a pound, a 66-percent drop from 1979 prices. Ryff recalls that Brazilian producers have been expanding their cocoa plantations since 1976 and speeded up the process in 1979. He warned against this euphoria and was disputed by many, but what he predicted is now taking place: the first harvest from that planting (the cocoa cycle is 4 to 5 years) is being made this year, with international market prices at rock bottom.

Ryff explained that soybean exports were lower this year because of the contracted foreign market and also because of the production drop in Brazil due to drought.

Worst Year Yet for Soybeans

In volume, soybean-complex exports (beans, meal and oil) declined about 1.09 million tons, with a sharp drop in the sale of beans--from 914,458 tons in the first half of 1981 to 374,831 tons in the same period of this year--and oil, which fell from 648,304 tons to 261,430 tons. This resulted in a revenue loss of \$552 million, also caused by price declines in the international market. These results led producers to moderate their income expectations for this year. According to estimates, the soybean complex will not yield more than \$2.3 billion--through June, \$1.08 billion had been sold--compared with \$3.1 billion last year, when it was Brazil's leading commodity export.

The soybean-oil and soybean-meal industries tried to maintain stocks, in the hope that the foreign market would recover, which could happen if the dollar were to weaken against other currencies and interest rates decline. At the conclusion of the Brazilian harvest, in fact, the dollar did fall a little and interest rates began to fall. But these events coincided with the announcement that the new U.S. crop will be 5.6 million tons more than originally predicted, causing prices to tumble again.

Parana and Rio Grande do Sul producers, already affected by the reduction of this year's crop, are complaining about the loss of soybean export income, which is likely to result in a reduction of the area planted to the next crop. Rio Grande do Sul farmers, whose soybean-complex exports last year were \$1.5 billion, do not expect to get more than \$800 million this year--so far they have sold \$500 million--according to the forecasts of Central-Sul (Rio Grande do Sul Rural Producers Cooperative Bureau) marketing manager Rubem Matte.

According to his estimates, Rio Grande do Sul sold 240,000 tons of soybeans at an average price of less than \$250 a ton, and is not expected to do any more business this year. So far, 300,000 tons of soybean oil have been exported at an average

price of \$400 per ton--at least \$100 less than last year's price--with another 100,000 tons likely to be sold in September and October. Soybean meal exports are thus the last hope of Rio Grande do Sul to reach \$800 million sales for the soybean complex. Average prices are approaching \$190 per ton and Matte asserts that there are still 1.2 million tons of soybean meal available for export this year.

Rice May Make Up for Losses

If soybean-complex exports do not do well, IRGA (Rio Grande do Sul Rice Institute) president Arare Vargas Fortes believes part of the loss can be made up by rice sales. In this case, it is hoped that INTERBRAS [Petrobras International Trade, Inc] will succeed in trading 150,000 tons of rice for Saudi Arabian oil--that nation imports 400,000 tons [of rice] per year--or for Iraqi oil.

The international price of rice, \$350 per ton, is below the going price in Brazil but Fortes believes the government will find a solution to facilitate the export. "We should get some compensation for the authorization given to import 200,000 tons [of rice] from Argentina and Uruguay at a time of surplus supplies here at home," he asserts. In fact, of the Rio Grande do Sul output of 2.6 million tons of rice, 1.1 million is still being stored and financed by a federal-government loan, without a market for it.

Further compensation for soybean losses is expected from leaf tobacco, whose price is rising in the international market. According to the president of the Tobacco Growers Association of Brazil, Antonio Werner, Rio Grande do Sul provides 45.7 percent of the nation's tobacco exports, having exported 75,528 tons of it this year, an amount almost equal to that of all 1981.

So far, the CACEX agencies in Santa Cruz do Sul and Porto Alegre have licensed tobacco exports totaling \$229 million, compared with \$175 million in all of last year. But the value of tobacco exports from Bahia--the other large producing state--fell 29 percent in revenue and 48 percent in volume, sector sources estimate.

Cocoa

Bahia, moreover, has also seen revenue from its other two most important exports, cocoa and sisal, decline. In the case of cocoa, the economic adviser for the Cocoa Producers Advisory Council, Carlos Schneider, estimates that the Bahia crop has had a cumulative loss of \$800 million since 1980, leading to reduction of investments in the sector, mass unemployment, reduction of crop treatment, with the risk of lowering the product's quality, and even making PROCACAU (crop-expansion program that in 6 years has provided producers with incentives to plant 168,000 more hectares) unfeasible.

From 1979 to 1980 the exported value of cocoa fell from \$436 to \$269 million (a drop of 38.2 percent). In 1981, despite a 1.2-percent increase in export volume, exchange receipts declined 19.8 percent and prospects for 1982 are to export the same quantity as last year--equivalent to about 4 million bags of cocoa beans and derivatives--but with much lower revenue.

As a result, producers are asking the government to guarantee receipt of the minimum price set by the International Cocoa Agreement--\$1.10 a pound--in the form of a subsidy, inasmuch as the agreement is not being complied with, with a current price of about 60 cents a pound.

Sisal, the second largest Bahian commodity export, does not face so grave a situation, but exports did fall 44 percent in volume and 51 percent in value from 1980 to 1981.

Coffee Still Important

Coffee continues to hold a relatively important position among Brazilian commodity exports although the last 3 years have seen a real loss of its sales value. Export specialists are careful in making any evaluation of the product's performance before the end of the year, but the government's initial proposal to export about 2 million bags outside the International Coffee Agreement should not change the general picture. Thus, even if 17.5 million bags are sold, revenues are likely to remain close to those obtained last year.

By June Brazil had exported 422,463 tons of coffee beans, compared with 390,122 tons in the same period last year--but receipts did not exceed \$875.97 million, little more than the \$857.5 million obtained through June 1981. For the producer, the Brazilian Coffee Institute's policy of price setting does not allow much room for improving profit margins.

8834

CSO: 3001/236

FAR MEDICAL DETACHMENT TRAINING REPORTED

Havana VERDE OLIVO in Spanish No 32, 12 Aug 82 pp 4-6

[Article by Pablo Noa Noa]

[Text] The preparatory course for young FAR [Revolutionary Armed Forces] members, who are candidates for the "Carlos J. Finlay" Medical Sciences Detachment, given at the Republic of Panama IPUEC [Preuniversity Farming and Academic Institute] has now concluded, with quite positive results.

This is the evaluation of the development and achievements of this period of intense study, as analyzed by the commission members who for 4 months had the responsibility of planning, guiding, and directing the group's activities.

Participating in this task were specialists from the ministries of higher education and public health, from the FAR, and from the University of Havana.

In the conclusions of the entry panel of the Higher Institute of Medical Sciences, the satisfactory information on the number of students who show the potential and aptitude for a medical career was noted. After examining the records of the candidates and conducting interviews, it was felt that of the 400, over 350 could begin studies in medical fields.

In reaching these conclusions, the panel based its work on vocational, psychological, political-moral, and educational information, in evaluating each case.

The psychological team did a great deal of work since the start of this course. Its conclusions mentioned the interest expressed by the candidates in fulfilling their commitment to the commander in chief both well and safely. This group also mentioned the appreciation which the students showed individually

for the magnificent influence provided by their years of military life in forming their character and giving them a general education.

The young people who have completed their active military service who do not join the detachment will be able to begin other careers in higher education in different universities. The conditions have been created so that upon leaving this center, they will have the documentation required to begin work in the new fields that have been chosen.

Work Done by Everyone

In the Republic of Panama IPUEC, there is an environment of victory and optimism. There are good reasons why this should be so. Everyone, following the guidance of our commander in chief, has contributed to this important work of preparing these young people who have just completed their years of military service in an exemplary manner: students, teachers, workers in different services, and FAR officers. The identification established provided support which guaranteed the effective performance of the activities planned and consequently, their excellent final results.

A great deal of this was due to the leadership role played by those who did not spare their time or efforts in carrying out this mission.

The faculty spent long days in preparation, revision, and consultations. Without flagging they responded with a high level of quality to the educational requirements and needs of their students.

Two examples of this dedication are provided by Humberto Mascareno Ortiz and Mayda Fuentes Prieto, physics and chemistry teachers, respectively, from the second and sixth contingents of the "Manuel Ascunce Domenech" Educational Detachment.

"During these months we worked more than in a normal course," said Humberto. "It was a new experience for all of us who worked with the classes. I think the results offer eloquent proof of the positive nature of this work. Speaking for myself, I can say that I learned a great deal during this time of working with the FAR. We pushed ourselves, the pace was rapid, but as a reward we feel the satisfaction of having achieved the goals we wanted."

The young physics teacher won the appreciation and respect of both students and workers because of his attitude and his interest in the work he undertook. In recognition of this, he was chosen a "vanguard" during several evaluations at the institution.

For Mayda Fuentes, the course had great significance, and enriched her professional qualifications. This was the first time that she taught 11th and 12th-grade materials, adding that she had to do this in a special situation, appropriate for this type of experience.

"I have been teaching chemistry for 6 years," she told us. "From an educational point of view I think all experiences are positive. One essential factor that helped with these classes was the co-operative work of the staff in our department."

"I consider these to be important factors: the concern, interest, and maturity of the students. Without these, our work would not have been so effective," she pointed out.

This young educator, like Mascareno, was also chosen a vanguard both in her department and on the level of the entire center, on several occasions.

In the chemistry department we spoke with Eloy A. Lazo and Dagoberto Amor, the head of the department and a teacher, respectively. Lazo has been doing this work for 15 years. He praised the results of the work accomplished with these young people and spoke of the advantages offered by this course for those who want to pursue their higher education after completing their military service.

"The work of all the teachers was outstanding," he said. "They spent approximately 50 to 52 hours a week in classes, revision, and in meetings. This high figure tells us about the attitude of our comrades."

He also singled out as worthy of commendation the work of these teachers: Rafael Garcia, Mayra Ortega, and Nancy Tain.

The Support Staff's Contribution

The supporting staff is responsible for a number of jobs in a center like this one.

Like the administrative and educational workers, these workers responsible for cleaning, maintaining the areas, providing

direct attention to the students and handling supplies, etc., made a noteworthy contribution.

Lt Angel Sandino Rodriguez, who received congratulations from the commander in chief for his work in rearguard services, told us that for him this mission had extraordinary value, because it gave him new experiences, related essentially to the cooperation of the FAR, party organizations, the ministries of public health and higher education, and the People's Government.

"In all our work, we tried to observe the standards and orientations established for the rearguard specialty in the FAR. And many of our comrades took pride in viewing the cleanliness, organization, and control of our storage facilities, dining areas, and other rooms."

Within the collective, Lt Sandino listed a group of vanguard members. One of these is Samuel Leon Velo, who has worked as a master cook at this preuniversity for 7 years.

"I did my active military service in an Eastern Army unit," he told us. "There I worked as a cook for 2 years. I have always liked working with the FAR. So when the job for this special course came up, I didn't stop to think twice about it."

"All our comrades have tried to do their jobs to the best of their ability. This is true of Fernando Ones, the other cook, who has put the maximum amount of interest in his work."

What the Vanguarders Say

The soldiers David Avila, Nelson A. Calzadilla, and Alejandro Perez, were selected as vanguards in the latest short evaluation.

Avila, with 98.36 points, was first, and he is now preparing to take the university entrance exam, or what amounts to the same thing, the exam for the Medical Sciences Detachment. He said:

"I hope to be able to study medicine and eventually become a surgeon. This has been a unique opportunity in my life as a student, since because of academic problems I couldn't study medicine earlier. This is a great help to all the young people completing their SMG [General Military Service] in similar circumstances. I feel that the preparatory course is the best way to get back to studying and to get into higher education."

"Now the units are being notified about applications for the next courses to be offered, so that young people completing their military service can try to obtain a university education. I think this is a good recompense for the work of our young people, who, through their efforts, have earned this second chance to continue their education."

This was the comment made by the soldier Calzadilla, a young man from Holguin who wants to take the entrance exam and study medicine, eventually becoming a psychiatrist.

The other vanguard, Alejandro Perez, has seen an old dream he had as a child about to become a reality: to become a doctor.

"If it were not for this opportunity provided by the FAR, it would have been very hard for me to study after leaving the army. This is a sign of the concern our society has for its young people. So we can not let this opportunity slip by."

7679

CSO: 3010/2333

MILITARY VEHICLE REPAIR UNIT ACTIVITIES NOTED

Havana VERDE OLIVO in Spanish No 32, 12 Aug 82 pp 40-42

[Article by Pablo Noa]

[Text] It is no secret to anyone that combat and mobilization readiness are essential and reveal the true level of preparation of our units for combat. For this reason, some significant efforts and resources are used to maintain and to continue to improve these levels.

A number of factors play a role in this process. One of these factors--the repair, maintenance, and operation of armored and transport vehicles--bears a great responsibility for the performance of the combat missions of the units, by making it possible for them to take part in action in the shortest possible time and with an effective operation.

The good technical state and readiness of the vehicles for a proper and safe use is ensured by the measures stipulated in the preventive maintenance and repair plans. These documents list the compulsory performance of various operations for specific parts of the equipment and resources, as well as general measures.

The role of this activity and its importance are reflected in the results achieved in testing, training, maneuvers, and exercises. Nonetheless, the quality of operation of these vehicles and equipment in the units' activities will depend to a very great extent on the preparation of the personnel responsible for performing the maintenance and repairs.

The attention given by the repair units to problems affecting the vehicles is a decisive factor. Their work increases and has to be done more quickly during breaks in the periods of combat and political preparation. During these times they work

on the equipment used for instruction and training so that it will be ready for the new year of troop preparation.

Right now the FAR [Revolutionary Armed Forces] units are involved in jobs related to the creation of suitable conditions for the start of the new instruction period. A good example of what we have described here is the work being done by an armored and transport vehicle repair and evacuation battalion of the Eastern Army.

A Collective Involved in Its Mission

Among both young and old combatants and workers of this unit there is a common denominator, a sort of "introduction card," which is their painstaking attention to their work, in which efficiency and quality predominate.

The workshop can handle both light and medium repairs. Other departments perform the technical maintenance stipulated for all types of transport vehicles in the FAR.

The battalion also handles evacuations in special cases, during instruction, maneuvers, exercises, and field training. For this they provide training for members of the mobile workshops, since this will be one of the missions they will have in wartime.

The shop's production plan is quite full at this time. Of course, this is a normal situation at times when combat preparation is at a halt. Once the repair and maintenance plans have been readjusted, the units begin to send in defective equipment, as they are supposed to do. The battalion's shops are still not working at full capacity, but it can be seen at a glance that the areas and departments are being made ready so that when more work comes in, they will be able to handle the defective and broken items and maintenance jobs that they are required to do.

This does not mean that they aren't doing anything now. Very soon they will be completing a job that required the wholehearted and enthusiastic support of all the members of the unit. This was the preparation and repair of the BRDM which was involved in the evacuation of the Pinar del Rio population because of the floods caused by the tropical storm, "Alberto," and the consequent high waters. This work is now about to be completed. The officers, sergeants, soldiers, and civilian workers all spent days and nights working tirelessly to carry out their assigned mission.

At the same time, they have continued the normal repair and maintenance work stipulated in the plans.

This reveals the serious and responsible nature of the collective, whose members take pride in achieving their goals, year after year, in support of the units' production, preparation, and combat readiness plans. As Lt Ramon Rosales said: "The spirit of victory is the joint activity of everyone, working together for the tasks we share. If anything fails in the mechanism making up the different parts of the shop, it endangers all the work we are doing."

They Know Their Role and Place

The value that is placed on individual activity and the importance it has in completing the battalion's plans are well known to all the battalion's members. Each one is aware of his role and place within the main job assigned to this type of unit.

Capt Jose Mauricio Garcia, in explaining this, cited as recent examples the activities of the soldiers who took part in the evacuations in Pinar del Rio province. He mentioned the group led by 1st class soldier Andres Negrin, which included the soldiers Juan Alberto Tirce, Jorge Luis Linares, and Suliber Rodriguez. These young men performed deeds of courage and strength during the repairs of the BRDM. They rescued children, women, and elderly people from the furies of the waters. Fighting against strong currents, the constant rains, and gusts of wind, the soldiers managed to keep the armored vehicles above the water level so they could carry out their missions.

This is not an isolated instance. It is true of the rest of the personnel working in each department or area of the shop. Many more examples were mentioned to us: Lucia Garcia Gonzalez, who works in the upholstery department, and keeps up a rate of production that always exceeds the plans. She is a "vanguard" member of Socialist Emulation in the Army. Every day, she receives signs of affection and admiration from her fellow workers. She doesn't waste a minute at her workplace, and when she is asked why, she simply says: "I will keep on doing this as long as I have the strength."

Like her and the group led by the soldier Negrin, there are many outstanding members of the battalion. It isn't easy to list them all, but some who were mentioned as particularly outstanding were: Sgt Maj Jesus Garcia, and the soldiers Fidel Rodriguez, Israel Regueiferos, and Manuel Alvarez.

As soon as the vehicle, whether light or armored, is brought into the reception area, the work begins. The vehicle is evaluated systematically, using the skill and technology available in the shop. These procedures culminate with the entry of the vehicle in the actual repair areas. Later the vehicle is sent to the area designated for the delivery of completed equipment and vehicles.

The Reason for These Results

These results are not a matter of chance. Solid support for the command and major jobs is provided by our political organizations.

The party, the UJC [Union of Young Communists], and the union include among their basic functions those activities related to the battalion's production and combat preparation and readiness. So the use of various forms of agitation and propaganda is important.

Graphic propaganda reflects the essential concern of the moment: raising the quality of the repairs and maintenance. This is a constant concern in the shops, and much time and attention are always demanded. In addition, technical lectures are offered frequently, which help to clear up uncertainties among the specialists (mechanics, sheet-metal workers, electricians, etc.), and to increase their knowledge.

Captain Garcia also spoke of other activities, such as question and answer sessions, exchanges of experience, talks, meetings, the working out of equipment repair and delivery plans, which, combined with those mentioned above, make it possible to educate and train the personnel in the principles of a correct and careful use of the armored and transport vehicles which our units have, in order to perform their sacred duty of defending our socialist homeland, at whatever price it may cost.

They know and are aware of their duties to fulfill these responsibilities, and so they do not begrudge their time, either during the day or at night, in repairing, evacuating, or maintaining the transport vehicles for which they are responsible, no matter what the condition of these vehicles. To work with efficiency and quality: that is the maxim of this combat unit.

7679
CSO: 3010/2333

NEED FOR SPARE PARTS PRODUCTION EXPLAINED

Havana CUBA SOCIALISTA in Spanish No 3, Jun 82 pp 143-156

[Article by Jose Carames Diaz, professor, "Nico Lopez" Higher School of the Communist Party of Cuba: "The First National Forum on the Manufacture and Repair of Spare Parts"]

[Text] I.

Marxist political economy shows that the ultimate purpose of production is consumption by society.

However, the objective growth of this consumption is determined by the expansion of reproduction which constitutes a general economic law inherent in any economic-social formation.¹

To achieve a constant increase in social reproduction, it is necessary to attain permanent perfection and development of the means of production; this is manifested in an economic law which corresponds to the previously mentioned law and which deals with the preferential development of the production of the means of production over the means of consumption. These laws therefore work in a particular form depending upon the type of production relations prevailing in society and thus we see that they achieve relevant importance only when the production forces rise to a certain development level, as mechanized production springs up. and we build a system of national economy whose different production branches appear to be interrelated, as in the case of the capitalist system.

These laws were discovered by Marx who stated that reproduction on capitalist bases can only have an expanded character.² In "Das Kapital," Marx shows that expanded reproduction implies the modernization of the means of production, an increase in labor productivity, and, therefore, an increase in the organic makeup of capital. Since constant capital rises at a faster rate than variable [capital], the demand for the means of production grows faster than the means of consumption and, consequently, the production of the former must be given priority in terms of their development, in relation to the production of the latter.

"Thus we see," wrote V. I. Lenin, who came up with the most precise formulation of this law, "that the production of the means of production for the means

of production is the thing that grows fastest; then comes the production of the means of production for the means of consumption; finally, the production of the means of consumption is the slowest."

"The only correct deduction which one can derive from these investigations by Marx is that, in capitalist society, the production of the means of production grows faster than the means of consumption. As we said before, this deduction is a direct consequence of that extremely well-known thesis to the effect that capitalist production creates a technology that is immeasurably more advanced than that of earlier times."³

The formulation provided by Lenin is of great methodological importance. These are general economic laws; their action therefore also prevails in the communist production, although in a specific form.

In capitalist society, expanded reproduction is vitiated by the antagonistic contradictions between production and consumption and the objective disproportions imposed by private property and all this leads to economic crises, unemployment, and an increase in the hardships of the workers.

Under the conditions of socialism, the preferential growth of the production of the means of production creates the adequate foundation for the acceleration of scientific-technical progress, it contributes to the sustained rise in labor productivity, and it objectively assures expanded reproduction. Society constantly gets a larger quantity of material goods as the volume of surplus products increases to form a source for the satisfaction of social needs and for the obligatory expansion of production to the benefit of society as a whole.

II.

Cuba is advancing in the construction of the socialist society. It must therefore face and resolve multiple and complex problems of a political, social, and economic character. Among the economic problems, one of the most important is the creation of the technical-material base for socialism which is very closely tied to the law on the preferential development of the production of the means of production which we have just outlined.

The biggest obstacles arising in the way of the attainment of this objective of building socialism derive precisely from the specific historical conditions existing in Cuba at the time of the revolutionary triumph.

Like any underdeveloped country, Cuba did not have adequate industrial diversification and did not have enough branches in the leading production sector.

To accomplish this important and vital task during the period of building socialism, the Cuban revolution therefore had to start almost from scratch in promoting the branches involved in the production of the means of production and it also had to develop a highly skilled labor force.

The important thing is not only to have the resources necessary to introduce the new means of production which this undertaking calls for but also to

continue to exploit those that existed at the time of the revolution's triumph and which, concerning some production lines, are very important to the national economy. All of this had to be done under the conditions of an early economic blockade imposed upon Cuba by the government of the United States which included the refusal to supply spare parts and other means which had become useless due to wear and tear.

In this context we can understand the great importance to the country's economic development of the recently held First National Forum on the Manufacture and Repair of Spare Parts which took place on 1, 2, and 3 February of this year in the Convention Palace.

The Forum⁴ was the high point in a long phase launched by our workers as a revolutionary response to the points outlined by Comrade Fidel and the pledges of the Second Party Congress relating to the spare parts situation.

It was preceded by an impressive mobilization of the worker masses and the experienced technicians in these production lines, imbued with a contagious aggressive and creative spirit, as well as a sustained and rigorous effort by the forum organizing commission, constituted in April of last year, up to its culmination.

During 1981 and until 15 January, many events on spare parts were held as a part of the forum preparatory phase. We find that 96,030 workers attended these specialized meetings or assemblies.

The various gatherings were organized with the objective, among other things, of supporting the general outlines charted by the party with respect to the spare parts problem; to stimulate the workers, technicians, and engineers connected with this activity; and to disseminate their achievements and experiences.

Thousands of proposals, hundreds of which were approved because of their recognized quality, were presented and debated during those gatherings. The organization of meetings by territories, specialties, ministries, and labor unions was a big plus for our industries and for the spare parts recovery and production process since they served as a basis for dialogue, discussion, concrete comparison of technical criteria, exchange of information and lessons learned throughout all these years.

An important event took place during the forum preparatory phase which calls for a special comment; that was the national exposition of spare parts, sponsored by 12 government agencies and conducted with the valuable cooperation of the Revolutionary Orientation Department of the Party Central Committee; it showed the people not only the spare parts which we produce today but also those which we do not yet make; this undoubtedly will stimulate the creative and transformation capacity of our specialists and enterprises.

All of these events and experiences, which accumulated throughout the land, were combined in a common analysis through these events and they now form a part of the technical-cultural assets that belong to everybody and that will

enable us to continue to pursue the perfection and development of important production means.

The events and activities mentioned facilitated the recognition, in each factory and workshop, of the most experienced workers, of the most qualified technicians and engineers who, to a great extent, guarantee the recovery and production of spare parts.

Once discovered, these assets in the factories were combined into study groups so that each member would contribute his knowledge and experience; this permitted the adequate solution of many problems.

It is therefore necessary to emphasize the importance of using the study group, that is to say, the gathering of separate shops and diverse specialties when it comes to analyzing the complex problems we face in our production efforts.

The forum was attended by 820 comrades, selected from among 50,000 workers who attended the 432 preparatory assemblies. Furthermore, 818 proposals were studied during the forum organization process.

The work done was so rich and so copious that the organizing commission, after careful study, selected 100 proposals for discussion during the forum, 20 for each of the event's working committees.

Five subcommittees, which did intensive and meritorious technical work, were created for the purpose of reviewing and selecting the 100 proposals. Although only 100 were selected, the subcommittees drew up a technical card for each of the proposals submitted, recording the work of the workers and technicians and making technical recommendations for the authors. The publication of 97 proposals was also suggested.

This great effort is really encouraging; even before the forum was held, it constituted an unquestionable contribution to the national battle for our economy; it is a treasure chest which we must know how to use and enrich constantly. This shows that the potential scientific-technical capacities inherent in the working class are boundless; our workers--once again as always--are responding to the call of their party.

The forum had five working committees which debated the proposals that were selected and which drafted their rulings; the latter were reported to the general meeting by their respective chairmen. The jury, made up of comrades with the very highest skills and prestige, picked the winning proposals which were awarded prizes during the closing session.

The forum was not an end in itself but rather a new point of departure toward the attainment of the highest objectives. It represented a higher step in the organization and awareness level of our workers to provide incentives for production and productivity, savings, and economic efficiency.

The growth of spare parts recovery and production has not been just a ray of light in a dark sky; on the contrary, it has been the result of the revolutionary

tradition of a people who refused to allow itself to be strangled by the imperialist enemy; a people who looked blackmail squarely in the face; a people who said no to conformism and to the contemplative spirit. It is a consequence of the will of the working masses, determined to pursue their unalterable course toward socialism and communism.

III.

We are a small nation with limited resources; we are threatened, surrounded, harassed, and blockaded by the powerful and corrupt financial oligarchy that governs in the United States. Besides, we are a country with an open economy and with certain sides that are vulnerable to the influx of the economic crisis which today besets the capitalist world.

Hence the policy of replacing imports and diversifying our exportable items; hence the slogan of saving everything: Sheet metal, tools, and equipment, every drop of petroleum, every kilowatt must in reality assume an imperative and inevitable character for our people.

In spite of the successes achieved in these pursuits, we must emphasize that the nation's output of spare parts represents only 25 percent, approximately, of the total volume required in the country. On the other hand, there has been a tendency to step up imports in recent years.

As we can observe, this calls for heavy expenditures of foreign currency to import spare parts.

In quite a few cases, the production of spare parts is the cornerstone when it comes progressively to attain the objective of domestically producing many of the equipment items and installations which we now import. This goal, which is of capital economic importance, goes beyond the context of the material aspect and becomes a political objective of the first order.

Specific pledges were adopted during the second Congress of our party and they were aimed at the following: "Achieving a maximum increase in and developing the production and recovery of parts and spare parts to replace imports, primarily from the capitalist area, and to meet the national demands to a greater extent."⁵

In response to these pledges and guidelines, a new impetus was given to this activity, starting in December 1980; important steps were taken toward the expansion of coordination and the combined work of all those factors dealing with spare parts.

A national committee was established in January 1981 to study the problems of spare parts production and recovery, including the chief producing organizations. Separate subcommittees were established within it to tackle the most important aspects specifically, such as, the planning process, statistical control and economic stimulation; production of spare parts for agricultural, transportation, and construction equipment; study of existing installations and their organizational and technical situation for the production of spare parts

intended for industrial maintenance; analysis of spare parts recovery activities from the technical and economic viewpoints; and examination of problems relating to tools and rubber parts.

The overall approach in this complex activity and the organizational structure adopted by the national committee for the analyses and recommendations made it possible, throughout 1981, to achieve a greater degree of coordination and combined work by the separate organizations.

In spite of the successes attained, it turned out during the forum that the tasks aimed at spare parts recovery and production necessary in the various branches of production and services are complex tasks which sometimes run into insuperable obstacles that cause a crisis in a certain production program. These problems were discussed during the forum and, most importantly, we became aware of what they are and how they manifest themselves and that in turn will make it possible progressively to lick those problems.

Among the main aspects that limited and hampered the overall development of spare parts recovery and manufacture is the fact that the production of spare parts has not been a part of the indicators issued to the organizations and enterprises as plan guidance figures. More than 50 percent of spare parts production was not the object of centralized planning. This year, for the first time, the country has a detailed spare parts production plan with a guiding figure for the producing ministries which has already been broken down by provinces and by enterprises. It was drafted by the enterprises and organizations, it was analyzed by JUCEPLAN [Central Planning Board], and it was approved by the government; it comes to something more than 168 million pesos. However, it does not include the total parts to be produced because there are still many others which the organizations will resolve operationally.

One problem that was discussed very much during the meetings precisely deals with insufficient and inadequate material supplies, this being perhaps the most important and one of the most critical problems. The production of spare parts undoubtedly is a complex activity which requires adequate planning, technical attention, and efficient supply management; it covers both ferrous rolled products, such as steel bars of various types, nonferrous metals, tools, and components. It is believed that the production of spare parts in the factories of the machine-building industry needs more than 2,200 supply items in its assortments.

Each of these items has its own characteristics, not only in terms of shapes and dimensions, but also in terms of properties--hardness, tenacity, elasticity, resistance to cutting, etc.--as well as in terms of quantities supplied.

Many factors are involved in technical-material supply for spare parts production. This process covers the determination of the necessary assortments, the establishment of relations between the suppliers and the producers, the fixing of deadlines for delivery in accordance with the production plans, the coordination of cooperation between enterprises, for example, between those that do foundry work and those that do machining work, etc.

JUCEPLAN is taking the steps necessary to guarantee the early drafting of the 1983 assortment plan and to guarantee its material backup support.

The CEATM [State Committee for Technical and Material Supply] has been working on the establishment of special and universal stores for the sale of different articles in circulation to small consumers, such as stores for hand tools and a store for cutting tools and, in March, the first metal cutting store was opened with express delivery to each user anywhere throughout national territory by means of telephone requests or via telex.

Until September 1981, the State Statistics Committee only controlled six or seven spare parts items. From then on, on the basis of the work done by the national spare parts committee, it began to check on 64 basic items in the chief production organizations. With the help of JUCEPLAN and all of the producing organizations, The State Statistics Committee studied ways of incorporating this information into the national statistics system so that it might be feasible monthly to check on the output of spare parts; now it is necessary to try to stabilize the system and to improve the quality of information supplied by the enterprises.

Another step forward has been the circulation of the specialized statistical bulletin.

The State Statistics Committee is also involved in the study of statistical information for imports; this will make it possible to come up with a systematic concept on spare parts problems.

There are also difficulties with the prices in the various spare part items since it is believed that the newly developed items, which generally replace imports, are at a disadvantage and are less connected with incentives than those that are already in production. It must be kept in mind that producing known spare parts does not entail the same wage and fund expenditures as does the production of spare parts developed for the first time, where it is necessary to start by determining the metallographic properties, to prepare the technological charts for manufacturing, to seek the materials most suitable for their processing, and later on to put through the zero series which will make it possible to check out their operating conditions.

The comrades at JUCEPLAN, at the State Statistics Committee, and the State Price Committee have been working on these price mechanisms and also on the statistical and planning control effort so as to promote these production programs.

During the gatherings held in the various factories, workshops, and organizations, in the provinces and labor unions, the guiding idea was that, if we have adequate materials, which cost much less than the spare parts that are purchased, then we could replace large volumes of imported spare parts.

Special attention will have to be devoted to the development of the production of those means so as to reduce the country's dependence in this respect and also to contribute to a considerable saving in time and foreign exchange. It suffices to point out that prices on the capital market for both the tools and the abrasives tripled and even quadrupled.

Another problem that to a certain extent obstructed the production of spare parts is the lack of specific documentation which affects the qualifications and training personnel and limits the knowledge of new technologies, means, and equipment items that could stimulate the initiatives and creative capacities of our workers and technicians.

The need for getting up-to-date scientific-technical information was mentioned during the assemblies and during the forum itself; that information comes from the capitalist countries; it was also stated that more support must be given to the translation and publication of technical literature and documentation. It was furthermore suggested that exchange and cooperation with the socialist countries be stepped up.

A general problem in all workshops and factories, which significantly influences the production of spare parts, has to do with the measurement instruments and equipment and the insufficiency of hand tools.

This affects quality control and causes too many defective products, inadequate use of materials, and, in the most critical cases, excessive fund expenditures.

There are many things that can influence, strengthen, or weaken these production efforts. A factor of singular significance is the capital repair of machine tools.

The average age of 40 percent of the national pool is more than 20 years; this even further accentuates the need for general repairs. This task calls for the participation of highly skilled personnel with much experience. The solution of these capital repair problems is to step up the use of available capacities and to improve the planning and organization of this activity. In particular, we must increase the number of skilled workers and strengthen their training and background in this specialty. On the other hand and parallel to this, we have to increase the number of factories that handle general repairs of their machinery.

One activity which is rather little developed and which is of the utmost importance has to do with design. In spite of the effort made in recent years, specialized organization in the design of spare parts is still poor and technical personnel as well as the development and execution of technical documentation required by the production shops are insufficient.

The increase in newly developed spare parts to replace imports requires us to boost the design bureaus and to step up design activities in general.

The central organizations must also provide more information to the factories relating to design standards to be used in specialized technical documentation.

Another one of the problems that affects us is this: The development of our forge industry is rather poor and the high-grade cast iron level is insufficient.

In the case of cast iron, we can also detect our poor development in the production of spare parts. According to international experience, the volume of

cast iron spare parts must be between seven and ten times greater than that of steel. In Cuba, the ratio is 3:1, approximately. The main problem influencing this inferior result when compared to the international average is the poor quality of some products due to technological problems in the installations since it is necessary to keep increasing electric arc and induction casting [as published] whose quality is very much superior to that of the cupola furnaces. In addition to the above, the shortage of highly skilled personnel in this speciality and organizational problems also influence the situation.

Parallel to this, we must speed up the start and maximum exploitation of new capacities, such as those at the 26 July Agricultural Tool Factory in Holguin and the grey-cast and malleable iron factories in Guantanamo.

Finally, it is necessary to point out that little attention and organization are being devoted to the recovery of spare parts.

Right now, spare parts recovery is not being planned and is not being controlled statistically. Generally, there is no technical-economic evaluation of this activity and we are not promoting an adequate system of incentives and prices. Besides, we do not have an organized system for the collection of parts that must be recovered technically, except in a few installations.

We can say that the cost of recovered spare parts, in most cases, is many times less than that of a new imported spare part or a part manufactured in the country; this stresses its economic value and the importance of saving material and human resources. But that is not all; with the available financial resources for imports, purchasing often becomes impossible and restoration is the only feasible way to keep the equipment running.

Parts recovery is an economic item of considerable significance. This is so important that the developed, socialist and capitalist states have institutes and enterprises devoted to this specialty. In the USSR and in the other socialist countries there are centralized research institutes and recovery workshops.

In this connection, the national meeting on parts recovery, which was held with very good results in Havana, in the middle of last year, recommended that the following aspects be taken into account in the policy to be pursued.

Stimulate the existence of recovery centers and see to it that they are specialized;

Organize and support the solution of supply problems, which must be subjected to differentiated analysis;

Prepare training and retraining courses for workers and technicians;

Facilitate the supply of foreign technical documentation and literature relating to this activity;

Make a more intensive and effective information effort.

IV.

The problems which still exist show that we have a long way to go and that many production achievements remain yet to be recorded. We must continue to achieve constant advances, day after day, month after month, year after year, until we attain our basic objectives.

On 2 December 1979, on the 23rd anniversary of the landing of the "Granma," Comrade Fidel said the following in opening the Santa Clara Textile Combine: "We must reduce the number of imported spare parts to a minimum and we must seek coordination between the various machine-building industries." And he added: "I recall only too well during the first few years of the revolution, how our workers struggled to keep the textile industry going in spite of the blockade and that most of the machinery came from the United States and we were unable to get spare parts from that country. Very often they made those parts in small shops."⁶

The imperialists will never know how much they contributed, through their haughty and criminal policy, to the development of a mass movement, from San Antonio to Maisi, to prevent the paralysis of production and, spurred on by necessity, to the development of an aggressive and rigorous fighting spirit which guarantees the functioning of equipment and factories above and beyond difficulties.

Today we must prepare ourselves to face bigger tasks. For this we can rely not only on the heroic spirit developed during all those hard years by our working class but also on the flow of experience accumulated and the assimilation of the extremely difficult and complex requirements of modern science and technology which will enable us to attain the goal of producing 100 percent of the necessary spare parts so as to create the technical-material base for socialism and to continue the irreversible march of the revolution.

FOOTNOTES

1. "In the most diverse economic types of society, we find not only simple reproduction but also, although in a different proportion, reproduction on an expanded scale." K. Marx, "Das Kapital," Social Sciences Publishing House, Havana City, 1980, Vol I, p 543.
2. "Simple reproduction on the same scale constitutes an abstraction since, on the one hand, the absence of any accumulation or reproduction on an expanded scale is, on a capitalist base, an absurd assumption and since, on the other hand, the conditions under which production is accomplished do not remain absolutely equal (as is assumed here) during different years." K. Marx, op. cit., Vol II, p 374.
3. V. I. Lenin, "On the So-Called Problem of Markets," "Obras completas," Editora Politica, Havana, 1963, Vol I, pp 99, 100-101.
4. We are using fragments of the central report to the forum and the closing address by Comrade Pedro Miret Prieto, member, Political Bureau and secretariat, Central Committee, Communist Party of Cuba.

5. "Lineamientos economicos y sociales para el quinquenio 1981-1985" [Economic and Social Guidelines for the Five-Year Term of 1981-1985], Editora Politica, Havana, 1981, p 94.
6. F. Castro, speech delivered during the opening of the Santa Clara Textile Combine of 2 December 1979, "Ediciones OR," Editora Politica, October-November-December 1979 quarter, Havana, 1979, p 39.

5058

CSO: 3248/21

VIOLENT CLASHES ARISING FROM CHIAPAS MUNICIPAL CAMPAIGN

Mexico City EXCELSIOR in Spanish 12 Sep 82 pp 1-A, 21-A, 26-A

[Article by Porfirio P. Diaz]

[Text] Tuxtla Gutierrez, 11 Sep--While one person was shot to death and five others were wounded in the municipality of La Concordia in renewed confrontations for control of the municipal presidency among two PRI groups, there continues to be disagreement in 12 town governments of the entity on the selection of candidates for the mayoralties.

German Nuriulu Penagos was assassinated by supporters of Alberto Orantes Balbuena, candidate for municipal president of La Concordia.

The events occurred outside the Church of Mercy, where a woman and four peasants who support Armando Guillen Garcia were also wounded. Garcia sought the mayoralty, but PRI authorities chose Orantes Balbuena.

Nuriula Penagos is the second victim of the confrontations by PRI groups seeking control of the municipal presidency. Thursday night Candelario Coutino, PRI representative, was shot to death.

Participating in the violent events of early this morning were professional agitators Guillermo Ruiz Grajales and Roberto Bazquez, who in the last hours have intimidated the inhabitants with frequent machinegun volleys.

Supporters of Orantes Balbuena continue to block the access roads to the municipality of La Concordia with trucks.

The selection of PRI candidates for the municipal presidencies has also brought violence to the municipal governments of Copainala, Chicoasen, Estacion de Juarez, Alcala, Escuintla, Acacoyahua, Tzimol, Las Margaritas, San Fernando, Chiapa de Corzo and Villa Comaltitlan.

Meanwhile, about 2 pm yesterday a group of supporters of Pedro Salazar Suarez, PRI candidate for the mayoralty of Aquila, Veracruz, 35 km from Orizaba, used sticks and stones and shots in the air in an attack on a group of PST [Workers Socialist Party] supporters, whose candidate is Fernando Hernandez Salazar.

Paulino Lopez Anzures, district PST leader, indicated to our correspondent Leopoldo Lara that five members of that party were injured in the dispute. He explained that the aggression occurred without cause as they campaigned on behalf of their candidate.

He indicated that they threatened to kill them if they continued their campaign, and therefore sometime today they will present a formal complaint to the judicial and governmental authorities to ask for security during the course of their campaign.

To be sure, our correspondent reported that as he was getting into his car, license plates YCZ-764, to cover the incident, the squad of patrol car 121 from the Orizaba Traffic Department impounded his car, simply because one of the lights was not working. He said that arbitrarily and without adequate explanation his automobile was taken to the Orizaba Traffic yard.

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CSO: 3010/2330

INTERCOMMUNAL VIOLENCE FLARES IN CHIAPAS TOWNS

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 20 Aug 82 p 4

[Text] Ocosingo, Chiapas--Approximately 120 peasants from the village Velasco Suarez invaded and burned more than 70 houses of peasant families in the communities of Nuevo Progreso and Flor de Cacao in this same municipality.

Although it has not been determined, there is reason to suppose that these acts of vandalism were brought about by land disputes between members of ejidos in both communities.

According to the accusations received by judicial authorities, it is clear that the invasion was very violent, because women and children were attacked and even stripped of their clothing.

They also destroyed everything in their path and killed domesticated animals, and as if that were not enough, they carried off a large group of peasants from these villages as criminals.

Our informants noted that they have already presented their complaint to the state attorney general's office, but this office was apathetic about solving the problem, and therefore they fear that the inhabitants of Velasco Suarez will commit more outrages against them. They then added that at least 100 families are helpless, with neither houses nor food, since these were destroyed by the members of the group already indicated.

In addition, the inhabitants of the village Escobal claimed that the same inhabitants of the colony Velasco Suarez burned about 40 of their houses 1 day before attacking the peasants in Flor de Cacao and Nuevo Progreso.

The foregoing was reported by Antonio Perez Gomez, president of the Private Agricultural Committee of the affected community, who as head of a commission of peasants traveled to the state capital to ask the help of the League of Agricultural Communities.

He said that as a result of the invasion and unlawful acts committed by the inhabitants of Velasco Suarez, the local authorities arrested 12 aggressors, who are in the public jail of this place and against whom it is asked that the full force of the law be applied.

This act of vandalism by that group of agitators represents a danger, and therefore they ask that top state authorities intervene.

BRIEFS

ENGINEER FORESEES WORSE UNEMPLOYMENT--Guadalajara, 11 Sep--Eduardo Padilla Quiroz, engineer and president of the Chamber for the Construction Industry, indicated that despite the fact that almost 11,000 construction enterprises employing 11 percent of the country's labor force have been affected, the unemployment that will be generated by the suspension of public and private projects is still not being fully felt. He said that unemployment may reach alarming levels at the end of the current agricultural cycle, because almost from the beginning of the rainy season the unemployed people in this branch are returning to the rural areas; others travel to the United States, attracted by the dollar's high value relative to the Mexican peso. He noted that public projects have not been reactivated and this will generate high levels of unemployment, and he calculated that more than 100,000 workers are employed in this industry. He indicated that there have been several studies on a national scale seeking to reactivate public projects, because there is an order by the Secretariat of Programming and Budget in which all builders are advised not to construct 1 centavo beyond what is authorized. [Text] [Mexico City EXCELSIOR in Spanish 12 Sep 82 p 9-A] 9747

PRESIDENT'S FUNDS USE QUESTIONED--Yesterday Carlos Sanchez Cardenas, PSUM representative before the Permanent Commission of the Union Congress, demanded that President Lopez Portillo explain to the Mexican people why billions of pesos are being used in the construction of homes for him and his family, "using federal government resources." Second speaker during the penultimate session of this organization, the PSUM delegate said that "in Cuajimalpa, the place where the homes are being built, an electrical substation was installed that could well light a medium-sized town," and he repeated that "that work, which requires large expenditures, has been done on the federal government's account." Previously, Sanchez Cardenas also said that city manager Carlos Hank Gonzalez has invested millions of dollars in the state of Connecticut in the United States for the purchase of a "zone surrounded by forests, which includes a large mansion on 3 hectares, with 20 rooms and 9 marble chimneys," and he pointed out that "the wall alone, 1,500 feet long, was valued at \$400,000." And he indicated that "all I ask is that Hank explain those acquisitions and that the executive branch respect the constitution." [Excerpt] [Mexico City UNOMASUNO in Spanish 27 Aug 82 p 5] 9746

APPEAL FOR SOLIDARITY, AUSTERITY--Yesterday, at the beginning of prayer week in the archdiocese of Mexico, Cardinal Ernesto Corripio Ahumada demanded solidarity, austerity and work to overcome the crisis. The aid of the deity will be asked to solve the problems of the current situation. Monsignor Corripio reiterated the concepts of his pastoral instruction "In the Current Crisis," a pamphlet distributed among those attending the churches of the archdiocese and setting forth faith in God while calling for "everyone to work for the common good." In the ordinary supplications the priests included the enlightenment of the gospel for those who in one form or other bear responsibility in finding a solution to the problems afflicting the population, and prayed that they soon be solved. Monsignor Corripio insisted that all Catholics abandon their selfish positions and act in solidarity, which, he said, also requires a different mentality to begin and to begin with ourselves. He repeated the need for austerity in the crisis which, he indicated, has been reflected in inflation and the devaluation, problems that can be combatted with unity and with the option in favor of the poor and justice for workers. "This is our great responsibility," he concluded. [Text] [Mexico City EXCELSIOR in Spanish 13 Sep 82 p 9-A] 9746

CSO: 3010/2330

PLI SECRETARY GENERAL ON PARTY'S POLICIES

Managua LA PRENSA in Spanish 31 Aug 82 p 12

[Text] The Independent Liberal Party [PLI] will take part in the 1985 elections, since this is a commitment of the Sandinist Front that does not allow any Argument, said PLI Secretary General Guillermo Selva Arguello.

Arguello was approached by LA PRENSA reporters during the inauguration of the international seminar "liberalism and social changes in Latin America," which was held at the Hotel Camino Real from 26 to 29 August.

"In the Nicaraguan political framework the PLI wants to show at this seminar that in Nicaragua there is political pluralism. This convention would have been unthinkable during the Somoza period; not even the delegates would have been permitted to attend, because for Somoza that which was not Somozism was an enemy," said Arguello.

Internationally, the PLI wants to exchange viewpoints with the other parties of the region. Many people do not know that there is a Liberal Party in Argentina.

Arguello added that independent liberalism in Nicaragua stresses liberal unification with those sectors that never compromised with Somozism and that have an opportunity within the party for political participation in the national reality.

As a liberal, Arguello was opposed to the Nationalist Liberal Party's reinstatement in Nicaragua, because he believed that this was a disastrous organization at the service of one family. Arguello added that the Nationalist Liberal Party [PLN] nationally and internationally disgraced the liberal ideal.

Arguello continued to say that more than 40 years ago, the PLI fortunately understood the need to fight to eliminate the PLN and that it was eliminated in 1979 despite the fact that Somoza swore to eliminate the PLI.

Arguello pointed out the PLI as one of the few parties that have national representation. He also said that the PLI has just been admitted to the Liberal International; previously the PLI was an observer at the Liberal

International [IL], and after the triumph of the revolution, it took steps to become a member. This coming September a PLI delegation will attend a congress to be held at The Hague, Holland.

About the elections announced by the Nicaraguan Government for 1985, Arguello said that for 40 years there have not been free elections and this government has committed itself to offer free elections in which those who govern will be elected by those who are governed.

He added that the PLI has been stressing the law of political parties, the law of foreign investments, the reconciliation of the church, private enterprise and other political trends.

The PLI was founded in 1944, and four founding members are still living: Dr Plutarco Anduray, the present vice president of the Council of State; Dr Macario Estrada; Dr Enrique Espinosa Sotomayor and Dr Juan Manuel Gutierrez.

Arguello pointed out individuals who were members of the PLI, among them Rigoberto Lopez Perez, Manuel Diaz y Sotelo, Dr Carlos Arroyo Buitrago, Dr Juan Agustin Gonzalez, Cornelio Silva and others.

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END