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5 June 1985

LATIN AMERICA REPORT

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INTER-AMERICAN AFFAIRS

BRIEFS

CUBA IMPRESSES ECUADOR--Ecuadoran President Leon Febres Cordero has said that during his recent visit to Cuba he was very much impressed with Cuban achievements in the fields of education, health and agriculture. Concerning bilateral relations, Febres Cordero said he was optimistic and that there are great possibilities for beginning trade exchange. The Ecuadoran president said his visit to Cuba was very positive because of the frank dialogue and the variety of topics discussed with Cuban top leader Fidel Castro. The presidents mainly discussed issues concerning the Latin American foreign debt and other matters of regional interest. Febres Cordero's visit to Cuba and his meeting with Fidel Castro have been given broad coverage in major publications throughout the world. Romanian radio today summarized the Cuban and Ecuadoran presidents' discussion of the negative effects of the Latin American debt on the regional economic development, as well as their support to the Contadora Group's peace efforts in Central America. GDR media also emphasized the proposals made by Fidel Castro and Febres Cordero on the need for a dialogue to find political solutions to Central American problems. [Text] [Havana International Service in Spanish 1800 GMT 18 Apr 85]

ECUADORAN-PERUVIAN TRADE AGREEMENT--Ecuadoran Industry, Commerce, and Integration Minister Xavier Neira and Peruvian Industry, Tourism, and Integration Minister Alvaro Becerra have signed in Guayaquil an agreement to increase bilateral trade. Peru will be selling chemical and metal products while Ecuador will sell sewing machines and electrical appliances. The trade agreement was complemented by a cooperation agreement signed by the Peruvian-Ecuadoran Chambers of Commerce to promote bilateral trade. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 29 Apr 85 PA]

CSO: 3348/670

BAHAMAS

MONCUR, OTHERS FROM WORKERS PARTY WIN IN SEDITION TRIAL

Nassau THE TRIBUNE in English 15-17 Apr 85

[Article by Natasha Chea]

[15 Apr 85 p 4]

[Text] Trial Details

WORKERS Party leader Philip Miller told a rally at Black Village that they should give Prime Minister Lynden Pindling the ultimatum that if he has not resigned by March 13, 1984, there would be a "revolution," a Security Intelligence Branch officer testified at the sedition trial of Miller and party chairman Rodney Moncur.

The first witness to be called this morning as the trial opened before Supreme Court Justice Mr Bertrand Adams and a jury of 10 men and two women, DC 1276 Leslie Maycock also told the court that when Moncur spoke he said that it was time to resort to violence and to take over the radio station.

"We have to take them over because the people that are in charge are corrupt. We have to destroy public property, dig up the roads, break out the street lights, throw garbage in the streets. Seize the police stations. Have contempt for all the police, customs, Immigration and Pindling.

"The courts have become a whore house for political prostitution. If Pindling's dope addict son, could be set free, I do not see why my friends cannot be set free. It is because of magistrates like Sylvia Bonaby that the Red Brigade

shot magistrates in their knees. That is all I recall," testified the officer.

Miller represented by lawyer Jeanne Thompson is charged with two counts of sedition. It is alleged that on January 6, 1984 he uttered seditious words the purport of which was that there should be a bloodless coup, that if Pindling would not go he should be removed and that there must be a revolution, having an intention to excite disaffection against the Government of the Bahamas.

He was further charged with uttering the same words having an intention to raise disaffection amongst her Majesty's subjects.

Moncur, represented by lawyer Kendal Isaacs, QC, is charged with three counts. It is alleged that on the same day, he uttered seditious words, the purport of which was that it was time to resort to violence, to seize the police stations and radio station, to destroy public property and to start civil unrest, having an intention to excite disaffection against the Government of the Bahamas.

He was also charged with using the same words having an intention to raise disaffection amongst Her Majesty's subjects.

And he was further charged with uttering seditious words on the same date, the purport of which was that the court had become a whore house for political prostitution, having an intention to bring into hatred or contempt or to excite disaffection against the administration of justice in the Bahamas.

The trial got underway this morning after the particulars of the charge were amended to read, "the purport of which was," on an application by the Queen's Counsel.

Solicitor General Mr Burton Hall and Crown Counsel Jon Isaacs appear for the Crown.

According to D C Maycock, he was at a political meeting in Black Village between 8 and 10 pm January 6, 1984 to assist in the maintenance of law and order along with other officers. There were three speakers - two were the defendants Miller and Moncur. There were 20 persons in the audience. Miller spoke first.

"I attended school in Trinidad which is neighbouring to Grenada. I was there during the time that Maurice Bishop (the late Prime Minister) held a coup. I came to admire Mr Bishop.

"Let us pull a coup. I know the remarks are seditious but let us pull a bloodless coup. Pindling is the corruptest prime minister I know. He will not go so we would have to press him to go.

"Let us give him an ultimatum that by March 13, 1984 if he has not resigned, there will be a revolution. We will march to the radio station, to his office and to Fox Hill. There will be a revolution in Fox Hill on March 13, 1984." Maycock testified Miller told the audience.

The people, he said, reacted to this by cheering, chanting and nodding.

Asked what he understood "coup" to mean, the constable said, "organise, overthrow by violence a democratically elected government of the day."

Continuing, the officer said when Moncur spoke next, he said it was time to resort to violence and that they have to take over the radio station.

"We have to take them over because the people that are in charge are corrupt. We have to destroy public property, dig up the roads, break out the lights, throw garbage in the streets. Seize the police stations. Have contempt for all the police, Customs and Immigration and Pindling.

"The courts have become a whore house for political prostitution. If Pindling dope addict son can be set free, I do not see why my friends cannot be set free. It is because of magistrates like Sylvia Bonaby that the Red Brigade shot magistrates in their knees. That is all I recall," testified Maycock.

Explaining the reference to Pindling's son, the officer said that some time ago, the Prime Minister's son, Leslie, was charged with possessing a small quantity of marijuana and was unconditionally discharged "because of certain reasons."

"I take it he was referring to the decision of the court but I do not recall which magistrates court it was. The decision was to unconditionally discharge him because of certain reasons."

Under cross-examination by Queen's Counsel Mr Isaacs, the officer said when he arrived at the meeting, it was already in progress. Of the two defendants, Miller spoke first. Moncur was chairing the meeting.

Asked if his main function at the meeting was to find out what was being said by people opposed to government and to make notes of speeches critical to government, he said no.

According to the constable, he made notes on "pieces of paper" which he later destroyed after transferring the notes on "better paper for better presentation." He also said he did not make notes of everything that was said at the meeting.

He did not have a tape recorder and he did not know if his superior at the meeting, Sgt McCoy, had one or made notes.

Asked if there was a disturbance on March 13, 1984, the officer said no. He also admitted that he did not know that the two were arrested at 2

am on June 29.

Agreeing with the suggestion that the magistrate in making that decision "caused an amount of strong feeling in the community," the constable said at the meeting, Leslie Pindling's drug charge and subsequent absolute discharge were discussed.

In answer to the suggestion that the speeches at the meeting were not taken seriously by him or his superiors because Miller and Moncur were not arrested until June, the constable said he could not speak for his superiors, but he took the speeches seriously.

Under cross-examination by lawyer Thompson, the constable said he did not know that Miller had left school in Trinidad in 1973 - six years before the late Prime Minister of Grenada, Maurice Bishop, held his coup. He also said that he did not remember Miller calling the names of other Caribbean leaders, such as

Duvalier, Gairy and Burnham, or saying that certain Caribbean leaders created strife in their countries.

Asked what prompted him to record certain portions of the speech and not others, the officer said the speaker was talking so quickly that he was unable to write down all that was said.

He denied the suggestion that his notes of what was said, were out of context. He noted remarks of "security interest," he said. Asked what made him note that Miller said he admired Bishop, the officer said he did not recall now what made him note it that night. Asked what the word, "sedition" meant to him the night of the meeting, the officer said he was not aware of the meaning.

"Even though you are a member of the Security Intelligence Branch?" queried the judge.

"Yes, my lord," replied the witness.

The trial continues.

[16 Apr 85 pp 1, 4]

[Article by Natasha Chea]

[Text] WORKERS Party leader Philip Miller said under oath today that when he spoke at his party's rally in Black Village January 6 last year, he did not threaten to take over the government by violence or force, nor did he encourage anyone to do so.

According to Miller--who with party chairman Rodney Moncur, is charged with sedition--he had told the 40-50 persons gathered at the rally that Prime Minister Sir Lynden Pindling had taught them in 1967 "how to remove undesirable governments."

"I said that Pindling and the PLP had had their Quiet Revolution in '67 and that we would have our Quiet Revolution part 2 in '84. I said this was not a serious thing for us to attempt to have a Quiet Revolution part 2 because all it meant was that we had to march.

"I said we needed to march to the Prime Minister's office to demand his resignation. I said that we needed to march to the other ministries and demand the resignation of the other ministers. I said that we needed to march to ZNS, the airport and Fox Hill...

"The Quiet Revolution I spoke about was the name the PLP gave to their struggle from 1956-67 when the PLP was voted into power. By Quiet Revolution part 2, I meant that we would copy all the things that Pindling did from '56-'67. That

we would march and demonstrate. By the expression "bloodless coup," I meant lawful, non-violent. I decided that rather than us calling it a revolution like Pindling, I would use a different word, coup," testified Miller.

Asked how the audience reacted to his speech, Miller replied, "I was very embarrassed because nobody hardly paid me any attention. It was the worst speech I had made in my whole life, if you ask me."

The two top officers of the Wo-kers Party went on trial yesterday before Supreme Court Justice Mr Bertrand Adams and a jury of 10 men and two women accused of sedition. It is alleged that they both said seditious words on the night of January 6, 1984 at one of their political meetings.

Solicitor General Mr Burton Hall is prosecuting, Moncur is represented by Mr Kendal Isaacs, QC, and Miller is represented by lawyer Jeanne Thompson.

According to Moncur in a lengthy unsworn statement from the dock after the prosecution had closed its case, their party had held a rally to discuss the absolute discharge given the Prime Minister's son Leslie by magistrate Sylvia Bonaby. He chaired the rally and was the first speaker.

One of the first things he did was to deny an allegation, which had come out of the hearings of the Commission of Inquiry. The allegation involved himself, Mr William Curtis, Daddy O Miller and top government officials in an alleged extortion at the Nassau Beach Hotel. Then he went on to discuss the absolute discharge given Leslie Pindling.

"I told the rally, which comprised 15-20 persons, that I was concerned about the drug problem in this country and particularly as it affected my community of Black Village.

"I felt that magistrate Bonaby should not have given Leslie Pindling an absolute discharge because there were hundreds of people I know whose family did not have the same political connection and whose only crime on this earth was that they were found in possession of small quantity of marijuana and that I felt that there ought not to be any special privileges given Leslie Pindling because he is the Prime Minister's son.

"And that at least, magistrate Bonaby could have scolded him. At least a tongue lashing. At least she should have said, Leslie you know that you should set an example for other young people in the society. But this was not done.

"And that I believe that magistrate Sylvia Bonaby's court is a political whorehouse and that it is an institution for political prostitution.

"When the members of the Security Intelligence Branch, arrived at the rally, it was just before I had called the fifth speaker, Mr St Paul Gibson. I announced their arrival at the rally as this is the custom of the party to do so at each rally. That is my evidence," said Moncur.

Earlier in his statement, Moncur said that the party had held talks with the "leadership of the Bahamas government" asking for a more liberal law dealing with young persons who were found in possession of small quantities of marijuana. The legislation, he said would have been one where it would not be a criminal offence for a first offender to have been in possession of a small quantity of marijuana.

The government liked the idea, said Moncur, but told them that they must join them first. "We said that we would be prepared to do that provided we get the legislation first. But eventually talks broke down."

Giving his defence from the witness box, Miller told the court that the January 6, 1984 meeting was primarily called to discuss the "cleaning of records that young people might have for the first offence of possessing marijuana, and secondly, to deal specifically with the absolute discharge given the prime minister's son."

"We found it strange that after several meetings with the Prime Minister before that, in 1982, where the Workers Party discussed cleaning of records for first offenders, that this had happened. We found it frustrating."

Saying he was the third speaker that night, Miller said he began by saying that there were many corrupt leaders in the Caribbean and that he had come to know what some of these leaders were doing because he had gone to school in Trinidad.

"I named Forbes Burnham of Guyana, Eric Gairy of Grenada, Duvalier of Haiti and our Prime Minister. I named them as being corrupt leaders who created problems in their communities.

"I referred to Burnham of Guyana who I claimed as responsible for the death of a

young man who was opposed to him and I also mentioned the oppressive tactics used by Gairy in Grenada and the Duvaliers in Haiti. I did not say why Prime Minister Pindling was corrupt because the Commission of Inquiry said that people must not talk about it.

"But I mentioned the decision of the court. I said that it was a corrupt decision because the reasons for the absolute discharge were not reasons arising out of the charge.

"I also said that the Prime Minister of the Bahamas had taught us in 1967 how to remove undesirable governments. I said that Pindling and the PLP had had their Quiet Revolution in 1967 and that we would have our Quiet Revolution part 2 in 1984.

"I said this was not a serious thing for us to attempt to have a Quiet Revolution part 2 because all it meant was that we had to march. I said we needed to march to the Prime Minister's office to demand his resignation. I said that we needed to march to the other ministries and demand the resignation of the other ministers. I said that we needed to march to ZNS, the airport and Fox Hill.

"I mentioned the name Maurice Bishop that night. I said that he had tried to deal with Eric Gairy through an armed coup but that it was not necessary. We would have a bloodless one here.

"I went on to say that in honour of Maurice Bishop who had carried out his actions on March 13, we would choose March 13 as well. I said that the message should be taken to Pindling that March 13 would be 'He Day.'

"I was saying that we had to march. We were not going to get violent or anything," he testified.

[17 April 85 pp 1, 4]

[Article by Natasha Chea]

[Text]

OVERJOYED supporters hoisted Workers Party leader Philip Miller and chairman Rodney Moncur onto their shoulders and chanted "We shall overcome," minutes after a Supreme Court jury unanimously acquitted both political activists of sedition this afternoon.

As the foreman of the jury made up of 10 men and two women, read out its last "not guilty" verdict, spectators in the gallery applauded and shouted a resounding "yeah," but were told by presiding judge Mr Bertrand Adams that there was to be no cheering in the court.

The cheering stopped. Moments later when the judge told Miller and Moncur that they were free to go, the spectators broke into cheers again.

As Miller and Moncur were leaving the courtroom, a number of their supporters quickly followed. Hoisting the two on their shoulders, the supporters carried them outside where they sang "We shall overcome."

When the jurors, who had acquitted them filed out of court, Miller and Moncur shook their hands and thanked them.

Mr Miller, leader and Mr Moncur, chairman of the seven-year-old Workers Party, went on trial Monday charged with uttering seditious words at a rally in Black Village January 6, 1984.

Queen's Counsel Kendal Isaacs represented Moncur and his niece lawyer Jeanne Thompson represented Miller. Solicitor General Burton Hall prosecuted.

It was alleged that on January 6, 1984 Miller uttered seditious words, the purport of which was that there should be a bloodless coup, that if Pindling would not go, he should be removed and that there must be a revolution, having an intention to excite disaffection against the Government of the Bahamas.

It was further alleged that he

uttered the same words having an intention to raise disaffection amongst Her Majesty's subjects.

It is alleged that on the same day Moncur uttered seditious words, the purport of which was that it was time to resort to violence, to seize the police stations and radio station, to destroy public property and to start civil unrest, having an intention to excite disaffection against the Government of the Bahamas; uttering the words to raise disaffection amongst Her Majesty's subjects and uttering seditious words, the purport of which was that the court had become a whore house for political prostitution, having an intention to bring into hatred or contempt or to excite disaffection against the administration of justice in the Bahamas.

Under oath in his defence yesterday, Miller said that when he spoke at the rally that night, he did not threaten to take over the government by violence or force, nor did he encourage anyone to do so. According to Miller, he told his 40-50 member audience that Prime Minister Pindling had taught them in 1967 "how to remove undesirable governments."

"I said that Pindling and the PLP had had their Quiet Revolution in '67 and that we would have our Quiet Revolution part 2 in '84. I said this was not a serious thing for us to attempt to have a Quiet Revolution part 2 because all it meant was that we had to march.

"I said we needed to march to the Prime Minister's office to demand his resignation. I said that we needed to march to the other ministries and demand the resignation of the other minister. I said that we needed to march to ZNS, the airport and Fox Hill...

"The Quiet Revolution I spoke about was the name the PLP gave to their struggle from 1956-67 when the PLP was voted into power. By Quiet Revolution part 2, I meant that

we would copy all the things that Pindling did from '56-'67. That we would march and demonstrate. By the expression "bloodless coup," I meant lawful, non violent. I decided that rather than us calling it a revolution like Pindling, I would use a different word, coup," testified Miller.

According to Moncur in a 40-minute long unsworn statement from the dock, they held the rally to discuss the absolute discharge given the Prime Minister's son Leslie by magistrate Sylvia Bonaby. Leslie Pindling was charged with possessing a quantity of mari-

juana. "I felt that magistrate Bonaby should not have given Leslie Pindling an absolute discharge because there were hundreds of people I know whose family did not have the same political connection and whose only crime on this earth was that they were found in possession of a small quantity of marijuana. And that I felt that there ought not to be any special privileges given Leslie Pindling because he is the Prime Minister's son.

"And that at least, magistrate Bonaby could have scolded him. At least a tongue lashing. At least she should have said, Leslie you know that you should set an example for other young people in the society. But this was not done.

"And that I believe that magistrate Sylvia Bonaby's court is a political whorehouse and that it is an institution for political prostitution."

Their party, Moncur said, had previously held talks with the "leadership of the Bahamas Government" asking for a more liberal law dealing with young persons who were found in possession of a small quantity of marijuana. But, the talks broke down.

In his closing address to the jury yesterday the Solicitor General referred to the provision of the law which provides that in determining whether the intention with which the words were spoken was seditious, every person is deemed to intend the consequences which would naturally follow from his conduct at the time and under

the circumstances in which he spoke, even if the persons who were listening, had the good sense not to.

He also submitted that it is not at all necessary to the offence of uttering seditious words that an actual riot should follow or that there should be an actual disturbance.

"It is the uttering with intent that is the offence and not the consequences which follow and which have really nothing to do with the offence. A man cannot escape from the consequence of uttering words with intent to excite people to violence solely because the persons to whom they are addressed may be too wise or too temperate to be seduced into violence."

In a 1½ hour summing up to the jury, Mr Justice Adams said that the ordinary rules of the Crown having to prove its case beyond a reasonable doubt applied and that therefore, notwithstanding the proviso of the law, that the Crown has to prove that the intention of the accused was to encourage the violent overthrow of the government.

In relation to the courts, he said, it is permissible to criticise the court but one must "not impute corrupt motives" to what the court may do. The judge pointed out that the accused did not know what factors were taken into consideration in the case of Leslie Pindling and that the words used against a magistrate, who is a married woman, were more than abusive and may have formed the subject of some other action.

The question still remained, he said, of whether the words complained of in the charge, went further than all of that and were in fact seditious.

Retiring at 12.30 pm, the jury returned at 1.44 pm with its unanimous verdict of not guilty on all five counts.

The last seditious trial was held November 19-24, 1958 when Sir Randol Fawkes was acquitted. He too had been lifted shoulder high by supporters when the presiding judge (Chief Justice Sir Guy McL Henderson) directed the jury to return a formal not guilty verdict against Sir Randol.

Post-Trial Rally

Nassau THE TRIBUNE in English 17 Apr 85 p 4

[Article by Colin Higgins]

[Text]

WORKERS' Party Chairman Rodney Moncur told a Free National Movement rally last night - just hours before a jury found him not guilty of three counts of sedition - that he was wondering through the jungle and crossing quicksand.

In the distance, he said, he could see Opposition Free National Movement Leader Kendal G L Isaacs, QC with a torch "and it seems to me as if he's preparing the path and I might make it to the march!"

Mr Moncur was represented during his trial by Mr Isaacs.

"I might make it 'cause on the horizon I can see the torch!

"But if I do not make it, my brothers and sisters, my words to you is that you must continue to support a man like Mr Kendal G L Isaacs."

Cheers and applause went up from the 200 to 300 strong crowd and horns from the dozens of vehicles parked on the R M Bailey playing field rang through the damp night air.

Throughout the FNM "Rescue the Nation" rally, speakers encouraged listeners to turn out on Bay Street May 1 for the Opposition party's tabling of two condemnatory motions - one against Prime Minister Sir Lynden Pindling and the other against persons adversely af-

ected by the drug trafficking and corruption Commission of Inquiry report.

"Now I'm wearing some new marching shoes and I can see the torch in the distance!" shouted Moncur. He earlier told his audience he bought them Saturday and they were good for walking on solid rocks.

"But you who have already passed that jungle, you have a duty to march!

"For jobs!

"You have a duty to march against corrupt Government!

"You have a responsibility to make certain that by now and the time that the Queen comes to this country, she meets a decent Government. That is your responsibility," Moncur said as he was cheered and applauded.

"You gat to march!

"And I understand that on May the first, that there will be a vote of no confidence in the Government! We all have the responsibility to be outside Parliament while the 11 FNMs deal with that vote of no confidence, we have that responsibility to hold the fort," the young political activist said.

"To be outside and to march and to show our support!" he continued.

"I may not be there, but for heaven's sake keep on marching, thank you!"

To the applause of the crowd, Moncur left the stage to the gospel tune: "I'm coming up the rough side of the Mountain."

Opposition Senate Leader Henry Bostwick said he hadn't thought of Moncur's trial and his "situation" until hearing him that night.

He said he would not comment on the case as it would be "improper" for him to do so.

"But I would like to bring to your attention for your consideration, the sheer guts, courage and determination which he displayed here tonight."

Applause and the toots of motor vehicle horns greeted his words.

He said he and Moncur have had and still have their differences "but there is a lesson for all of us in what he demonstrated here tonight.

"There is a man who is in immediate peril of losing his freedom. I want you to understand that.

"You see, there is the possibility that at sundown tomorrow he may be in Fox Hill and he knows that.

"And that has not deterred him from coming here still dedicated and unmoved."

Said Senator Bostwick: "It moved me to the point where I feel I got to do it for Rodney if I don't do it for nobody else."

CSO: 3298/651

BAHAMAS

ISAACS CALLS MONCUR VERDICT 'A MESSAGE TO PINDLING'

Nassau THE TRIBUNE in English 29 Apr 85 p 9

[Article by Anthony Forbes]

[Text]

A SUPREME Court jury acquittal two weeks ago of Workers Party leader Philip Miller and chairman Rodney Moncur was a "message" telling the Prime Minister to "clean up" his own act rather than prosecuting young men who care about their country, Official Opposition Leader Kendal Isaacs declared Thursday.

The Delaporte MP and former Attorney General told the "Rescue the Nation" rally at Yellow Elder Park that a Free National Movement Government would expunge from the records of Bahamians when they reach the age of majority, those convictions for minor offences committed while they were young.

Referring to the high court sedition trial of the Workers Party officials, Mr Isaacs, who defended Mr Moncur, told his audience that the Attorney General said they were guilty of sedition because, for one thing, they were causing disaffection amongst the citizens of the Bahamas.

"Well, the jury found a verdict of not guilty on five counts on which they were charged, as one person put it, it was 60 to one," he said.

"And you know what they also said, and I think there is a lot of truth to it, that that verdict was a message to Pindling to tell him that you had better clean up your house rather than prosecuting young

men who care about their country and may use strong language because they feel that the circumstances in which we find ourselves today call for strong language," Mr Isaacs said.

Mr Isaacs said that he is reminded of at least three occasions when the Prime Minister and his Minister of Transport, Philip Bethel have been guilty of sedition if Messrs Moncur and Miller were guilty.

"Remembering one of the definitions of sedition is causing disaffection among the citizens of the Bahamas, I wonder how many of you remember the day after the 1982 re-election when Pindling went on the radio to say he was going to smash or destroy the Free National Movement and that he was going to deal with the people of Freeport and senior civil servants?" he asked.

"Now I ask you, if that is not causing disaffection amongst the citizens of the Bahamas especially when the opposition is provided for in our Constitution, the Constitution of the Bahamas provides for an Opposition and a Leader of the Opposition," he said.

"And here is Pindling saying he is going to smash the Opposition," Mr Isaacs said. "That to me is as much sedition as anything Rodney Moncur or Philip Miller had to say."

He noted that Transport Minister Bethel said that this land belongs to the PLP.

"The majority of the people in the Bahamas today supports the FNM and not the PLP and what Philip Bethel is saying is that this land belongs to the minority citizens of this country and if he is going to deprive the majority of their rights, then he must be guilty of sedition. Maybe he should be before the Supreme Court," Mr Isaacs said.

Mr Isaacs also referred to a previous convention of the PLP just before the completion of the Cable Beach Hotel, when the Prime Minister declared that he was going to keep a register of PLPs and they were going to see to it that only PLPs work in that hotel.

"Now I ask you: is that not causing disaffection amongst the citizens of the Bahamas? Again you have the minority of the people of this country represented by the Prime Minister being given this great privilege of being employed at the Government's hotel when the majority of citizens, FNMs, must scrape a living here and there and must really suffer from abject discrimination by the Prime Minister and his gang of you know what," the Opposition Leader declared.

Mr Isaacs said he believes that the Prime Minister and his Government have demonstrated over the years that they have all been as guilty of sedition as Rodney Moncur or Philip Miller or anybody else of this country.

"And as I said earlier, that jury of 12 good men and women, found just that, they sent a message to Pindling and his Government: you clean up your act, you have lost the moral authority to govern and don't go picking on these young men who love their country, who are willing, I believe, to die for their country," Mr Isaacs said.

The Opposition Leader said he had earlier spoken to some young men who were wondering where the FNM stood on the

question of young people who get into trouble, more often than not foolishly, have paid their debt to society, but years later after they become adults, they found that this conviction was haunting them as far as getting jobs and travelling to the United States is concerned.

"And they wondered whether, after a certain period of time, and especially in regard to foolish minor offences, whether it was not possible to expunge from that person's record, police record, that conviction or those convictions, so that young man or woman could take his and her place in society without the stigma of something that they did, more often than not very foolishly, as young people," he said.

Mr Isaacs then referred to the FNM Declaration of Commitment, noting that the framers of the document in their wisdom took that very same circumstance into consideration and advocated a change.

"The FNM also believes that any crimes committed by young people should be removed from their records after they have achieved the age of majority and after a period of good behaviour.

"We believe it is wrong to brand them for the rest of their lives as criminals. Society should give these young people a clean slate and an opportunity to start afresh after they have become adults."

"This document, ladies and gentlemen, contains a lot of wisdom and I commend it to you. If you have not read it yet, try to get hold of a copy, and study it and you will find that in this document we have recommended the cure for almost all the ills that beset the Bahamas," he said.

"And we only ask the people of the Bahamas to give us the opportunity to turn this country around and to provide the kind of good, honest Government with integrity that I believe that my fellow Bahamians deserve."

BAHAMAS

PAPER CASTIGATES REAGAN, SHULTZ ON NICARAGUA POLICY

Freeport THE FREEPORT NEWS in English 18 Mar 85 p 2

[Editorial]

[Text]

George Shultz ought to be ashamed of himself.

He's the cool head in administration inner councils, the steady hand at the foreign policy wheel, the one who is supposed to see reality as it is — shades of gray rather than an ideological black vs. white.

So perhaps the most dismaying aspect of the escalating disinformation campaign on Nicaragua is the high-profile participation of the secretary of state.

That escalation got its biggest boost at President Reagan's Feb. 21 press conference. Pressed by several correspondents on his objective in Nicaragua, he acknowledged that it is the removal of those now in power there.

There was much subsequent comment that this was the first time he had not justified the pressure on the Sandinistas as being necessary to halt arms supplies to the Salvadoran rebels.

But why the fuss? It has long been perfectly clear that the Salvadoran connection is peripheral to Ronald Regan's beef with the Sandinistas. His problem has always been the Sandinistas themselves.

He was making this clear before he was elected. Even before he was nominated in 1980, he was calling for the return of the government to "the people" of Nicaragua.

Who he had in mind as "the people" was not so clear, however. Most observers at the time — even in the U.S. Embassy in Managua — generally agreed that the Sandinistas enjoyed widespread public support. In power barely a year, their revolutionary junta still represented a broad political spectrum.

Those in opposition were mostly former Somoza guard

members and political cronies — the former hiding out in the Honduran jungle, the latter opening bank accounts in Miami. Scarcely the "freedom fighters" the president now extols.

To be sure, the post-revolutionary honeymoon did not last long. The Sandinistas no longer look so good to many former admirers. But that does not make the president's many fictions about Nicaragua fact.

In his version, for example, the Sandinistas were a minor element who stole the revolution from its real makers.

That's not the way it happened. The Sandinistas had been waging guerrilla war for more than a decade before Somoza's insatiable greed and indiscriminate brutality drove the business and professional community to make common cause with the rebels in the late '70's. As churlishly as the Sandinistas may have behaved toward their allies after the victory, it was their revolution first.

Nicaragua is definitely not representative democracy as we know it. But neither is it the "totalitarian dungeon" the president has termed it. Nor is it slipping behind the Iron Curtain, as his secretary of state would have it.

You can get to Managua by buying a plane ticket. Americans in most cases don't even need visas. You don't get into a real totalitarian country that easily.

And although there have been instances of Sandinista surliness, most opposition figures can enter and leave the country at will. That's not the way it is behind the real Iron Curtain — or in South Korea, the Philippines or, much closer to home, El Salvador.

The president says Congress is resisting him on Nicaragua because it does not understand the situation.

He is the one who does not understand — especially not what history teaches are the consequences of American intervention such as he now acknowledges is his objective in Nicaragua. From the last time around in that country, when the 1920-30s Marine occupation spawned the Somoza dynasty, to Guatemala in 1954 and Chile in 1973, it has only made bad situations much, much worse.

He ought to be told. But if not by cool steady George Shultz, who?

4 June 1985

BAHAMAS

PINDLING SURVIVES FNM NO-CONFIDENCE MOTION IN PARLIAMENT

Port-of-Spain SUNDAY GUARDIAN in English 5 May 85 p 4

[Text]

NASSAU, Sat., (Reuter):

THE Bahamian Parliament today passed a watered-down resolution stating its opposition to parliamentarians involved with drug trafficking but stopped short of ending Prime Minister Lynden Pindling's current term.

The resolution followed three days of debate on Opposition resolutions which, if passed, would have forced Pindling to resign or call for immediate elections.

Pindling was cited by a commission he himself set up last year to look into links between government members and drug smuggling rings operating from the Bahamas.

However the opposition Free National Movement (FNM) with only 11 members in the 43-member House, was forced to accept an amendment introduced by Pindling's ruling Progressive Liberal Party (PLP) that deleted all references to the commission or its findings.

The commission said last December that Pindling had deposited \$3.5 million (US) more in bank accounts than he earned as prime minister.

In addition, he had gotten one million dollars in loans and gifts from foreign investors, plus one million more related to suspicious business deals.

Two of Pindling's Cabinet ministers, Kendal Nottage and George Smith, were also cited by the commission and subsequently resigned.

CSO: 3298/651

BAHAMAS

OPPOSITION CONTINUES CHARGES RELATED TO DRUGS INQUIRY

Isaacs Attack

Nassau THE TRIBUNE in English 17 Apr 85 pp 1, 4

[Article by Colin Higgins]

[Text]

PRIME Minister Sir Lynden Pindling is setting an example for young Bahamians that lead them to have "no respect whatsoever for authority, no respect for any government and no respect for the traditions, the things that matter in this world and in this our beloved Bahamas," Opposition Leader Kendal Isaacs, Q C, told supporters last night.

"And that to me," said the former Attorney-General, "is the biggest sin that he could commit."

Addressing between 200 and 300 persons at the R M Bailey playing field, while others stayed in their cars and tooted horns enthusiastically, Mr Isaacs referred to two condemnatory motions to be brought by his party at the reopening of the House of Assembly.

"I believe that all of you realise that we have an excellent case against the Prime Minister and against the PLP Government!" Mr Isaacs said.

Listeners cheered and applauded. One shouted: "Yes sir! Hear him!"

"It is really a shame what they are doing to this country and to Parliament and to the traditions and the conventions of Parliament and our system of government."

In any other country that follows the Westminster system, the Prime Minister would have resigned "a long, long time ago

if all the evidence had come out against them that has come out against Pindling.

"That man," said Mr Isaacs, "really has no shame."

If the Prime Minister was only hurting the PLP and himself, "then I would have not too big a problem," he said.

"But by the way he is acting he is tending to destroy our whole system of parliamentary, democratic government.

"And what is just as bad if not worse is that he is setting an example for the young people of our beloved Bahamas.

"An example that will lead them to have no respect whatsoever for authority, no respect for any government and no respect for the traditions, the things that matter in this world and in this our beloved Bahamas.

"And that to me is the biggest sin that he could commit," Mr Isaacs told his listeners.

He said the Bahamas is now suffering from "the largest instances of drug abuse and drug trafficking than any country in the world, man for man, has ever suffered from."

"Everywhere you turn today, we have our young people and our not so young people who have turned to drug abuse," said the Opposition Leader. "And in addition to drug abuse, we have our young people who are joining the

ranks of drug peddlers and drug traffickers."

They are doing this because of the "easy money" but also because there aren't that many jobs around these days "and there haven't been that many jobs around for some years."

Thousands of young people are leaving school and are not able to find work, said Mr Isaacs. "And they are being tempted by the drug traffickers."

"When I was asked what is the solution to this problem, I'd say that there is one thing that must happen before, I believe, we will be able to do something about the drug problem."

"That is that we must stimulate our economy so that our people can find honest work to do!"

The Opposition Leader's remarks drew applause from his listeners.

"As long as there are no jobs, there will be that temptation to go into drug trafficking and you know once they're caught up in that, there is not much hope to rescue them."

Said Mr Isaacs: "We are becoming a country of drug abusers and drug traffickers."

As early as the 1970's, the Government realised and had information on what the situation was, listeners were told.

"But they pretended," Mr Isaacs stated. "In fact some of the leaders went so far as to say it was not a Bahamian problem, it was a US problem."

Nothing could have been further from the truth, "nothing could have been more stupid than to pretend that all the drugs that were being dumped on the Bahamas and all the young people that were selling or using drugs...did not constitute a Bahamian problem."

"And as a result of closing their eyes to the problem, we are landed with the enormity of a problem in connection with drugs that we have today."

Mr Isaacs said he knows that every "good Bahamian" must be hoping that the FNM will turn the PLP out as soon as possible.

"It is absolutely essential for the sake of the Bahamas, for the sake of our people - young, middle-aged and old - it is absolutely necessary for us to turn the PLP Government out as soon as possible."

More on FNM Rally

Nassau THE TRIBUNE in English 17 Apr 85 pp 1, 4

[Article by Colin Higgins]

[Text]

WHETHER or not Progressive Liberal Party parliamentarians feel that Prime Minister Sir Lynden Pindling is "bigger than the Bahamian people" will be known on May 1, Opposition Free National Movement Senate Leader Henry Bostwick told a "Rescue the Nation" rally last night.

On that date when the House of Assembly opens, the Opposition Free National Movement plans to move a no confidence motion in the Prime Minister and his Government.

"I hope that they find the courage and the backbone," Mr Bostwick said.

FNM speakers at R M Bailey playing field denounced a decision by the World Confer-

ence of Mayors to honour Sir Lynden for "exemplary leadership" during an August meeting on Paradise Island.

FNM candidate for Fox Hill in the last elections Fred Ramsey suggested that each of the mayors be sent a copy of The Miami Herald's "A Nation for Sale."

Two to 300 spectators listened under cloudy skies as speakers condemned recent fee increases at the Princess Margaret Hospital.

Dozens of motor vehicles were parked on the field and their horns tooted while supporters cheered and applauded.

Speakers - including Workers' Party Chairman Rodney Moncur - called on

supporters to be on Bay Street May 1 at the opening of the House.

"We expect every single FNM in the country to be out there," said FNM Secretary-General Garth Wright.

"Make no mistake ladies and gentlemen," said Mr Bostwick, "this struggle has only just begun.

"If you have been watching Pindling, you know that that man has been hanging tough. He ain't given' an inch!"

He said the only way "we are going to change Pindling" is by continuing to exert pressure.

"Believe me if we let up for one moment and let him catch his breath, he'll be droppin' licks on all o' us and we will want to regret the day we were ever born.

"So it's up to us to continue the pressure day by day," Mr Bostwick said.

"And come May the first, you are going to have a golden opportunity - Pindling cannot stand crowds demonstrating against him. Those of us who been on Bay Street and saw how he run to his car?"

Supporters shouted approval, one calling out: "We know!"

"He really can't take it! He's not used to it," Senator Bostwick said. "And all you gatta do is be there! You ain't gatta do nuttin'! Just be there and look like a FNM and he get scared."

Whatever the weather or "circumstance" on May 1, it is the day "when we put Pindling's back up against the wall again," Mr Bostwick said.

"And this time we hope to keep him there."

Heather Thompson, member of the Eleuthera branch of the National Torchbearers Association, referred to a recent ruling by Chief Justice Telford Georges that Transport Minister

and Governor's Harbour, Eleuthera MP Philip Bethel "breached a rule of natural justice" in not giving Lucaya Beach Air Services, Freeport an opportunity to be heard, before refusing to renew its licence.

Noting that she grew up in Eleuthera and knew Minister Bethel, Heather Thompson said it bothers her deeply that "we as a society have allowed" Minister Bethel to "threaten our constitutional rights."

Said the young woman: "I am asking you as a society, what are you prepared to do about the threatening of your constitutional rights?"

One supporter shouted out: "I'm prepared to march!"

Mr Ramsey likened the members of the World Conference of Mayors to Rip Van Winkle who slept 100 years. "Because it's impossible for all of these mayors who live in the United States not to know what actually went on in the Bahamas."

He said the FNM should let them know that it welcomes them to the Bahamas "but they better stay out of our politics because they really don't know what's happening."

He said each one should be mailed a copy of "A Nation for Sale." They should be acquainted with what's happening "before they come down here and talking 'bout they are honouring the Prime Minister for his exemplary leadership."

Mr Ramsey said PLP Cabinet Minister Loftus Roker once stated that "corruption is rocking the PLP to its very foundation." The leadership in the PLP was then and still is "Lynden Oscar Pindling" said Ramsey.

"And the mayors coming here to honour him for exemplary leadership? My God."

Adderley on Prosecutions

Nassau THE TRIBUNE in English 17 Apr 85 p 1

[Article by Athena Damianos]

[Text]

THE RELUCTANCE of three Americans to testify before a Bahamian court has held up possible charges against persons who got a black star from the Commission of Inquiry, Attorney General Paul Adderley said today.

Breaking the silence over the matter of prosecution, Mr Adderley assured the public that further efforts will be made to bring the three witnesses to the Bahamas. He did not name the witnesses.

He said in a statement issued at lunchtime that the proceedings and outcome of the recent Commission are matters of grave importance to the public "who are no doubt concerned as to what remedial measures could be taken against those persons who may have breached Bahamian law."

Mr Adderley decided to issue the statement because, he felt, the public has had sufficient time to become acquainted with the Commission report, and Parliament has had the opportunity to debate it.

Since the Report was made public, Mr Adderley's office - in conjunction with the Police Force - has been examining the transcript, evidence and exhibits of the Commission with a view to "determining whether any charges should be instituted against any person particularly those with respect to whom adverse findings were made by the Commission."

Mr Adderley said that three questions had to be considered:

- Whether evidence adduced before the Commission against those persons established, prima facie, the commission by any one of them of any criminal offence.

- Whether the evidence, although received by the Commission, would be admissible in a court of law, and

- Whether persons who gave evidence before the Commission would volunteer and be avail-

able to give evidence at any criminal trial before a Bahamian court.

Mr Adderley pointed out that the Commission heard important witnesses outside the jurisdiction of the Bahamas in the US; a procedure which is not available to Bahamian courts.

"It ought also to be understood that Bahamian courts have no power to compel the personal attendance of witnesses who live outside the Bahamas and United States courts have no power to compel the attendance of such persons in the Bahamas," Mr Adderley said.

Three of the witnesses whose attendance is required here but who live in the US have been subject matters of a note by the Ministry of Foreign Affairs which was dispatched on February 20 to the US Embassy, requesting the latter to use its offices to determine whether the witnesses and appropriate US authorities would consent to their giving evidence before a Bahamian court.

Mr Adderley said an assurance was given that all travel and accommodation expenses of the witnesses would be borne by the Bahamas Government.

Mr Adderley was also prepared to give his assurance that should these people be prepared to give evidence before a Bahamian court, "no action would be taken against them while they were in the Bahamas at his request in respect of any offence which they may have already committed against Bahamian law."

Mr Adderley said on April 16 he received, through the Ministry of Foreign Affairs, a response to his Diplomatic Note on February 20.

"Each of the three witnesses whose presence in the Bahamas would be necessary for any contemplated criminal proceed-

ings here have indicated some reservations with regard to their personal security if they were to come to the Bahamas," he said.

"No unequivocal commitment has been received from any that would be prepared to come to the Bahamas for the required purpose. Further efforts are being pursued to attempt to secure the presence of these witnesses in the Bahamas."

Mr Adderley said it is for this reason that he has not been able to take any further action in connection with those matters in which the decision to institute a prosecution or not is wholly dependent on the testimony of foreign witnesses.

Among those recommended for further action by the Commission was former Cabinet Minister and PLP MP George Smith.

Mr Smith, according to the Commission:

- Bought a BMW car from funds provided by the drug smuggling organization of Joe Lehder.

- Under valued the car for Customs purposes.

- Failed to obtain exchange control authority to export the purchase funds and to declare them to US Customs.

- Corruptly accepted funds from known drug traffickers.

The Commission said that the Attorney "may also wish" to review the case of former PLP Senator Andrew "Dud" Maynard, who the Commission found accepted money from a drug trafficker to assist him with his Immigration status.

The Commission also accepted that the Prime Minister's good friend, Everette Bannister, received money from drug smugglers in exchange for using his political influence to clear up legal problems.

So far, two persons have been charged as a result of evidence surfacing before the Commission. Lawyer Godfry Pinder was charged March 27 with offering a \$50,000 bribe to the later public analyst and making a false statement under oath to the Commission. He was released on \$20,000 bail. Lawyer Langton Hilton appeared in court today.

Poll Results

Nassau THE TRIBUNE in English 17 Apr 85 p 1

[Text]

SEVENTY-seven per cent of the people who were asked by the National Polling Commission whether the Prime Minister and the PLP should resign, voted yes while 22 per cent said no.

Of the 525 persons who voted between 6am and 6pm Monday at the polling booth outside Mademoiselle on Bay Street, 401 voted yes, 117 voted no and there were seven spoilt ballots.

Monday's poll was the third held by the NPC, the first being in September, 1984, when 84 per cent of the voters were of the view that the Prime Minister and his government should go, while only 16 per cent voted no.

A second poll was held in late

September, 1984, when the NPC collected signatures for a petition asking the Governor General to dissolve parliament. Some 1,481 persons signed the petition, which was presented to the Governor General.

The 77 per cent yes votes was the lowest percentage of the polls held so far while the 22 negative votes were the highest recorded to date.

The poll asked the Bahamian public the question: "Should Pindling and the PLP resign?"

The balloting follows allegations made at the Commission of Inquiry of corruption in the Government and the Commission Report that condemned certain government figures.

PLP Responsibility for Drugs

Nassau THE TRIBUNE in English 24 Apr 85 pp 1, 4

[Article by Anthony Forbes]

[Text]

BLUE Hills MP Arthur Foulkes declared over the weekend at a Free National Movement rally in Marsh Harbour, Abaco, that the PLP Government has on its hands the blood of thousands of young Bahamian children who have been destroyed by the scourge of dangerous drugs.

Mr Foulkes, FNM Shadow Foreign Minister, was a member of the party's Task Force, led by Official Opposition Leader Kendal Isaacs, who was accompanied by Mrs. Isaacs. Among the party were Marco City MP C A. Smith, Secretary General Garth Wright, Torchbearers President Tommy Turnquest, Torchbearer Shervin Delancey, and Mrs Hilda Antonio, Vice Chairman of the FNM Women's Association. The group made a three-day tour of Cherokee Sound, Man-O-War Cay, Hope Town, Spring City and Marsh Harbour.

"The PLP Government has blood on its hands," Mr Foulkes claimed. "The blood of thousands of our young children who have been destroyed by the scourge of dangerous drugs."

He told Abaconians that Government had known about the drug trafficking problem for years, but did absolutely nothing about it.

In fact, said Mr Foulkes, the Commission of Inquiry found that two Cabinet Ministers had personal dealings with persons who were involved in drug trafficking.

"That's right," declared the Blue Hills MP, "the gangster connection went right into the heart of the Cabinet."

"Kendal Nottage (former Minister of Youth, Sports and Community Affairs) fronted for Michael Caruana, a known member of the Mafia and a drug trafficker, and George Smith (former Minister of Agriculture, Fisheries and Local

Government) had dealings with Carlos Joe Lehder and Ed Ward, two drug traffickers," Mr Foulkes said.

Accusing the PLP Government of being corrupt from top to bottom, Mr Foulkes said that Prime Minister Sir Lynden Pindling is not interested in protecting the Bahamian people.

"Despite all this," Mr Foulkes said, "they refuse to go."

He recalled that Montagu MP Orville Turnquest, during the recent debate on the Commission of Inquiry Report, laid out for some 26 hours the biggest indictment anyone could have made on the stench, filth and corruption emanating from within the ranks of the Government.

He said that in the recent debate in the House of Assembly it was alleged that the Prime Minister was a greedy, selfish and spiteful man, whose honour was questioned.

Mr Foulkes thought it significant that despite the many placards appearing all over town, which say in no uncertain terms that the "Chief is a thief," the Attorney General has failed to prosecute anyone for criminal libel.

According to Mr Foulkes, people are asking the question of how Rodney Moncur and Phillip Miller could have been taken to court on the serious charge of sedition, yet the authorities fail to bring to justice persons in the governing party who have been accused by the recent Commission of Inquiry.

Mr Foulkes also touched on the Prime Minister and Kendal Nottage's involvement in Columbus Trust, the sale of the Paradise Island Bridge, where Everette Bannister, the Prime Minister's "good friend," received a finder's fee and turned a portion of the money over to

the Prime Minister.

He drew attention to monies given the Prime Minister by Edward St George and Jack Hayward of the Grand Bahama Port Authority, and also a \$300,000 sum earmarked for a resort project in the Prime Minister's South Andros constituency, \$100,000 of which was spent by the Prime Minister on his own house.

Mr Isaacs told the Abaco people the FNM is going to rescue the Bahamas and set it back on the right course after years of corruption, victimization and intimidation by an incompetent PLP Government.

According to an FNM report of the tour, the Task Force was told that native son Edison Key, MP for Marsh Harbour, had been given a chance, but had let his constituents down by failing to keep his many promises.

In Hope Town, the FNM said, the local jail is a disgrace, filthy inside. Recently marijuana that was stored there was stolen overnight, the party reported.

The Post Office, "which had to have been built in the early 1900's, is in imminent danger of collapsing, and roads are in terrible shape," the FNM report said.

The Task Force was told that Marsh Harbour pumps a lot of money into the Public Treasury but gets nothing in return.

Mr Isaacs said that "Pindling and the PLP care nothing about

the Bahamas" and that there is no telling what will happen if they remain in power.

He pledged that an FNM Government will guarantee employment for those who want to work, that Local Government is high on the list of the FNM's priorities, and that most of the money made in Abaco will be spent in Abaco.

"You know it is really wicked," said Mr Isaacs, "that Abaco puts much money into the Public Treasury and yet the people are being short changed."

He said that the FNM plans to lift the veil of despair from the young, who are the future of the country, and predicted that if an election were held tomorrow, the FNM would win.

The Torchbearers' President accused the PLP of bringing the country to "such a sad state." He said the ruling party was not made up of the type of people young Bahamians should emulate.

He pledged an all-out attack on drugs and said the Torchbearers are committed to rescuing young men and women off the blocks, who have turned to crime, prostitution and other anti-social behaviour because they have no hope.

Other speakers included Mrs Antonio, Mr Wright and Mr Robert Sweeting, Council member for the Marsh Harbour constituency.

More on Pindling Finances

Nassau THE TRIBUNE in English 24 Apr 85 p 1

[Article by Athena Damianos]

[Text] PRIME MINISTER Lynden Pindling has joined the millionaires club.

According to a Summary of Declaration for the year 1983, which was only released recently, Sir Lynden had a net worth of \$1,153,015--an increase of \$161,409 over the previous year.

However, his former law partner Kendal Nottage, who the Commission of Inquiry found "fronted" for a New England mafia figure, outpaced Sir Lynden by nearly \$7 million.

Mr Nottage, according to the summary of declaration, had a net worth of \$8,135,591 for the year 1983.

Although he was above the million dollar mark in net worth in 1978/1979, Sir Lynden declared a reduced net worth of under one million dollars, but total assets of over the million mark for 1982.

The 1983 disclosures, among other things, put Sir Lynden's assets at \$3,229,628; total income, \$165,036; liabilities \$2,076,613, and net worth, \$1,153,015.

It also shows that in 1983, Sir Lynden had a savings account of \$35,045; current account, \$1,156; securities, \$386,425; real estate valued at \$2,337,500; accounts receivable \$9,500; automobiles, \$46,500 and life insurance valued at \$49,550.

This means that his total assets increased by more than \$1 million--from \$2,166,818 in 1982 to \$3,229,628 the following year.

The largest increase was reflected in Sir Lynden's real estate holdings. In 1982, his real estate was valued at \$1,331,000. However, the value rose to \$2,337,500 in 1983.

His heaviest liability for 1983 was a real estate mortgage of \$1,117,009.

Sir Lynden's salary was \$113,000. He had a securities income of \$44,236 and other income of \$7,800.

The 1983 disclosures pegged Mr Nottage's total assets at \$8,905,911; total income, \$610,500, and total liabilities, \$770,320, bringing his net worth to \$8,135,591.

In 1983, Mr Nottage had securities valued at \$7,346,000. He had no savings account.

Minister of Tourism Clement Maynard, according to his declaration does not fall under the millionaire bracket.

In 1983, he had total assets of \$818,700, a total income of \$51,332, and his liabilities stood at \$260,002, giving him a net worth of \$558,698.

Minister of Education Darrell Rolle also did not qualify for the millionaire's club.

His declaration gave the following information; total assets, \$864,698; total income, \$127,060; total liabilities, \$292,915, and net worth, \$571,783.

St Anne's MP Arthur Hanna, who was Deputy Prime Minister at the time, declared total assets of \$1,122,000; total income, \$154,000; total liabilities, \$199,378, bringing his net worth to \$922,622.

Mr Hanna had no savings account, current account or securities. His greatest liability was a \$173,885 mortgage on real estate valued at \$831,000.

Minister of Development Alfred Maycock declared total assets of \$366,431; total income, \$103,263; total liabilities \$74,619 and a net worth of \$291,812.

Opposition leader Kendal Isaacs qualified as a millionaire.

His total assets stood at \$1,304,566; total income, \$176,136; no liabilities and a net worth of \$1,304,566. He had securities valued at \$1,089,295.

The FNM last week filed a Supreme Court action in the name of Kendal Isaacs to apply for leave to file a suit against the Public Disclosure Commission.

The application alleges that the Commission wrongly decided that a complaint made by Mr Isaacs on October 2, 1984, had not been substantiated.

Mr. Isaacs' complaint alleged that Sir Lynden had failed to declare divers payments made to him between 1977 and 1982 in his several declarations submitted under the Public Disclosure Act, 1976.

In his affidavit, Mr Isaacs said that based on Commission of Inquiry evidence, Sir Lynden and Lady Pindling made deposits to their bank accounts of almost \$3.5 million, excluding Sir Lynden's annual salary, between January, 1977 and August, 1984.

Sir Lynden's annual salary, said the affidavit, varied from approximately \$77,000 in 1977 to \$102,900 in 1982.

Mr Isaacs, in his affidavit, also detailed large payments Sir Lynden received between 1977 and 1982.

He concluded from Commission evidence that "many of the sums mentioned...had not been declared by him (Pindling) in accordance with the provisions of the Act."

He also pointed out that Insp Frank Richter of the Commission said Sir Lynden admitted that he had failed to disclose payments totalling \$670,976.61 he received directly or indirectly from Everette Bannister between 1978 and 1981.

No-Confidence Resolution

Nassau THE TRIBUNE in English 29 Apr 85 pp 1, 4

[Excerpts]

THE FREE National Movement will hold a "Save the Nation" rally at 8 pm Tuesday at R M Bailey Ball Park to rally support for its demonstration on Bay Street the following day when the House of Assembly reconvenes after the Easter recess.

When the House sits on Wednesday Prime Minister Pindling faces three Opposition resolutions. At the last meeting

of the House Opposition Leader Kendal Isaacs gave notice that he will move a vote of no confidence in the Prime Minister.

In the no confidence Resolution - standing in the name of Mr Isaacs, Mr Whitfield, Mr Orville Turnquest and Mr Arthur Foulkes - it says that Prime Minister Pindling and his Cabinet have "failed to carry out

their responsibilities in a satisfactory manner and as a result of their failure the peace and security of the Bahamas are threatened, unemployment is at an unacceptably high level, the physical infrastructure of the Commonwealth has not been sufficiently developed and has in many areas deteriorated, our democratic institutions have fallen into disrepute, individual rights have been violated, our relations with traditional friends have deteriorated and prospects for future prosperity are dim."

Says the proposed Resolution:

"The recent report of the Commission of Inquiry has evidenced that the Prime Minister and his Cabinet have failed to govern this nation in a manner which either upholds the rule of law or exemplifies their adherence to standards of public morality, but have so allowed the increasing prevalence of corruption, influence peddling, bribery, victimization and abuses of power to go unchecked as to pervade the highest ranks of the Government itself."

Further that the personal finances of the Prime Minister, as disclosed by the "Report of the Commission of Inquiry, by the published disclosures relating to the Family Island Development Fund and by published evidence adduced at public hearings of the New Jersey State Commission of Inquiry held in February of this year, clearly indicate that the Prime Minister has improperly used the influence and power of his high office to attract and accept huge amounts of personal gifts and loans of money in circumstances which have brought the office of Prime Minister, and the Government of the Bahamas, into scandalous contempt, odium and disgrace, bringing the good name of the Commonwealth of the Bahamas into lamentable disrepute."

That "the corruption in Government, including in particular, the finding that the Member for St Agnes, Mr Kendal W Nottage, MP, has acted as a 'front' for illegal activities in the Bahamas of a member of the Mafia; the

finding that the Member for Rolleville, Mr George A Smith, MP, has corruptly accepted bribes to facilitate illegal drug trafficking in and through the Bahamas; the finding that the Member for Bimini and the Berry Islands, Mr George Weech, MP has accepted a money-payment from an illegal drug trafficker; the finding that the former Chairman of the Progressive Liberal Party, ex-Senator Andrew W "Dud" Maynard, by himself and by an airline company jointly owned by himself and another officer of the governing party, the PLP, illegally acted in ways which facilitated illegal drug trafficking in and through the Bahamas; all of which, together with other findings by the recent Commission of Inquiry, demonstrate that the Prime Minister and his Cabinet have no moral authority to govern or to continue in office."

The proposed Resolution said that the "Prime Minister has shown his contempt for the law by failing properly and fully to disclose his personal finances and holdings, as required so to do under The Public Disclosure Act, 1976" that the "Prime Minister and his Cabinet have failed specifically to prosecute as vigorously as possible the fight against drug trafficking in and through the Bahamas, and to initiate sufficient measures to combat the ever-increasing incidence of violent crime which now engulfs the Bahamas."

It also said that former Cabinet Minister Kendal Nottage, "as a former Minister of the Government, in a public speech broadcast over radio and television and published in the press, has told Bahamian people that they should not mind 'whether I work for my money or thief it' or words to that effect; and further, has displayed conduct unbecoming that of a Member of Government in his involvement, as described by himself, in the matter of Columbus Trust Ltd."

And that the "Prime Minister and his Cabinet and in particular the former Minister of Foreign Affairs, the Hon Paul L Adderley, have conducted the foreign affairs of the

Bahamas in a reckless and undiplomatic manner, and have thereby endangered the good relations which the Bahamas has enjoyed with its traditional friends, the United States of America and sister Commonwealth countries in the Caribbean."

It further condemns the Prime Minister and his Cabinet for failing to "support the military action in Grenada which was designed to restore democracy and good order to that country and to maintain the peace, security and democratic traditions of the Commonwealth countries in the Caribbean."

It accuses Prime Minister Pindling and his Cabinet of allowing the "national radio and television facilities to be ruthlessly exploited and subverted to the almost exclusive political use of the Progressive

Liberal Party."

It also noted that the "Prime Minister at a recent Convention of the Progressive Liberal Party stated that 'a PLP Register of Businesses and Skills' was being compiled to be made available to Ministers and Permanent Secretaries; and he further stated that while their political opponents had 'made sport' of the Cable Beach Hotel project 'it is only fair therefore that those of you who bore the heat of the day and fought for this project should share in it, work in it, and protect it from the vandals who never wished to see it succeed.'"

It also condemned the Pindling Government for failing to "implement a system of local government" in the Bahamas.

For these reasons, said the Resolution, "this House has no confidence in the Prime Minister."

Schemes Against FNM Motions

Nassau THE TRIBUNE in English 30 Apr 85 p 1

[Article by Athena Damianos]

[Text] AN OPPOSITION "Resolution of condemnation" has been watered down behind the FNM's back.

The Resolution, which now appears on the House of Assembly agenda for tomorrow's meeting, is not the one submitted by the FNM when the House closed for the Easter recess. The Resolution no longer calls for the resignation of those who the Commission of Inquiry found were involved in, assisted or in any way facilitated drug trafficking, and those who received payments from drug traffickers or other questionable sources. It now merely condemns such people.

The amendment without consultation, under a so-called "Parliamentary democracy," alters the whole purpose of the Resolution.

A whole section, calling for a Commission, headed by Commission of Inquiry chief Counsel Robert Ellicott, to investigate and report on Government corruption, has been completely removed from the agenda.

Asked who was responsible for this, Opposition leader Kendal Isaacs said:

"Put it this way, we didn't remove it and I don't think the printers made a mistake."

Either Mr Isaacs, or FNM chairman Cecil Wallace Whitfield, who tabled the Resolution, will deal with the matter when the House of Assembly meets tomorrow.

A section of Mr Isaacs' Resolution calling for a vote of no confidence against Prime Minister Lynden Pindling, dealing with public disclosures, has also been removed. This was probably amended as a result of the FNM's legal action against the Public Disclosure Commission's recent ruling in connection with Sir Lynden's declarations as any comment on the matter could be sub judice.

However, the amendment to Mr Whitfield's Resolution is a clear indication that Sir Lynden is no longer certain that he commands majority support in the House.

The PLPs National General Council met all Sunday and again on Monday, a clear indication that the party is in a state of crisis.

It is known that there has been spreading discontent among the Government backbench as a result of the demoralizing disclosures that surfaced before the Commission of Inquiry and, more recently, the New Jersey Casino Control Commission.

It is also generally felt that these backbenchers are prepared to now let their conscience dictate to them on matters of corruption. It is understood that a growing number of Members do not want to go down in history as supporting corruption.

Mr Whitfield's Resolution will quite possibly take priority when the House meets tomorrow, although there are a number of matters ahead of it on the agenda.

The Resolution will put to the test Sir Lynden's support in the House. Tomorrow's session may also set a precedent, marring the Bahamas' 250-plus years of Parliamentary democracy, of which the Prime Minister is proud of boasting.

Four Government Members are open to condemnation under Mr Whitfield's Resolution. They are:

--Prime Minister Pindling, who from January, 1977 to December, 1983 along with his wife deposited \$3.5 million to their bank account, not including government salaries. Sir Lynden's annual salary varied from \$77,000 to \$102,900 over this period, according to the Commission of Inquiry report.

Sir Lynden could not identify the source of various deposits, totalling \$181,000. In October, 1981, Sir Lynden received nearly \$200,000 from his friend Everette Bannister. During a recent House debate it was said that the money came from Sorkis Webbe, who was identified as a Mafia affiliate.

--George Smith, Rolleville MP, corruptly accepted money from a known drug smuggler, the Commission found. He also received a gift BMW car from the Norman's Cay empire of Colombian drug smuggler/Nazi sympathiser Carlos "Joe Lehder."

--Kendal Nottage, St Agnes MP, "whether he realized it or not" fronted for New England Mafia figure/drug trafficker Michael Caruana. Nottage and Caruana were partners in a Freeport business.

--George Weech, Bimini and Berry Island MP, accepted \$1,000 from a US undercover agent he had reason to believe was a drug trafficker.

BAHAMAS

FNM ACTION GROUP HEADQUARTERS DESTROYED BY FIRE

Nassau THE TRIBUNE in English 2 May 85 p 1

[Text]

"IT LOOKS as though someone intended to put the Action Group out of business," said FNM Action Group leader George Wilson this morning as he surveyed the ruins of the party's headquarters for the Grants Town and St Agnes constituencies.

Around 2 o'clock this morning the headquarters on Market Street, near Taylor Street, was burned down after being broken into and ransacked. Damage was extensive. Police suspect arson.

The building, which was leased by the FNM, was not insured.

"Obviously the intent was to put the Action Group out of business, but it will take more than a fire to put us out," declared Mr Wilson.

"This headquarters was becoming the centre for this area," said Mr Wilson. He said that they were distributing clothing to the needy and were in the process of starting an employment referral centre when the fire destroyed their building. He pointed to what were cases of new shoes and bags of clothing ready for distribution to the poor. "We were beginning to make an impact and it was being felt, so some people must have thought that this isn't the kind of thing they want done over here," he said.

Mr Wilson said the newly renovated six-room building was broken into through the kitchen door. He believes an axe was used. The thieves took

equipment from the conference room. Stolen were amplifiers, speakers, and fans. Chairs were destroyed by the fire.

"Then apparently they set fire to the back area," said Mr Wilson. "Thank God it was raining, because if not the whole place would have gone." He said residents were afraid that because of the dryness their homes were in danger.

The fire was started in the bathroom area where a new deep freeze had been stored.

"They waited until we had just completely renovated the building to do this. We had built a kitchen in the back, put in new chairs, renovated the bathrooms, the meeting room and the conference room," said an angry supporter.

The reception area and the private office were the only rooms not damaged. Although damage has not been estimated, it is extensive.

"We know it's thousands of dollars," said Mr Wilson, "because the Action Group members generally put their hands into their own pockets to do most of the work over here. What was here was really the work of the Action Group. We went out and got plywood, we got panelling, sheet rock, lights, because there was nothing in this building before. It was a building that we brought back to life. I guess it must have been annoying some people too much.

"We are going to begin over again. We'll get it done," vowed Mr Wilson. "I can only

say that I hope that this isn't the course politics will be taking over the next couple of years, because it's a little frightening that this type of thing can happen because of politics. Next Sunday we were going to be giving a Mother's Day luncheon here. We are obviously going to have to find another place for that."

CSO: 3298/652

BAHAMAS

COURT OK'S FNM MOTION AGAINST DISCLOSURE COMMISSION

Nassau THE TRIBUNE in English 25 Apr 85 pp 1, 5

[Excerpt]

CHIEF JUSTICE Telford Georges today granted leave for a Notice of Motion to be issued and served on the Public Disclosure Commission and the Prime Minister seeking Orders of Certiorari and Mandamus against the Commission.

The application was made to the court by Opposition Leader Kendal Isaacs.

Mr Isaacs applied for the Supreme Court to grant an Order of Certiorari quashing the decision made by the Public Disclosure Commission on December 20, 1984, which determined that his complaint against the financial disclosures made by Prime Minister Pindling was "unsubstantiated." The application is also seeking an Order of Mandamus from the Supreme Court, directing the Public Disclosure Commission to hear the complaint afresh, according to law.

At the hearing in the Supreme Court this morning, Mr Orville Turnquest represented Mr Isaacs.

Mr Isaac's complaint alleged that Prime Minister Lynden Pindling had failed to declare various payments made to him between 1977 and 1982 in his several declarations submitted under the Public Disclosure Act 1976.

The application alleges that the Disclosure Commission wrongly decided that a complaint made by Mr Isaacs on October 2, 1984, had not been substantiated.

Mr Isaacs made his application to the Supreme Court on April 18.

BAHAMAS

BATELCO WORKERS WIN PAY HIKE; INDUSTRIAL RELATIONS HAILED

Nassau THE TRIBUNE in English 24 Apr 85 p 1

[Article by Juliette Storr]

[Text]

AFTER four months of serious discussions the Bahamas Communications and Public Officers Union and the Bahamas Telecommunications Corporation signed a new three year industrial pact on Tuesday afternoon at Batelco's offices on John F Kennedy Drive.

The new agreement provides for increases in salaries and improvements in certain fringe benefits for the next three years. Salary increases are retroactive to October 1, 1984.

A number of firsts were accomplished for both sides of the bargaining table. In view of Batelco's history of stormy contract negotiations, BCPOU considered yesterday's signing "as being remarkable in more than one respect. It is the first such exercise in recent times to have been successfully concluded in-house at Batelco without the filing of a dispute with the Ministry of Labour, and without any industrial action being undertaken or any major confrontation between union and management."

BCPOU says that this not only contrasts with their "experience during the last contract negotiations three years ago, but it is also in keeping with the significant improvement in industrial relations that we have experienced at Batelco since the last contract was negotiated," said Mr Keith Archer, BCPOU president.

On September 30, 1984 the Industrial Agreement between Batelco and the BCPOU

expired and negotiations for a new contract commenced on October 31. An accord was reached on March 2nd, 1985, four months later. General Manager of Batelco, Robert Bartlett said that he was pleased with the way negotiations were conducted "in a most cordial atmosphere where mutual respect was shown for each other's point of view."

"Our relationship with the BCPOU has progressively improved over the past two years, and this has resulted in an overall improvement in attitude and productivity throughout the organization. We have reached an agreement which both sides can live with for the next three years," he said.

The total salaries package will cost the Corporation some \$9.08 million over the next three years or \$3.026 million per annum. Annual increases in salaries range from \$1,380 in the lowest salary range to \$3,300 in the highest.

Improved benefits include Christmas bonuses, allowance for use of private vehicles, travel allowance, subsistence allowance, meal allowance for unscheduled overtime, relocation allowance and sick leave. A new benefit, which was offered by management, is a gratuity upon retirement which can accrue to a maximum of 18 weeks pay.

Mr Bartlett said he hopes that the signing of this new agreement will set the pace for three years of industrial peace at

Batelco.

As members of the union stood behind Mr Archer yesterday at the signing, he noted that despite the unusual spirit of co-operation and mutual respect that prevailed throughout the negotiations that representatives of the workers were only able to arrive at an acceptable agreement through tough bargaining "as management took a particularly hard line on the economic issues which were a priority for us."

"Even so, we were eventually able to get management to agree to salary increases which were acceptable to us and which compare favourably with our last agreement, which was reached after a particularly bitter struggle.

"We were also able to get management to reconsider and withdraw certain proposals which we considered posed a threat to the job security of our members - such as expanding the grounds for terminating employees of the Corporation," said Mr Archer.

Other significant accomplishments achieved by the union were increases in the Christmas bonus received by members and the agreement of management to eliminate a long-contentious provision whereby the bonus would be denied for any quarter during which the employee has reported sick for two days or more without producing a medical certificate. "I am pleased to say that this is no longer a concern and the Christmas bonus will now be paid in accordance with what was intended when we originally introduced this benefit two contracts ago," he said.

CSO: 3298/653

BAHAMAS

AIRPORT GO-SLOW ENDS BUT UNION-GOVERNMENT REMAIN AT ODDS

Nassau THE TRIBUNE in English 30 Apr 85 p 1

[Text]

ALTHOUGH the work-to-rule, which brought chaos to Nassau International Airport over the weekend, is at an end, the problems between the airline union and Government is not.

In a press statement late this afternoon, the Airport, Airline & Allied Workers' Union said that contrary to a statement made by Minister of Tourism Clement Maynard yesterday, government has not approved the salaries requested by the union for air traffic controllers.

"A counter proposal was submitted only after we had revised our proposals some three times," said the AAAWU statement today. "Our last proposal is still some \$5-\$7,000 less than what is presently being paid to controllers in Freeport.

"As a matter of interest," said the union, "salaries are not the sole interest of the union. The Government after much delay submitted a counter proposal concerning salaries only, totally ignoring our request for job security, better working conditions and an earlier retirement plan than is presently in effect."

The union recognized that as a result of their work-to-rule major airlines have "suffered considerable losses." It said that a "few flights in fact had to divert to their alternate destination because of the in-

dustrial action."

The AAAWU said that it "must reiterate" that union members had exercised "a great deal of patience."

"We have records to prove," said the union, "that at one time, our correspondence was not replied to for two years."

However, said the union, "as a gesture of good will, and being ever cognizant of our service to the general economy of the Bahamas, including Freeport, we have called off our industrial action, pending the outcome of our talks" with Mr Maynard on May 3.

Sunday was a particularly bad day for the airlines.

Aircraft were being held overhead for 35 to 40 minutes before being allowed to land. Passengers, who were boarded, had to wait in the aircraft for the same amount of time before permission was given to take off.

At one point on Sunday there were so many aircraft parked on the tarmac that there was no room for others to come in. Passengers crowding the terminal building sat on suitcases or stood for hours. Persons wishing to get from one ticket counter to the other had to go outside and walk the length of the building to get to the counter that they wanted.

BAHAMAS

PUBLIC WORKS PROJECTS MUSHROOM FOLLOWING LONG LULL

Nassau THE TRIBUNE in English 29 Apr 85 p 4

[Article by Athena Damianos]

[Text]

AFTER several years lull in activity, capital development is springing up in New Providence and the Family Islands.

And, the sudden surge of activity by Government, which is apparently trying to sharpen its tarnished image - and fast - is creating speculation.

Minister of Works Darrel Rolle at the weekend announced that work has started on the extension of Parliament Street northwards from Bay Street to Woodes Rogers Walk. This is the first phase of a project that calls for the redevelopment of Rawson Square to provide a visual link with Parliament Square.

Rawson Square has been in a state of neglect since straw vendors were forced to abandon the area more than two years ago.

This is not the only sign of development that is taking place in New Providence.

Almost as if by magic, a modern, \$3.6 million fish landing complex on Potters Cay is coming on line. The complex, completed in March, 1983, was supposed to offer a multitude of services to fishermen. However, until recently, the only services provided were storage and the sporadic sale of ice.

Now, there is sophisticated weighing equipment and a nicely manicured lawn with flowering scrubbery has been planted at the entrance.

An expansion programme for Nassau International Airport, which has been in the works since 1983, is underway. The foundations have been laid and some supports are in place.

Ironically, the firm that built the unfinished Customs Air Express building across the street, has been awarded the expansion contract. The Customs building has been padlocked and left in a state of near completion for a number of years. It is understood that Government owes money to contractor Hubert Fowler of Guarantee Construction Co.

A low cost housing complex in Yamacraw, Elizabeth Gardens, is to be officially opened by the Queen in October.

Six rental units will soon open in Rolleville, Exuma. The Member of Parliament for Rolleville is George Smith, who was disgraced by the Commission of Inquiry report. According to the report Mr Smith corruptly accepted money from a known drug trafficker and received a gift BMW car from the Norman's Cay smuggling empire of Carlos "Joe" Lehder.

The Tribune has been reliably informed that the Ministry of Works has invited bids for \$5 million worth of work in some of the Family Islands. The bids are expected to be open at the end of the month.

It is understood that the islands earmarked for development are Abaco, Eleuthera - where 49 miles of road works are required - East End (Grand Bahama), San Salvador and Long Island. It was also reported that the work must be completed during the 1985 calendar year.

During the 1985 Budget Debate, Prime Minister Lynden Pindling, who placed himself in charge of the Ministry of Finance,

introduced a five cent a gallon road tax fund. He said that the money raised through the fund would go towards road repairs.

Former Minister of Finance Arthur Hanna told Parliament that the Bahamas Constitution only allowed for one fund - the Consolidated Fund. Mr Hanna did not see how the Prime Minister could set up a separate fund. Sir Lynden never responded to Mr Hanna's remarks.

The Cable Beach Road in front of The Grove was being paved last Thursday.

Although Sir Lynden announced in January Government would not proceed with an airport at Exuma as planned, he said that electricity would be installed at Little Exuma; the road from Barretarre to the main highway would be paved, and the road from Rolleville to Great Exuma would be paved.

The Commonwealth Heads of State Conference and a visit by Queen Elizabeth are scheduled for October.

Even the candy-striped lighthouse at Hope Town, Abaco, whose bright red stripes had faded to dull pink, has been painted - the first time since the Bahamas Government took over responsibility for the lights from the Imperial Lighthouse Service on independence in 1973.

And, on April 18, a new publication, *The Bahamas Today*, hit the newstands. *Bahamas Today* has reportedly replaced *The Herald*, the PLP's defunct propaganda weekly.

CSO: 3298/654

BAHAMAS

CENTRAL BANK REPORTS QUARTERLY ECONOMIC STATISTICS

Drop in Trade Deficit

Nassau THE TRIBUNE in English 30 Apr 85 pp 1, 5

[Article by Anthony Forbes]

[Text]

THE country's trade deficit was narrowed by \$24.3 million during the last three months of 1984, reflecting strong growth in export receipts and a lower oil bill, the Central Bank has revealed in its Quarterly Review for December, 1984.

In the section dealing with balance of payments, the bank also disclosed that the current account posted a deficit of \$60.6 million for the period, an improvement from the \$95 million registered for the comparable period in 1983.

"Reflecting strong growth in export receipts and a lower oil bill," the bank stated, "the trade deficit was narrowed by \$24.3 million. However, net invisible receipts fell by \$9.9 million."

The bank said that export earnings were estimated at \$77.7 million or \$19.2 million above the same period in the previous year, the whole estimated value of imports rose by \$3.1 million to \$200.9 million.

Oil imports totalled \$43.8 million, down \$8.2 million from the previous year. Foreign declined by \$11.5 million while oil for domestic consumption increased by \$3.3 million.

The bank said that the per barrel price of oil products was generally higher in all categories, with the exception of propane and motor gas, which fell by \$0.32 and \$1.29 to \$23 and \$37.43 respectively.

Preliminary estimates of the Ministry of Tourism place expenditures at 4166 million, an increase of 47.3 million from the previous year.

The additional \$4.2 million which accrued directly to Government from tourism activity brought estimated gross tourist receipts to \$170.2 million, up \$6.6 million from the previous year.

Bahamians spent an estimated \$24.6 million on travel, up \$1.7 million from the comparable period in 1983.

The bank said that net factor payments increased by \$4.1 million to \$29.8 million, partly reflecting a rise in Government interest payments of \$2.7 million.

It noted that net outflows from banks and trust companies fell by \$2.5 million, while that from the non-financial sector moved up by \$3.9 million.

Payments on account of non-merchandise insurance dropped slightly by \$0.3 million, with net outflows under other services higher by \$1.7 million. Local expenditures by offshore companies was unchanged from last year at \$22.6 million.

Transfer payments registered a net inflow of \$0.2 million, down from \$1.8 million in the fourth quarter of last year. Net private remittances increased by \$0.9 million while receipts to Government declined by \$0.7

million.

Transactions on the capital account resulted in a net inflow of \$3.6 million, slightly down from the \$4.1 million posted a year ago.

Net private capital inflows dropped by \$1.9 million due in part to a higher net outflow of \$2.2 million under property transactions, which compares with a 41.9 million for the same period the year before.

The bank said that loan receipts were higher by \$8.9 million, but repayments also

rose by \$11.4 million. Net receipts under other investments was \$2.4 million as against \$2 million the previous year.

Government's external borrowings and repayments on its foreign obligations were both nil during the quarter and public corporations retired \$0.7 million of their outstanding external obligations.

Commercial banks and the other local financial institutions reduced their net foreign liabilities by \$7.5 million and \$6.1 million respectively.

National Debt

Nassau THE TRIBUNE in English 30 Apr 85 p 1

[Article by Anthony Forbes]

[Text]

THE national debt has been reduced by \$21.1 million from \$525.6 million in December, 1983, to \$504.5 million during the same period last year, the Central Bank has announced.

According to the bank's quarterly review for December, 1984, debt repayment for that period totalled \$2.3 million, all of which represented internal payments.

Of this total, the review said, \$2 million was in Bahamian dollars with the remainder in foreign currency.

"As at December end, the total direct charge on Government stood at \$439.8 million, a decrease of \$2.5 million from third quarter, 1983," the bank said.

"The contingent liabilities of public corporations which totalled \$64.7 million, brought the outstanding national debt to \$504.5 million at year end," the bank added.

In its quarterly review for December, 1983, issued in April, 1984, the bank revealed that contingent liabilities of public corporations of \$100.7 million, coupled with the total direct charge on the Government at \$424.9, the total national debt then stood at \$525.6 million.

According to the December, 1984 review, the fiscal position

showed improvement further in the fourth quarter as reflected in the \$2 million reduction of the overall budgetary deficit.

The bank said that this resulted mainly from a fall in net lending of \$14.3 million, as revenue collections for the period declined by \$2.2 million and expenditure increased by \$10.1 million.

It said that tax revenue increased by \$1.3 million (2%) to \$74.9 million, while non-tax revenue declined by \$3.5 million (26%) to 410 million.

Under tax revenue, property taxes yielded an increase of \$0.5 million; departure taxes, \$0.2 million; import taxes, \$0.9 million and export taxes, \$0.3 million.

Selective taxes on services declined by \$0.4 million; business and professional licence by \$0.7 million and other taxes by \$0.1 million.

The bank said that the decline in non-tax revenue resulted mainly from a fall-off in fines, forfeits and administrative fees of \$2.9 million which was compounded by the fact that there were no receipts from public enterprises.

A year ago, the bank said, the intake from public enterprises totalled \$1.7 million. Income from other sources increased by \$1.1 million.

Current expenditure increased by \$10 million (13%) to \$86.9 million, with capital expenditure up by a marginal \$0.1 million (1%) to \$6.9 million.

Under current expenditure, personal emoluments rose by \$7.1 million and purchases of goods and services, by \$1.9 million.

Interest payments were higher by \$3.4 million, while subsidies and other transfers declined by \$0.4 million.

The movements in the capital budget were very modest, with capital transfers to public enterprises up by \$0.2 million and capital formation of by \$0.1 million.

A review of the functional breakdown of expenditure showed an increase in general public service of \$1.7 million, with outlays on general administration up by \$0.5 million and public order and safety, by \$1.2 million.

Expenditure on defence moved up by \$0.1 million; education by \$1.1 million; and health by \$2.1 million, Housing outlays fell by \$0.2 million.

In the category of economic services, expenditure on public works and water supply were up by \$1.4 million and transportation by \$0.7 million. Spending by the Ministry of Tourism for the review quarter increased by \$0.3 million.

The fall-off in current revenue in the face of rising expenditures resulted in a current budgetary deficit for the quarter of \$2 million, compared with a surplus of \$10.2 million the previous year.

The sharp turnaround in net lending from an increase of \$13.9 million last year to a decline of \$0.4 million in the current quarter, caused a drop in the overall budgetary deficit to \$8.5 million from a year-earlier \$10.5 million.

The deficit was covered by a drawdown of cash balances and short-term financing from commercial banks.

BAHAMAS

DETAILS CONCERNING WEEKLY 'BAHAMAS TODAY' REPORTED

Nassau THE TRIBUNE in English 27 Apr 85 p 1

[Text]

THE "publisher" of The Bahamas Today, a new weekly, has identified himself following a warning from Bahamas Information Services Monday that it is against the law not to publish the address of a publication or the identity of those in charge.

Bahamas Today said in its second issue released Friday that the publisher is Bradley Crawley. However, it is understood that the Prime Minister's good friend, Everette Bannister, is connected with the publication. American propagandist Paul Drake, a personal friend of Bannister's, is said to also be involved.

Bannister is a former editor of The Herald, the PLP's defunct propaganda weekly. Drake at one time wrote for The Herald. Earlin Williams, a former Herald reporter, is now on the staff of The Bahamas Today.

It is claimed that The Bahamas Today replaces The Herald, which disappeared from news stands several weeks ago.

The Bradley Crawley, named as Bahamas Today publisher, is believed to be the manager of Paradise Island Bridge Company which is owned by the Grand Hotel and where Bannister was reported at one time to have had an office. The Grand Hotel

placed a large advertisement in the first edition of Bahamas Today. Although it was the first edition of an unknown paper, the National Insurance Ministry also placed a full-page advertisement. National Insurance comes within the portfolio of Minister of Works Darrell Rolle.

In its first edition last week, Bahamas Today neglected to identify the publisher or give an address. It said it was printed by Island Press Ltd. However, there is no listing for such a company at the Registry of Companies.

Although a spokesman denies it, The Tribune was informed that the paper is published by Ablo Printers in Hialeah, Fla.

This week's Bahamas Today had a banner story "Behind closed doors of the private clubs." Other articles included "Election mania sweeps FNM," "The Great Debate," and "Rolleville gets new homes."

The paper also reported that Americans Bill Kalis and Joe Edwards are negotiating to sell the Bahamas News Bureau to a Bahamian group. It said members of the group include Joan Albury of the Ministry of Tourism, Basil Smith of the News Bureau and Vincent Vanderpool.

CSO: 3298/654

BAHAMAS

DRUG PLANES STILL GETTING THROUGH ENFORCEMENT NET

Nassau THE TRIBUNE in English 30 Apr 85 p 1

[Text]

BAHAMIAN fishermen claim that while "pickets" are being formed around selected Bahama islands to keep drug traffickers off balance, the low-flying planes are still getting through.

A group of fishermen reported unusual activity in the Berry Island area over the weekend.

At about 2:15 am on Friday, said the source, "a heavy-propellered, low flying plane came over Whale Cay, heading north. There was another one at 3 am. We think they were headed for Great Harbour, Cistern Cay or Freeport. They were flying very, very low, so low that they would have been under the radar."

On Saturday night, he said, there was "a stream of planes." The stream continued, he said, until he and his friends pulled up anchor at 2 am and left the area.

Another source told The Tribune that while the law forces of Operation Blue Lightning were busy cleaning up the Bimini area, a "steady drug operation was being conducted behind their backs in San Salvador."

The source said that Monday, April 15, around 10 pm a suspicious looking plane landed in San Salvador. Bahamian and US agents were operating in Bimini at the time.

It is understood that information got through on Tuesday about the "behind-the-back operation" in San Salvador and BAT

helicopters went in to search the island. According to the source, nothing was found. The investigators left the island. The last BAT helicopter was about to leave when "in broad daylight a plane flew in with two Colombians on board and about 300 kilos of cocaine," The Tribune was told.

"This has been the whole pattern," said the informant. "One area is closed down, but because of a leak they just move to another area. That's been the pattern for the past eight years - there is always a hole in the system," The Tribune was told.

On April 19 United States/Bahamian officials announced that hundreds of officers had swooped in on drug smugglers in 30 Bahama islands, seizing more than \$100 million worth of cocaine and marijuana during a 17-day operation.

However, Operation Blue Lightning was not a total success. During the press conference in the Federal Building in downtown Miami, in answer to a question from a Tribune reporter, Admiral R P Cueroni admitted that there had been a "leak." The coordinator of Vice President Bush's Task Force said that as a result of that leak Operation Blue Lightning had to be stepped up. It was originally scheduled to begin on April 5. It started two days earlier.

He said that he did not know which side the leak had come from - the Bahamas or the US - but if he knew he would put whoever was responsible in jail.

BAHAMAS

BRIEFS

RISE IN TOURISM--THE country's principal resort destinations continued to attract rising numbers of visitors last month, showing a 20.6 per cent increase over March, 1984, the Ministry of Tourism announced today. According to the ministry, the visitor count was up 22.5 per cent in New Providence, 23.8 per cent in Grand Bahama and 7.2 per cent in the Family Islands. During the January-March period, arrivals were up 20.1 per cent in New Providence, 25.7 per cent in Grand Bahama and 7.6 per cent in the Family Islands. The all-Bahamas count was up 20 per cent over 1984's first three months, the ministry said. Immigration Department figures are a head count of all foreign visitors and tourists arrivals, excluding ship crews, diplomatic personnel and returning residents. [Text] [Nassau THE TRIBUNE in English 24 Apr 85 p 1]

CSO: 3298/655

BERMUDA

PLP CLAIMS BRITISH PARLIAMENT MAY AIR NUCLEAR-ARMS ISSUE

Hamilton THE ROYAL GAZETTE in English 11 Apr 85 p 3

[Text]

Britain's Parliament might debate alleged US plans to deploy nuclear weapons in Bermuda, according to the Progressive Labour Party.

Party chairman Mr. Alex Scott yesterday said the PLP had sent a dossier concerning US strategic plans for Bermuda to Britain's Labour leader Mr. Neil Kinnock.

"The Labour Party's policy toward the nuclear issue is in keeping with that of our Party," said Mr. Scott. "It advocates the removal of nuclear weapons from all British territories.

"I think that Bermuda is so strategically placed that if the Labour Party does take up the Island's role in US nuclear policy, the issue could literally be brought before the British Parliament."

In January, Washington-based atomic weapons specialist Mr. William Arkin leaked details of the classified US Nuclear Weapons Deployment Plan.

The plan calls for 32 nuclear depth charges to be sent to Bermuda's US Naval Air Station during times of "advanced readiness".

Because of Bermuda's colonial status, Britain still controls the Island's foreign policy and defence. Any US plan to deploy nuclear weapons in Bermuda would have to receive British approval.

"If the British Parliament does get involved it may cause the Conservative Party to rethink the automatic approval it has apparently given to the United States with regard to deploying nuclear weapons in Bermuda," said Mr. Scott.

"It is helpful that the Labour Party has pulled ahead of the Conservatives in the latest opinion polls."

CSO: 3298/656

BERMUDA

PLP SAID READY TO LAUNCH NUCLEAR, OTHER NEW INITIATIVES

Hamilton THE ROYAL GAZETTE in English 10 Apr 85 p 2

[Text]

The Progressive Labour Party is gearing itself up for a major two-pronged publicity campaign which will begin with a press conference next week.

Opposition Leader Mrs. Lois Browne Evans will unveil new party initiatives towards the deployment of US nuclear arms on the Island and the question of Bermudian status.

The PLP is expected to take a long-term approach to the nuclear controversy which it helped bring to public attention early this year. Since the early furore about the revelations made by US expert Mr. William Arkin, the party has been in frequent contact with the British Labour Party.

A voluminous dossier was sent directly to British Opposition Leader Mr. Neil Kinnock and the PLP hopes that Labour (which wants a nuclear-free Britain) will take up the issue in the House of Commons.

The PLP has also been in contact with other foreign organisations

which have adopted the anti-nuke stance. A spokesman yesterday refused to name the organisations contacted but it would be surprising if the party had not corresponded with the Labour Government of New Zealand which recently banned visits by nuclear-armed or powered ships.

The press conference will also seek to lay the groundwork for the Senate debate on status later this month.

Senator David Allen has tabled a motion calling for a moratorium on the granting of Bermudian status and the consideration of a new permanent residency category of citizenship.

They will hope to press home the political advantage gained last month by Senator Allen's criticism of civil servants' housing benefits.

There will also be a meeting of the party Parliamentarians, executive officers and branch representatives this week as they try to co-ordinate a final push for voter registration. This is the last month in which missing names can be registered for this year. The new voters list will be published on June 16.

CSO: 3298/656

BERMUDA

GOVERNOR ORDERS INVESTIGATION OF AUDIT DEPARTMENT

Hamilton THE ROYAL GAZETTE in English 11 Apr 85 p 1

[Article by Diane Hill]

[Text]

The Governor will appoint a three-member Commission of Inquiry into the role of Bermuda's Auditor and the Act which gives him powers to review Government spending.

The action follows a long-running battle between the Government and Auditor Mr. Larry Dennis over his powers as a spending "watchdog."

The decision was immediately welcomed by the Opposition, which views a more powerful Auditor as a way of having more up-to-date financial facts available.

The decision to review the 1968 Act was taken by Governor Viscount Dunrossil after he received a report from the Foreign and Commonwealth Office in London.

The three-member Commission will be appointed within the next two to three weeks, and a Government House spokesman said the inquiry would proceed "as quickly as possible."

The report from London followed examination of a 22-page critical submission on the Bermuda Government's auditing system, which was compiled by Mr. Dennis three years ago.

Although Mr. Dennis never made details of his report public, he said it makes

a case for greater independence for his office.

Auditors in the UK, Canada, and Australia have the power to review Government spending — and to comment on its efficiency. However, that right is not clearly spelled out in the constitutional mandate governing the Bermuda Auditor's role.

Mr. Dennis' case for more independence was presented to the Bermuda Government last year.

However, when he wasn't satisfied with the resulting discussions, he submitted the same report to the Foreign and Commonwealth Office.

The document has been in the hands of experts in London between last October and last month.

Two weeks ago, the report and comments on it were sent from London to Lord Dunrossil, who apparently then met with Bermuda Government officials.

The decision was then made to proceed with a full review of the Audit Act and "matters related thereto."

The Governor must be the one to order the examination, under terms of the 1935 Commissions of Enquiry Act. Because the questions being examined are questions

of constitutional rights, the matter must be dealt with by the Governor and authorities in London.

But any recommendations made by the Commission of Inquiry will, it is understood, be made to the Government of Bermuda.

However, details about the inquiry remain scarce. Government House has little to add to its original announcement, which said the inquiry will delve into "a number of matters . . . such as the responsibilities, organisation . . . and independence of the Office of the Auditor."

Finance Department officials have declined to comment on the matter, and Mr. Dennis said he has been instructed by Government not to comment.

However, he did applaud the decision to set up a Commission of Inquiry, calling it "a wise one."

"I have high hopes for it," he added.

The Opposition, however, was more forthcoming in its reaction to the upcoming review.

"It is a welcome measure which is long overdue," said Shadow Finance Minister Mr. Eugene Cox. "We have to know where we stand financially."

The PLP MP said he "cannot understand" how a small Country cannot consistently produce up-to-date financial information.

"We have found Government spending reports to be out of date. Things like supplementary estimates have been coming out four or five years late."

Giving the Auditor sufficient funding and staff to keep up-to-date reports and the power to comment on the effectiveness of Government spending controls would "make it easier for us to perform our function," he added.

"We in the Opposition will do all we can to assist the inquiry."

BERMUDA

UNION CONTINUES ATTACK ON BROADCASTING COMPANY MANAGER

Hamilton THE ROYAL GAZETTE in English 15 Apr 85 p 1

[Text]

Local unions have stepped up their campaign to get rid of Bermuda Broadcasting Company boss, Mr. Michael Tindall.

A petition calling on Labour and Home Affairs Minister the Hon. Sir John Sharpe not to renew his work permit is now being circulated.

And the organisers, the BIU and former BBC chief shop steward Mr. Gerald Daniels are confident of a "terrific response".

The petition contains a hard hitting attack on Mr. Tindall's performance as BBC general manager over the last two years.

It says Mr. Tindall, a Canadian, has had a negative effect on Bermuda's industrial relations, culture and television and radio programming.

And Bermudians' right to speak out on radio and television has been hampered by Mr. Tindall.

It goes on to say that Mr. Tindall has "tossed the skills and talents of at least 30

Bermudian workers to the winds".

"He has made absolutely no contribution to our community. For these and other valid reasons we the undersigned strongly object to your ministry approving any extension to Mr. Tindall's work permit being renewed beyond May 1985."

Mr. Daniels said the petition would be presented to Sir John as soon as sufficient signatures had been gathered. He did not know when that would be.

"We hope the Minister will give this some serious thought, and we hope the public will respond," said Mr. Daniels.

He said the petition was not only aimed against Mr. Tindall. He also wanted more local programming on radio and television.

The BBC has been labouring under a financial cloud for some time. It closed down last summer and the workforce was reduced from over 100 to 39 when it returned to the air.

Mr. Tindall said: "I really have no comment to make."

CSO: 3298/656

BERMUDA

MINISTER BLAMES OPPOSITION IN FIRE-BOMB ATTACK ON HOME

Hamilton THE ROYAL GAZETTE in English 8 Apr 85 pp 1, 3

[Text]

Government has accused the Progressive Labour Party of provoking Friday night's firebomb attacks at the homes of the Finance Minister and the Tourism Director.

Finance Minister and Acting Premier the Hon. Clarence James last night said the Opposition was intent on dividing and destabilising the country.

"It is deplorable that such lawless acts were committed," said Dr. James. "There is extreme left wing politics at work in connection with these incidents."

Late on Friday evening Molotov cocktails were thrown at the Minister's Smith's Parish home and the Harbour Road house of Tourism Director Mr. Andrew Vladimir.

The bombs used at the Minister's home were tossed into his basement garage and failed to ignite properly. Dr. James only discovered them the next morning when he went to get his car, which received some minor damage in the attack.

But the bombs thrown at Mr. Vladimir's house went off in his living room, setting the drapes, a coach and a carpet ablaze.

Mrs. Vladimir, whose husband was in New York at the time, was alerted by a neighbour. She woke her two teenage children and dialled the Fire Department before leaving the house herself.

"I had memorised all the emergency numbers, which is lucky because the smoke was so thick that I never would have been able to read them in the telephone book," said Mrs. Vladimir.

Fire trucks arrived within minutes, and all damage was confined to the living room.

Dr. James said recent PLP attacks on Government perks to senior civil servants had probably incited the two attacks.

"Irresponsible and intemperate remarks were made by Opposition parliamentarians," he said. "Having successfully divided their own party they are now seeking to divide the country in any way they can."

Dr. James said the PLP was trying to cause a split between workers at different ends of the pay scale by highlighting the perks issue.

"The issue of perks is an overplayed red herring," he said. "The Opposition is trying to destroy the fabric of our community by constantly pointing out differences."

Dr. James said the Opposition's support for the 1981 strikes which paralysed the tourism industry and the newly formed PLP Prisons Review Committee were other examples of its attempts to sow discord.

"This is the politics of divisiveness," he said. "The

hand of left-wing politics is clearly at work."

But last night the PLP said violence was to be condemned and social change could only come about through political means.

"As it did following the attempted firebombing of Police Commissioner Bean's home earlier this year, the PLP deplures similar attacks on the homes of the Tourism Director and Finance Minister this weekend," said Party spokesman Senator David Allen. "Such exhibitions of violence and attacks on individuals cannot be condoned, and that is why the PLP has dedicated itself to change through the political process.

"It is wrong for Finance Minister Dr. James to have said that the incidents should be blamed on the Opposition and the news media for widely publicising the controversy over housing perks of senior Government officials.

"The Government-commissioned Gurr Report warned as early as 1982: 'Bermuda has an appreciable potential for civil disorders in the 1980's, despite the relative prosperity and the progress made toward equal opportunity in the last two decades'.

"Thus the PLP feels it is a grave over-simplification and gross inaccuracy for Dr. James to suggest that the Opposition and the news media are responsible for such outbreaks."

Senator Allen said the PLP had warned Government to re-examine the Gurr Report's findings after the attack on Commissioner Bean's house.

"Dr. James, and indeed the country, should take note of the Gurr Report's observation that there are grave shortcomings in the 'development and evaluation of policy' in Government's Ministries of Health and Social Services, Education, Community Affairs, Housing and Labour," he said.

"We would further point out that it is the constitutional duty of the Opposition of this country to act as a vigilant watchdog in Parliament and to scrutinise any and all Government expenditures and any apparent mismanagement of public funds.

"Dr. James detracts from and undermines the main legitimate means of effecting has been established to investigate the two attacks. Members of the public with information concerning the incidents can call Police at 5-0011 or ring the confidential code-a-phone at 5-1140. change when he attacks the use of the political process, and the news media for reporting this process."

UBP chairman Mr. Robert (Skippy) Lewis said the attacks were indefensible.

"The UBP joins the people of Bermuda in condemning the two separate firebombing attacks of Fri-

day night," he said. "No problem will ever be solved by these methods. And the fact that these incidents involve defenceless women and children make them even more deplorable."

Mr. Lewis said Bermuda could not afford to tolerate such incidents.

"In a country such as ours, violence can never be a considered alternative," he said. "Bermudians as a people must resolve not only to solve such problems that may exist but also pledge to do so peacefully and with the best interest of Bermuda always in mind."

Last night outspoken Government Senator Llewellyn Peniston also blamed the PLP for provoking the attacks.

"Clearly this weekend's tragic fires, which impinged on innocent and defenceless women and children, are attributable to the heightened and irresponsible rhetoric of the Opposition," he said. "The Opposition should use their wild rhetoric to encourage their supporters to use the ballot box to change Government policies rather than trespassing upon the privacy of citizens with Molotov cocktails.

"Hopefully the Police will apprehend the perpetrators of these crimes, at which time Senator Allen can provide character references based on the argument that the offences were committed as a consequence of sociological problems."

■ A special Police task force

BRAZIL

EFFORTS TO OVERCOME FLOOD DEVASTATION REPORTED

Flood Assistance Project Outlined

PY070310 Brasilia Domestic Service in Portuguese 2200 GMT 6 May 85

/Excerpts/ Maranhao Governor Luiz Rocha today submitted a document to President Sarney that outlines an assistance project for homeless people and the reconstruction of highways, schools and dams destroyed by the rains in his state. After leaving Planalto Palace, the governor spoke about the funds necessary for the reconstruction project.

/Begin Rocha recording/ The Maranhao Government has made no request for funds; it identified the problems and the solutions, estimating the cost of reconstruction at approximately 1.75 trillion cruzeiros to repair the damage caused by the floods. /end recording/

The Maranhao Agricultural Ministry will distribute 500 tons of bean seeds to help overcome the damage caused by the floods, which have destroyed 50 percent of the grain crop. The seeds will be planted on 15,000 hectares close to the river banks. These areas have become fertile lands after the floods.

In the meantime, debureaucratization Minister Paulo Lustosa has asked the presidents of the Central Bank and of the Banco do Brasil to give special treatment to the microenterprises of the northeast that have been affected by the floods. /passage omitted/

There are more than 280,000 homeless people in 37 Ceara districts. The situation is most serious in the Jaguaribe River Valley, where there are some 216,000 homeless. /passage omitted/

The rain has caused the oil production of the Rio Grande do Norte /word indistinct/ district to drop by 1,700 barrels a day, which means PETROBRAS in losing \$31,000 daily. /passage omitted/

Toll of Flood Victims Approaches 1 Million

PY090239 Paris AFP in Spanish 0048 GMT 9 May 85

/Text/ Brasilia, 8 May (AFP)--A communique of the Civil Defense Department of the Brazilian Interior Ministry today reported that almost 1 million persons have been affected by the floods which have been plaguing the northeastern part of the country for more than 2 months now. There are 913,000 homeless persons, while 239 of the 274 counties affected by the flood are in the state of disaster.

Of the 10 northeastern states, the ones most harmed by the floods are: Ceara (291,015 homeless), Maranhao (278,141 homeless), Piaui (168,690 homeless) and Rio Grande do Norte (130,965 homeless).

The Interior Ministry, which has received special funds to help the northeastern population in distress, has sent to that area foodstuffs, medicines and tents.

CSO: 3342/169

BRAZIL

REPORTAGE ON USSR INTEREST IN MICROCOMPUTER PURCHASES

USSR Interest in Microcomputers

Brasilia CORREIO BRAZILIENSE in Portuguese 13 Apr 85 p 14

[Article by Gladston Holanda]

[Text] The USSR wants to buy 70,000 microcomputers manufactured by Brazilian industry and has already sent correspondence to that effect to Itamarati [Brazilian Ministry of Foreign Affairs], according to a statement yesterday by a highly placed source in the SEI (Special Secretariat of Informatics). The main reason for the Soviet interest is related to the highly competitive price of Brazilian equipment in terms of the external market.

Leaders in ABICOMP (Brazilian Association of the Computer and Peripherals Industry) were informed of the Soviet proposal by the SEI and are in contact with their membership to determine how the industry could meet the proposed request from the Soviets. If the transaction materializes, it will unquestionably be the biggest deal ever for the national computer industry. To get an idea of the volume involved in the Soviet proposal, one need only recall that the number of microcomputers installed in the country in 1984, according to an estimate by the PROLOGICA firm, was 87,000, with billing of 107.8 billion cruzeiros. The same firm anticipates that the number will reach 200,000 pieces of equipment.

The Soviet interest in microcomputers is geared mainly to the area of education, and ASSESPRO (an association representing the interests of the software community) is also preparing to penetrate the Soviet market through sales of its systems.

Despite our attempts, we were unable yesterday to confirm the report concerning the Soviet interest in Brazilian microcomputers with Itamarati's Commission on Trade with East Europe, the reason being that the head of the commission spent the afternoon in meetings. To avoid hurting anyone's feelings at Itamarati, the source from which we obtained our information preferred to remain anonymous.

Robotics

The commission that spent 3 days analyzing plans for the production of robots in Brazil concluded its preliminary work yesterday after listening to the 22

interested companies present a detailed explanation of their plans in that area.

Umberto Gobbato, head of the SEI's Department of Industrial Automation, confirmed yesterday that the plans to develop independent technology have a good chance of being approved. He said the plans were excellent from the technical standpoint. Concerning 10 other firms that had submitted plans for buying technology abroad, Gobbato said more thorough analysis was needed to ensure that their plans would not interfere with production by firms wanting to develop their own technology. In other words, a "semireserved market" for the industrialization of robots in Brazil will have to be established, with special treatment being accorded those domestic firms that promise to develop their own technology.

The SEI is also concerned about the development of new technologies for the future production of robots. One of the standards that will be adopted by the commission, which is made up of representatives of the government, universities, and professional associations, concerns the legal makeup of the firm: the venture in question, the funds to be allocated to it, the available technical team, and the program for local content and development.

Legislative Bill

Under a bill presented to the National Congress by Senator Nelson Carneiro (PTB [Brazilian Labor Party], Rio de Janeiro), an article would be added to the CLT (Consolidated Labor Laws) specifying the weight to be assigned to imported robots in the composition of the work force and classifying them as "foreign workers." The bill by the senator from Rio de Janeiro states that "for the purposes of proportionality as dealt with in the article, robots imported to perform labor in industry are considered to be groups of foreign workers, and the weight assigned to them will correspond to that of the manpower which they effectively replace."

USSR Wants Microcomputers

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Apr 85 p 22

[Text] Brasilia--The Soviet Union is interested in acquiring 70,000 microcomputers on the international market for use in its program for computerizing secondary education, according to an announcement yesterday by the Soviet ambassador to Brazil, Wladimir Schenchev, following a 30-minute talk with the minister of science and technology, Renato Archer. But Soviet interest in Brazilian microcomputers "is only a rumor," said Schenchev.

Believing that they can win in international competition, Brazilian industrialists have given up hope of receiving more information concerning the deal from the government and have decided to make direct contact with the USSR's Department of Trade in Moscow, according to Comdr Antonio Didier, deputy chairman of ABICOMP.

Late yesterday afternoon, ABICOMP began distributing to microcomputer firms a communication from the SEI announcing the Soviet interest in Brazilian equipment. The communique from the SEI does not provide any further details--after all, explained one of the SEI's advisers, the Brazilian Government itself does not know any more than that.

At the end of March, the Soviet chancellery informed the Brazilian Embassy in Moscow concerning the purchase of microcomputers. The information was sent on to Itamarati's Trade Department in Brasilia, which relayed it to the SEI 2 weeks ago. Businessmen and government officials were hoping that the ministry would be enlightened yesterday as a result of the visit to Minister Renato Archer by Ambassador Schenchev. But Archer confided to his advisers later that in the course of their very formal 30-minute talk, Schenchev had spoken only "in general" about bilateral cooperation in the field of technology. According to Antonio Didier, Brazil is currently capable of placing microcomputers with eight bits (sufficient for educational purposes) on the market at a price of \$65. That is similar to the price of microcomputers produced in Hong Kong.

11798

CSO: 5500/2068

4 June 1985

BRAZIL

SARNEY ACTION PLAN, RELATIONS WITH GUIMARAES VIEWED

PY240315 Rio de Janeiro O GLOBO in Portuguese 23 Apr 85 p 5

[Text] Brasilia--President Jose Sarney will announce in the next few days the social projects approved last week which had not been announced due to the aggravated condition of Tancredo Neves. Next week Sarney will expedite the appointments of second and third level officials and will recommend to his ministers to expedite actions within their respective areas.

According to prominent members of the Democratic Alliance, President Sarney intends to give as much dynamics as possible to his administration since he is aware that he must avoid giving the impression that the death of the founder of the New Republic has left a political vacuum in the country.

The sources said that no cabinet changes will take place in the short term. Although he plans to run his administration at his own pace, Sarney does not see any reason to make immediate changes among his closest aides.

According to a presidential adviser, Sarney is also aware that he must share government decisions with Congress. Sarney's initiative of discontinuing the practice of issuing decree-laws was designed to emphasize the role of Congress, which will play vital functions in the New Republic.

The sources noted that Sarney was irritated by speculation on frictions between himself and Ulysses Guimaraes, president of the Chamber of Deputies, because Guimaraes wanted to become a tutor to the government. The presidential adviser pointed to the fact that Sarney last week went as far as issuing a public statement that he maintains excellent relations with Guimaraes, whose behavior has been irreproachable.

The sources also said that after meeting with Sarney, Guimaraes emphasized that the Democratic Alliance must remain united and further consolidate itself "mainly because its own survival is at stake." It has been reported in political circles that the president is aware that the Democratic Alliance's success stems from the delicate equilibrium existing among its forces.

The sources also said that while Sarney seeks to maintain cordial relations with the opposition he does not plan to negotiate a political pact with the Social Democratic Party and the Democratic Worker's Party.

BRAZIL

WRAP-UP OF FLOOD SITUATION IN NORTHEASTERN AREA

PY300306 Brasilia Domestic Service in Portuguese 2200 GMT 29 Apr 85

[Excerpts] President Jose Sarney today allocated 30 billion cruzeiros to the Superintendency for Development of the Northeast [SUDENE] to aid the victims of the floods affecting that area. This information was announced by Interior Minister Ronaldo Costa Couto, who also reported that a vast program for the recovery of the northeastern area is being prepared.

Piaui Governor Hugo Napoleao, after a meeting at Planalto Palace today, said that 125,000 people affected by the floods are being provided for by the Piaui government and that the situation is serious.

Approximately 216,000 homeless people in 37 districts of Ceara State today started receiving more than 650,000 tons of food which is being distributed by the Civil Defense Department.

More than 110 mm of rain have fallen on Terezinha, in Piaui, during the past 72 hours. The Health Ministry's massive vaccination campaign in Alagoas, which was scheduled for mid-June, has been brought forward and will start on 2 April. According to Health Secretary (Humberto Couto de Melo), the rainfall of the past few days is causing serious health problems among the inhabitants, especially among children.

More than 152,000 people have been left homeless in Maranhao. The water level of the Mearim River has risen in the past few hours, worsening the situation in the cities of Pedreiras, Sao Luis Gonzaga, (Vacavao), Vitoria do Mearim, and Arari.

According to the Agriculture Secretariat, more than 50 percent of this year's harvest--approximately 3 million tons of grain--has been completely destroyed by the floods.

Foreign Minister Olavo Setubal has requested UN aid for the people affected by the floods in northeastern Brazil. He has requested that this aid come from the UN Emergency Fund or other UN organizations. The minister explained that this request was made in compliance with the Ceara government's request to Itamaraty that it obtain aid from international organizations.

BRAZIL

LULA THREATENS COMPANIES WITH DESTROYING FACTORIES

PY11307 Rio de Janeiro O GLOBO in Portuguese 9 May 85 p 19

/Text/ Last night at a rally attended by 5,000 workers at City Hall, Luis Inacio da Silva, alias Lula, national president of the Workers Party /PT/ and director of the Workers Union, warned the companies not to provoke the workers with dismissals, "because they could cause tremendous damage to the companies." He added that the workers' patience has reached its limit.

Lula stated: "The companies know very well that they have sectors that can suffer great damage. They know what it means to turn off the Volkswagen furnace, to paralyze Ford's painting plant, or to shut down their power plants. We are not going to peacefully allow the trampling of the rights of our fellow workers."

Jair Meneguelli, president of the Sole Central Organization of Workers /CUT/ and of the Workers Union, also stated that the Ford company will not lose anything by waiting. He added that as soon as spare parts are received and it begins to produce, the union will be at the factory's door.

Meneguelli told the workers about the meeting he held in the morning with the presidents of the National Association of Automotive Vehicle Manufacturers /ANFAVEA/ and of the spare parts unions. He stated that he was not at all happy with the results of the talks, but that "a tiny bit of hope exists."

The union leader also sent a message to the companies: "I am sure of one thing: Whether they want to resume negotiations or not, we are going to stand here until they decide to negotiate with the workers. We are not going to return with our heads down."

Lula accused the Volkswagen company of yesterday issuing the first list of 104 workers who have been laid off. He also reported on a secret phone call that the metal workers union has received reporting that the commander of the military police of that region has received a Monza as a gift from General Motors, and that the companies are providing cars to get policemen and paying them to work in their favor.

CSO: 3342/169

4 June 1985

BRAZIL

BRIEFS

BRAZILIAN COMPANIES IN PRC--Five Brazilian companies have signed an agreement with the PRC Government to provide technical services for the Tianshengqiao hydroelectric project on the Napan River in southern China. The Brazilian enterprises are: CNEC /expansion unknown/, Hidroservice, Leme, Promon and Themag. /Summary/ /Sao Paulo O ESTDAO DE SAO PAULO in Portuguese 17 Apr 85 p 24 PY/

VW TRUCKS TO PRC--The first shipment of 50 trucks, out of an order of 1,000 worth \$15 million, for the PRC has begun arriving in Santos port. The first shipment of 400 trucks will be sent in May. The contract includes the supply of spare parts, the training of Chinese personnel in the Sao Paulo Sao Bernardo plant, and the installation of service facilities in China. /Summary/ /Sao Paulo O ESTDAO DE SAO PAULO in Portuguese 10 Apr 85 p 23 PY/

TRADE SURPLUS RISES--The Brazilian Foreign Trade Department has reported that the commercial surplus during March reached \$830 million. The report says that the surplus is 24.2 percent higher than the February figures, but 7.5 percent below the March 1984 figures. During March, exports reached \$1.9 billion and imports \$1.07 billion. /Summary/ /Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 85 p 1 PY/

ENVOY BEATEN BY ROK POLICE--The Brazilian Government today lodged a protest with the ROK Government over an incident that occurred on 5 May in Seoul, when Brazilian Ambassador Federico Carnauba was beaten by the ROK police. Itamaraty Secretary General Paulo Tarso Flecha de Lima lodged the protest with ROK Ambassador Ro Myung Gong. On reporting the Brazilian Government's decision, Itamaraty Spokesman Renato Guimaraes said that the Brazilian Government is considering the possibility of recalling its ambassador from the ROK. /Text/ /Brasilia Domestic Service in Portuguese 2200 GMT 9 May 85/

CSO: 3342/169

BRITISH VIRGIN ISLANDS

BRIEFS

CARICAD MEMBERSHIP--On 15th February, 1985, the Hon. Chief Minister signed the Instrument of Accession indicating the BVI's interest in becoming a party to the Agreement establishing the Caribbean Centre for Development Administration (CARICAD), it was announced by the Deputy Governor's Office. CARICAD was established in 1975 with the general objective of rendering assistance to Caribbean countries for improving their administrative capability to accelerate their social and economic development. It is funded by member states and a number of international agencies. Its governing bodies comprise delegates nominated by member states, the Eastern Caribbean Community Secretariat, the University of the West Indies, and universities of member states (who do not have the right to vote). The Deputy Governor has been nominated to represent this Government on the Governing Body of CARICAD. He will attend a meeting on 12th April, 1985, at which time BVI membership is expected to be ratified. Membership in the organisation will give the BVI access to its resources. The first such benefit will be the provision by the organisation of two experts to conduct, a Conference for Ministers, Permanent Secretaries and Senior Heads of Department and a workshop for officers in the Assistant Secretary and Senior Officer grades during the week beginning 18th March, 1985. [Text] [Road Town THE ISLAND SUN in English 23 Mar 85 p 1]

CSO: 3298/657

COLOMBIA

LIBERALS CLASH WITH ADMINISTRATION OVER ECONOMIC POLICY

Bogota EL ESPECTADOR in Spanish 3 May 85 pp 1-A, 10-A

[Excerpt] A new political impasse emerged yesterday between the Liberals and the administration, with the former asserting that the country is being "deceived" as efforts are being made to cut public spending, on the one hand, while on the other hand President Betancur is committing huge sums to programs in the departments.

The Liberals once again dissociated themselves from the way President Betancur is handling economic policy, in particular public spending, and refused to participate in the subcommittee that is studying the new fiscal package in Congress, until answers are forthcoming for all the questions posed during the debate with Finance Minister Roberto Junguito Bonnet.

The stance that this political group is taking was determined after the inter-parliamentary fiscal committee met yesterday. The committee is made up of Senators William Jaramillo Gomez, Victor Renan Barco and Zamir Silva, and Representatives Cesar Gaviria Trujillo and Alfonso Jaramillo.

The Liberal members of Parliament met with National Liberal Directorate (DLN) members Victor Mosquera Chaux and Ernesto Samper Pizano, who announced to the press their party's decision to abstain from the discussion of fiscal matters until the government clarifies "all the inconsistencies in its management of fiscal policy."

Senators Renan Barco and Jaramillo Gomez told this newspaper that they will discontinue working in the fiscal subcommittee until Minister Junguito responds to all the vital questions concerning the contradictions in the economic policy being pursued by the finance minister and President Betancur.

Renan Barco said that in principle the government's proposal has been well received. The proposal, published in this newspaper last Wednesday, contains a new formula for the repatriation of capital by means of savings certificates in dollars that Colombians with funds invested abroad could purchase.

He indicated that one of the most controversial points in the fiscal debate is the dismantling of funding aimed specifically at the SENA [expansion unknown], the Colombian Family Welfare Institute (ICBF), the Export Promotion Fund

(PROEXPO) and the Highway Fund, since many believe that the sphere of action of these entities should be expanded with the same budget they have now.

Political Impasse

Senator William Jaramillo Gomez of Antioquia declared that the Liberals abstained from participating in the fiscal subcommittee yesterday because they feel that "a political impasse has emerged as a result of the president's speech in Paipa."

He pointed out that this situation has arisen because of both the reorientation of public spending and the information provided by the president to the effect that US \$2 billion in foreign credit could come into the country this year.

8926

CSO: 3348/654

COLOMBIA

BETANCUR ANNOUNCES PLAN FOR 'CHANGE WITH EQUITY'

Bogota EL ESPECTADOR in Spanish 2 May 85 p 1-A

[Text] Paipa, 1 May--President Belisario Betancur called yesterday for a national consensus to save the country from its crisis and solve its political and economic problems. He noted, however, that "although we are not enjoying the days of milk and honey, nor are we on the verge of collapse."

He announced that by redefining economic policy without major upheavals, the government will give priority from now on to an "aggressive social policy," guaranteeing continuity with the efforts made so far and drawing on both public and private energy and initiative in achieving the goals of the "Change with Equity" Plan.

In the speech he gave yesterday at the installation of the Council of Ministers and the government summit in Paipa, the chief of state responded to criticism that the trade associations, labor unions (with which he will meet today at Casa de Narino), Congress, presidential candidates, Liberal leaders and former President Alfonso Lopez Michelsen have all levied at the government, its economic policy and the peace process.

Here are the highlights of the proposals made by President Betancur in his speech at Paipa, which was broadcast by radio and television throughout the nation:

Three Priorities: Government action will be geared toward carrying out proposals to cope with the disturbing unemployment figures, particularly in urban areas; to control the prices of the basic products in the family basket; to pursue a flexible policy of wage increases as the fiscal deficit problems are overcome and progress is made in the reactivation of industry, commerce and agriculture; and to place emphasis on public investments that contribute to the above goals and meet the urgent needs of the community in terms of services, infrastructure, health, housing and education.

Change: "We are proud of the assertion (by former President Lopez) that after our administration, for better or for worse, things will never be the same again, because it demonstrates our democratic and inalterable decision to undertake profound solutions in this country."

Joint Efforts: "The country's circumstances can be improved, if we all unite in the decision to revitalize it."

Responsibility: "This government did its duty, thinking of Colombians. The political responsibility lies with the president of the republic."

Thoughtful Peace: "The government does not seek the peace of conquest, but rather a peace of reflection and persuasion. The end result will be favorable."

Deficit: One of the greatest priorities has been the battle to solve the fiscal crisis. The incoming administration will inherit a deficit half the size of the one this administration received. The uncontrolled expansion of public spending is also being attacked.

Unemployment: In the next few years, the issue of employment will be the greatest concern of the development process. The growth of the unemployment rate to 14 percent has a lot to do with the result of the accelerated demographic growth of the 1960s, because now thousands of new people are entering the labor force.

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CSO: 3348/654

COLOMBIA

GOVERNMENT, LABOR LEADERS CONFER ON ADMINISTRATION PROPOSALS

Bogota EL ESPECTADOR in Spanish 3 May 85 pp 1-A, 10-A

[Article by Dario Fernando Patino]

[Text] Behind closed doors, in the strictest secrecy, the expanded trade associations front and Finance Minister Roberto Junguito Bonnet yesterday carried out a meticulous analysis of the economic policy pursued by the government, and the objections to it expressed by the representatives of the Colombian private sector.

Spokesmen for the production sector spent several hours listening to explanations by Minister Junguito Bonnet, National Planning Department Chief Jorge Ospina Sardi, and Foreign Trade Institute Director Nohora Rey de Marulanda, concerning the adjustment plan the Betancur administration is implementing. They were gathered at a luncheon held by the trade associations at the Club Los Lagartos on the outskirts of Bogota.

In addition to these officials, also present at the meeting were the presidents of the Colombian Association of Small Industries (ACOPI), the Colombian Association of the Plastics Industry (ACOPLASTICOS), the National Association of Exporters (ANALDEX), the National Association of Financial Institutions (ANIF), the Association of Coffee Exporters, the Colombian Chamber of Construction (CAMACOL), FASECOLDA [expansion unknown], the Association of Colombian Cattlemen (FEDEGAN), the National Federation of Businessmen (FENALCO) and the Association of Colombian Farmers (SAC), and representatives of the National Association of Industrialists (ANDI) and the Colombian Metallurgical Federation (FEDEMETAL).

The meeting took place a few hours after President Betancur asked all his critics to be more cooperative and less antagonistic in order to save the country. This statement drew the first negative reactions from the leaders.

Resumption of Dialogue?

This is the first direct contact between the business sector and the government since the meeting held at Casa de Narino last 10 April, when the president presented a report on the efforts he and his economic team had made to obtain foreign credit, and the agreements that had been reached with the International Monetary Fund.

On that occasion, the chief of state urged the leaders of the production sector to be more willing to sacrifice and more understanding of "all the uncomfortable and bothersome measures that are being and will be taken." Nonetheless, several people attending the session expressed their disagreement with the request, claiming that it was already impossible for the production sector to make any more sacrifices and to create new jobs.

At that time, the 12 most important associations began to step up their internal consultations, and held meetings with the Conservative National Directorate and the National Liberal Directorate to study with those groups the country's social and economic situation in light of the adjustment plan and the peace process. They agreed to continue their studies with the Liberals.

Last Monday this same trade association front issued a statement demanding clear explanations of the future of the democratic process, in view of the participation of some armed groups in the electoral debate.

The association expressed "the pressing need to strengthen our democratic institutions in order to defend them from the groups that want to deal the final blow to them."

Betancur's Appeal

Finally, in the speech President Betancur gave in Paipa on 1 May, he expressed his dismay at the insistent objections from various quarters to his actions at the head of the government. He stated that the important thing now is not to argue over how to do things, but to survive.

Although he said that all criticism is welcome, he earnestly appealed for efforts to save the country. "This is not a jeremiad, an apocalyptic alarm; it is an attempt to sound a warning that the president cannot ignore," he claimed.

"Let me explain," he added. "For political reasons, sectorial interests and philosophical considerations, some say that we are making a mistake. The administration believes otherwise, but that does not matter. We are dealing with a rescue effort here, and it would be senseless to argue about which swimming stroke is better as the flood waters rise."

The president asserted that the adjustment plan is practically finished, and called upon businessmen to submit more ideas to solve the unemployment problem, which is the most serious problem affecting the country at this time.

First Reactions

Although the trade association front has not yet issued any joint position statement on the president's remarks, some of its members agreed to make individual statements.

The farmers' representative, Carlos Ossa Escobar, admitted that in general terms the speech reflects the country's plight, and that it is very important for all Colombians to contribute to a solution.

He expressed his concern, however, about the announcement that interest rates on development loans from the Bank of the Republic will go up, and stated that it is inconsistent to take a measure to increase production costs while warning that strict price controls will be enforced. "This will lead to the strangulation of agriculture," declared the president of the SAC.

He indicated that the government must act first to save the country, and then call for efforts by the entire nation.

Industrialists

The president of the Association of Small and Medium Industrialists, Juan Alfredo Pinto Saavedra, stated that it is a very good idea to try to make up for the social impact of the adjustment plan, but no decision has been made as to which instruments are best suited for the job.

In his opinion, the unemployment problem, which has reached such great proportions, demands a strong dose of audacity in labor policy. He expressed certainty that a reform of the labor system, more than anything else, would cause a favorable reaction among employers. "We must not think about the background of the problem, but just solve it right now," he said.

Meanwhile, the president of the National Association of Industrialists, Fabio Echeverri Correa, told the EL ESPECTADOR correspondent in Barranquilla, Victor More, that he does not see how the objective of controlling prices can be achieved "if the devaluation increases by 40 percent, if inflation rises to 27 percent, if public services are going up at the same rate, along with gasoline and finished goods."

He indicated that it would be very difficult to bring down the unemployment rate, because this can only be achieved when there is confidence in the country and security in all areas.

Echeverri Correa came out against the plan to cut the SENA [expansion unknown] budget, indicating that this agency is funded 100 percent by the private sector, "and therefore, those resources do not belong to the state."

8926

CSO: 3348/654

COLOMBIA

LABOR COMMISSION APPOINTED TO STUDY UNION DEMANDS

Bogota EL ESPECTADOR in Spanish 3 May 85 pp 1-A, 10-A

[Article by Hernando Tafur; passages enclosed in slantlines printed in boldface]

[Text] President Belisario Betancur announced to the Democratic Labor Union Front (FSD) that a special commission has been named to study the demands listed in a document submitted to the president yesterday by worker representatives. The commission will consist of Finance Minister Roberto Junguito Bonnet, Agriculture Minister Hernan Vallejo Mejia, Education Minister Doris Eder de Zambrano, and Education Minister Oscar Salazar Chaves, and will work directly with the Union of Colombian Workers (UTC), the Confederation of Colombian Workers (CTC), and the General Confederation of Labor (CGT).

In a new meeting scheduled for next Thursday at 0700 hours, President Betancur will respond in writing to the demands of the Democratic Labor Union Front. The demands include the following:

In the /wage sphere,/ the immediate revocation of the presidential directive limiting wage adjustments to 10 percent, pursuant to the Executive's wage policy, so that labor organizations could negotiate the wages for their members. In this way, workers would regain the right to collective bargaining, and wage increases might be more in keeping with the ravages of inflation and cost of living hikes that are plaguing workers.

In the /agrarian sector,/ the reactivation of this sector by means of realistic and effective policies for granting functional and inexpensive loans to small farmers and sharecroppers; action to forgive loans and interest for farmers who have lost their crops and livestock due to natural disasters; and technical assistance and social benefits for this sector.

An increase in the number of agricultural production, distribution and marketing cooperatives. Also, government backing of Bill No. 37, "which would partially modify Laws 135 of 1961, 1 of 1968, 4 of 1973 and 6 of 1975," and is now under consideration in Parliament, in order to adopt a bold agrarian reform policy.

In its third point, the document refers to /freezing prices./ The FSD requests the implementation of realistic and effective policies regarding

public services, fuels, and transportation, as well as the basic products of the family basket.

The document contends that the freezing of prices for fuels and transportation is essential, because this category plays the largest role in the rise in the cost of living, and therefore in the loss of wages' buying power. By definition, wages are already hard hit by low adjustments that are below the rate of inflation.

In addition, it urges the government to enforce the consumer statute and other legal provisions in this realm, with the participation of the Confederation of Consumers.

The labor unions also called for /an increase in the rediscount quota/ for the cooperative sector to a total of 5 billion pesos.

The document demands /the immediate withdrawal of bills that would dismantle the budgets of the SENA [expansion unknown], the Colombian Family Welfare Institute (ICBF) and the Highway Fund./

With regard to /the pension system,/ the document calls for the application of Article 260 of the Substantive Labor Code to the pensions paid by the ISS [expansion unknown], and strict enforcement of Law 4 of 1976 in keeping with its original objectives.

In the area of /unemployment,/ the document stresses that unemployment is on the rise, with serious social, economic and political repercussions. Therefore, serious and aggressive decisions must be adopted to deal with this situation, without restricting or infringing on anyone's rights.

Such decisions must be based on the importation of basic materials for industrial production, moderation in capital costs, and keeping national and foreign capital in the country.

The document calls for the abolition of commercial employment agencies by repealing Decrees 2676 of 1971 and 1433 of 1983, strengthening Senalde and enabling the labor unions to participate in this organization.

It also urges the establishment of a special fund for the refinancing of companies that are facing liquidity problems and whose management would be taken over by the workers.

The FSD calls for /representation of workers/ through the restructuring and democratization of the planning and development of social and economic policies. The labor movement should be represented and given decision-making powers in the pertinent agencies, such as the National Council for Economic and Social Policy (CONPES) and other institutions that make decisions on such policies.

Finally, in terms of /education,/ the FSD requests that due attention be given to the Colombian Federation of Educators (FECODE) in its demands for the nationalization of education, and that sufficient funds and infrastructure projects be allocated to public education establishments.

COLOMBIA

BRIEFS

EEC INVESTMENT PROPOSALS--Colombia began a new offensive to attract foreign investment, giving priority to the mining, agroindustrial and mechanical sectors, by presenting nearly 60 projects to the European Economic Community (EEC) for consideration. This was announced by the manager of the Industrial Development Institute, Sergio Restrepo Londono. He reported that the package of projects will be presented within the framework of the Latin American Association of Financial Institutions for Development (ALIDE) assembly that will take place in Cartagena at the end of May. Restrepo Londono explained that the European Economic Community is interested in working a gold mine in Caldas in a partnership with American capital and the Financial Corporation of Caldas. He indicated that at the ALIDE assembly, the five Andean Pact countries will present 55 priority investment projects. He announced that today he will begin a trip to Italy, France, Germany and England to promote the participation of businessmen from those countries in the Cartagena forum, and to present specific details of the 60 projects in which Colombia would accept useful foreign investment. The European Economic Community is interested in learning about the Andean Group's actions in terms of foreign investment policy, and in the specific case of Colombia, in projects in the metalworking, fishing and agroindustrial sectors. [Excerpts] [Bogota EL ESPECTADOR in Spanish 27 Apr 85 p 10-A] 8926

CSO: 3348/654

CUBA

GOVERNMENT OFFICIALS ON DOMESTIC CRIMINAL ACTIVITY

Human Rights, Drug Use Discussed

Havana GRANMA WEEKLY REVIEW in English 14 Apr 85 p 9

[Article by Mireya Castaneda]

[Text] ● A MINISTRY of Justice invitation to a press conference on socialist legality in Cuba is accepted with alacrity by the international press accredited here. One of the main charges made by enemies of the Cuban Revolution is that of the violation of human rights, and the conference is always a new opportunity to pursue this topic.

Deputy Minister of Justice Ramón de la Cruz explained the Ministry's work, ranging from its main functions (legal advice to the government and the National Assembly, responsibility for and classification of laws), as well as its supervisory activities of notary offices, collective lawyers' offices, and provincial and municipal courts.

The main task of the 600 lawyers organized into collective offices throughout the country, he said, is to defend any citizen who files a claim with a court or an administrative agency.

In the case of a citizen accused of having committed an offense, lawyers are empowered to participate from the time of police investigations through to filing petitions with the prosecution and the court. The defense of their clients is guaranteed in helping to establish false charges and, when charges are grounded, he explained, there are always angles to be taken up by the defense.

In the case of a violation of a worker's rights, say, when a worker is discharged without cause, the worker has the right by law to have a defense lawyer at a municipal court. In 50 percent of these cases the court rules in favor of the claimant, and the state pays millions of pesos every year in compensation.

REVISED PENAL CODE

The Penal Code in force in Cuba for the last five years, De la Cruz said, has been studied in terms of its effectivity since Cuban laws respond to economic, social and political realities.

A revision of the Code is being studied in order that a number of crimes now punishable by law be subject to administrative, not court, sanctions.

He explained that these are minor offenses involving no danger to the country's economic and social system, social or personal property, individual rights or state security.

"I must say in all frankness that we do not intend to remove from the Code anything that runs counter to state security, although the trend to this is in any case on the wane," he said.

"The purpose behind the revision of the Penal Code," he added, "is not to step up sanctions but rather to determine offenses that need not be included."

In this context, the deputy minister brought up the death sentence, prescribed in the Penal Code for cases of serious crimes against state security or persons and certain degrees of murder, explaining that the death sentence was a legal weapon that could not be dispensed with for the time being.

"A verdict of death by a court," he said, "occurs only in exceptional cases of particularly abhorrent crimes."

"The penitentiary system was based on the principle that the inmate should not feel isolated or useless while serving time, and this is why prisoners can be seen working in agricultural or construction projects."

"This is why the Code has a whole range of sanctions (fines, revision of the nature of the sanction), and this gives the courts greater flexibility for action."

"The number of people serving time in Cuba is quite low in proportion to the population," he said, "although all forms of crime are punishable."

"Every case of violation of the law is brought up before the courts. We do not have a black list of crimes that are never taken to court, as in other countries, for example, in cases of hoarding, consumer trickery and drawing personal profit from positions in an enterprise."

MARIEL EXCLUDABLES

A topic of great current interest is the Cuba-USA agreement on migration by virtue of which some 2700 Cuban citizens who emigrated to the United States via Mariel in 1980 will be repatriated. The Cuban government announced that those who have been tried and sentenced for a crime will serve their time in Cuba and those who had not yet been tried will be.

The repatriation of the "Marielitos" constitutes no legal problem, given that the Penal Code (Chapter 2, Articles 5, 6 and 7) foresees the possibility of a Cuban citizen sentenced for a crime committed abroad serving that time in Cuba.

Regarding Washington's charges of human rights violations in Cuba, De la Cruz explained that the campaign was not new, but that it was completely groundless. "Any unbiased observer can come to the conclusion that in our country there's absolute respect for human rights," he said.

"For example, those involved in crimes against state security and confined to prison have all had maximum guarantees. All were tried by the corresponding court and had the opportunity to have counsel, either selected by them or appointed by the court. None of them are prisoners of conscience. All engaged in concrete activities.

"Thousands of counterrevolutionaries who had been serving time have left Cuba and not a single one showed signs of ill treatment. Furthermore, we don't have the problem of missing persons. Here, they've all been tried and sentenced. We don't have a single missing

person."

MOST COMMON CRIMES

"The rate of common crimes remains static in absolute terms, although when compared to the population growth it shows a relative drop.

"The most frequent crimes," De la Cruz indicated, "are not those involving the greatest danger but rather those against socialist and personal property and against the country's economy. Next come those involving injuries, including traffic accidents, and sex crimes, the rate of which has been dropping and is lower than that of the preceding ones.

"The use of drugs as a social phenomenon does not exist in Cuba. There are isolated cases — possession, traffic and also cultivation of the so-called soft drugs, the most popular of which is marihuana."

De la Cruz mentioned several cases in which Cuba had been involved through its geographical location. "We are determined to prevent our country from becoming a springboard for drug trafficking," he said.

"Between 1975 and 1985, a total of 91 U.S. citizens were arrested in Cuba for possession of over 200 000 pounds of marihuana and over 1000 pounds of cocaine. Twenty planes and 20 ships were also seized.

"The border patrol units and customhouse officials also seized over 300 000 pounds of marihuana, five planes and 30 ships and placed over 300 citizens of other countries under arrest," he reported.

He drew attention to the fact that these drugs were not to be introduced in Cuba but were due to Cuba's geographical location, since trafficking often enters Cuba's jurisdictional waters. "Cuba has actually become the Caribbean's guardian against drug trafficking," he declared.

Property Crimes Most Common

Havana GRANMA WEEKLY REVIEW in English 21 Apr 85 p 3

[Article by Juana V. Maria Sol]

[Text]

● ACCORDING TO international data, crime increases daily all over the world. Bourgeois theoreticians link this increase to socioeconomic development or to factors related to human nature.

However, despite those hypotheses, the causes and gravity of the problem are very different in capitalist and in socialist societies. What is the situation?

Let's approach this topic from the standpoint of Cuba, a country where development is advancing.

Francisco Varona Duque Estrada, president of the National Union of Jurists of Cuba and

professor at the University of Havana for many years, agreed to answer our questions on the subject of crime.

Can our crime rate be compared to that of capitalist countries?

"We would have to make clear in what sense. In quantitative terms it could perhaps be likened regarding some types, but qualitatively it is a very different story.

"For example, there is no organized crime in Cuba. Crime in capitalist countries is reaching increasingly greater levels of organization, ranging from the Mafia to the transnational

groups, such as those including drug traffickers based in the United States.

"Nor is there the infamous child prostitution and exploitation which has recently emerged, prostitution, million-dollar organized gambling or the drug trade as social phenomena.

"We do not have the different types of profiteering or extortion, nor exploitation and corruption of some labor unions. Organized crime was eliminated in Cuba."

What are the most common crimes here?

"There has been a notable decline in crimes against life and personal integrity to levels far below those which prevailed in prerevolutionary society. Beginning with the 1920's Cuba had one of the highest crime rates and this situation continued until the victory of the Revolution, which is when the picture changed drastically. There has also been a drop in crimes of passion."

So what is left?

"Crimes against property including social property still take place at a rate which must be confronted. This is a vestige of the capitalist regime on the one hand, and there are problems of upbringing which also have an influence. Only people with weak political awareness and moral conscience are led to crime."

How can we oppose and control them from a social point of view?

"This is a problem we are now dealing with relying on various methods of prevention and control.

"As far as so-called economic crimes are concerned, some are actually violations of norms or irregularities due to neglect which don't merit being treated as crimes because they do not pose a grave threat to society. However, they do require a coercive response in terms of administrative work or economic measures.

"Our Penal Code lists a number of behaviors as crimes which are actually nonpenal violations. Most countries do not, as a rule, include such minor infractions or misdemeanors in their statistics. They comprise a large percentage of the cases which needlessly end up in court, yet they do not really threaten society.

"Within the framework of the Penal Code, our courts do not treat as crimes those cases which do not threaten society or those in which the individual maintains good conduct."

Is there a clear-cut difference between crime

and antisocial conduct?

"There is no precise boundary. Crimes are those types of conduct which pose the greatest threat to society or which jeopardize the property and interest of individuals or society as a whole.

"Less serious antisocial conduct must be prevented without resorting to penal action, using administrative, economic or work penalties. In some socialist countries these cases are handled by comrades' courts and in the Revolutionary Armed Forces by courts of honor. That is, penal action should be reserved for things which really threaten society."

Has there been any change in the way justice is applied by the courts?

"According to the Penal Code, sentences of less than three years can be replaced by limitations of freedom or conditionally suspended as long as the repressive, reeducational and preventive functions can be accomplished without resorting to actual internment.

"This policy of substitutions has yielded good results and those who have been punished continue to work in society only with certain restrictions on their freedoms. This method is very educational and has been successfully applied in all socialist countries.

"We can say that a major percentage of those cases are now being handled that way by the courts."

We reached the same conclusion as Varona: there are qualitative differences and the people are different.

Our country has not yet really reached the proposed levels of social development in the battle against crime, but we are working along three main lines: prevention, reeducation and the application of increasingly more efficient and individualized justice.

All the people must join in the drive to eliminate antisocial conduct, a legacy of the capitalist past, since such participation is the only force capable of eliminating this problem.

Man is a product of his environment and, as Marti said, he can always better himself, as has been shown by 25 years of revolutionary transformations: Cuba is one of the countries in the world, where the problem of crime is least serious.

Taken from the daily Juventud Rebelde


CUBA

'MODERN TECHNOLOGY' USED AT COMPUTER TRAINING CENTER

Havana GRANMA WEEKLY REVIEW in English 21 Apr 85 p 5

[Article by Roberto Gili C. (Special for Granma Weekly Review); Photos: Ismael Gonzalez]

[Text]



IN ORDER for an enterprise, agency or institution to get the most benefit from its investments in the field of computers, in order to improve and make its processes more systematic with effective methods, correct guidance and up-to-date knowledge of informatics is required.

It is also indispensable to have the programmers, technicians, operators, analysts and other personnel with the skills to meet with the above-mentioned objectives.

The Computer Training Center of the National Institute of Automated Systems and Computer Techniques (INSAC) was created in 1978 in order to train personnel to make the best possible use of minicomputers and to give courses in the use of the equipment in the Unified System of Electronic Computer Machines. The Center has given 644 courses, of which 22 have included students from other countries, with a total of 13 000 graduates.

This Center which has made a notable contribution to the development of computer science in Cuba, has close working relationships and joint plans with similar institutions and enterprises in the world, such as the Hungarian SZAMALK; ROBOTRON of the German Democratic Republic; and CREI, an institution which is under the jurisdiction of the Inter-governmental Bureau of Informatics (IBI). All have worldwide prestige.

In the past year alone, the Center — which is located in the Playa municipality of the Cuban capital — offered courses for more than 3600 persons, thanks to the hard work of the

faculty that includes 30 professors. Of those, 19 are engineers or graduates in Automatic Control or Cybernetics, and 11 are technicians in fields related to computers.

THE MOST MODERN TECHNOLOGY

For these courses, seminars and studies — whose cost for foreign students ranges from 120 to 200 dollars — the Center has the most modern technology in Cuba, including the Cuban CID 300/10 minicomputer and the CID 1408 microcomputer, along with other microcomputer systems used in the world today. It also has other equipment from member countries of the Council for Mutual Economic Assistance, chiefly the GDR, Hungary and Czechoslovakia.

INSAC, the agency which handles all work in this important field in our country, has long and recognized experience in the design and use of computer systems. Among its most notable achievements are the design and construction of the CID-201A, CID 201B and CID 300/10 minicomputers and the CID 1408 microcomputer.

INSAC also deserves the credit for the CID 702 and CID 7205 alphanumerical displays and the semigraphic CID 7220, to which we must add multiplexor equipment, automatic control systems for technological processes and electronic systems applied to medicine such as MEDICID, which is very effective and precise.

The Center will hold five international courses in coordination with CUBATECNICA, which will handle the general care, housing, transportation and food for foreign students.

STATISTICAL REVIEW OF COMPUTER TRAINING CENTER'S WORK

Years	Courses	International courses	Participants
1978	22	—	653
1979	40	—	983
1980	55	1	923
1981	96	3	1612
1982	130	4	2401
1983	131	6	2758
1984	170	8	3673
TOTAL	644	22	15 003

COURSES OFFERED BY COMPUTER TRAINING CENTER

- Programmer courses
- Operations courses
- Maintenance technicians courses
- Advanced courses for programmers and informatics professionals
- Courses for systems analysts
- Advanced courses for systems analysts
- Specialization courses
- Postgraduate courses and study
- Seminars

The cost of these courses ranges from 120 to 200 dollars for foreign students.

Those interested in registering for any of the courses or educational activities provided by the Computer Training Center can contact the trade offices of Cuban embassies or write or send a telex to the Center, whose address is:

Centro de adiestramiento de Computación
 Calle 198 no. 1705 entre 17 y 19
 Playa, Ciudad de La Habana
 Cuba
 Telephone: 21-0382
 Telex: 51-1716 DRIC-CU

CUBA

1984 TRADE WITH JAPAN UP 76 PERCENT OVER 1983

Havana GRANMA WEEKLY REVIEW in English 21 Apr 85 p 3

[Text]

● CUBAN FOREIGN Trade Minister Ricardo Cabrisas stressed the importance of Japan's role in the Cuban economic strategy of diversified exports.

Cabrisas met with members of the trade mission sponsored by the Kobe-Cuba Friendship Conference headed by Mr. Tadao Dan, which includes representatives of 50 firms from that Japanese city.

The minister said that the conference can promote the development of economic and trade relations between the two countries and added that the visit of the mission could make an important contribution towards that end.

After a brief report on the highlights of the 1986-1990 Five-Year Plan, Cabrisas told the visitors that "by 1990 nonsugar Cuban exports should be worth more than 1000 million pesos, and that this would solve many of the problems which have been posed. Above all, there will be a very flexible framework that will assure fulfillment of these goals."

In turn, Mr. Tadao Dan expressed keen appreciation of the trade relations over the last ten years and said that trade not only included sugar and tobacco, but also other products which sold on the Japanese market and are now being commercialized.

Last year there was a 76-percent increase in Cuba-Japan trade over 1983; its total value was 270 million pesos.

Miguel Sosa, president of the Cuba-Kobe section, said that the increase had again made Japan Cuba's leading trade partner among market economy countries.

During 1984 there was a 157-percent increase in Cuban imports which were valued at 220 million pesos while exports to Japan were down by 28 percent and valued at 50 million.

The increased imports were due to greater short, mid- and long-term credit facilities granted by Japanese firms and the reduction of exports was due to a big drop in the price of sugar and a reduction in the exportation of coffee, candy, grapefruit and nickel. There was an increase of more than 40 percent in seafood exports.

When the book *El hijo alegre de la caña de azúcar* (Sugar cane's Happy Offspring) by Fernando G. Campoamor was released in Havana, Mr. Youichi Fukumoto of the Mitsukura Corporation in Kobe, announced the purchase of a significant quantity of Cuban rum and liquor.

This firm has been the Japanese agent of Havana Club rum for seven years.

CSO: 3200/44

CUBA

ALMENDARES RIVER CLEAN-UP TO COMBAT POLLUTION, MOSQUITO INFESTATION

Havana GRANMA in Spanish 5 Apr 85 p 3

[Article by Fernando Davalos]

[Excerpts] Identification of the 67 main sources of pollution of the Almendares River, their description and the formulation of solutions of primary treatment of their harmful residues initiated the cleanup of the largest river flowing through the capital.

Studies of the first 15 of these sources, corresponding to as many agencies of the ministries of the food and construction industries were presented yesterday to their representatives by experts on hygiene and epidemiology at a meeting presided over by Oscar Fernandez Mell, member of the Central Committee and president of the Provincial People's Government Assembly in Havana City.

These sources of liquid pollutants, whether they empty directly into the river or into ditches, sewers or streams emptying into it, are found downstream from the Rebel Army Dam (near Calabazar), near the mouth in Malecon.

The Ministry of Food Industry agencies, which basically dump fats and other organic materials, are the La Tropical and La Polar breweries and the Osito (preserves), Deleite (vinegar), Taoro (canned meats), Gilda (cookies and biscuits), La Pasiega (noodles) and Coppelia (ice cream) plants.

The Ministry of Construction plants, which mainly empty inert solid wastes into the waterways, thus obstructing the flow, are the Andres Valdes (blocks), Gerardo Abreu Fontan (concrete pipe), Perdurit (asbestos-cement) and Rene Bedia (refractory) units, as well as the Hermanas Giralt cement works, the Aristides Viera marble yard and the Hermanos Ameijeiras granite works.

Nearly all these sources pollute the Almendares River, Dr Rigoberto Torres said, because their waste treatment plants either operate inefficiently, they do not use them, the plants are improperly maintained or have not been installed.

The solutions which the government of our province requires to be put into practice, Fernandez Mell said, are those which constitute primary treatment and do not demand large investments or expenditures. In addition, the government can lend help: traps for fats and solids, septic tanks, and so on.

The situation of the Almendares River is an old problem that has grown worse in recent years, he said. With time, conditions have deteriorated and today, instead of serving for recreation and to improve the quality of life, the river has become a sewer.

He said that the recent outbreak of mosquitoes, culex and anopheles was further complicated by the situation of the Almendares and other rivers' situation whose channels suffer from similar problems, now worsened by the lower water level during the dry season (flow is slower).

Fernandez Mell referred to a letter from the minister of construction in which instructions were issued for Ministry of Construction centers involved in the problem, with the most suitable solutions.

Ministry of Food and Construction representatives at the meeting spoke of the complexity of the problem and pledged to lend their most resolute support. They said that certain plans were already ready and that they would immediately go into effect.

11,464

CSO: 3248/347

ECUADOR

FEBRES UNEXPECTEDLY HOLDS FIRST PRESS CONFERENCE

PA071910 Quito Voz de los Andes in Spanish 1130 GMT 7 May 85

[Text] Several dozen journalists have attended the first press conference granted by President Leon Febres Cordero, during which there was a lively exchange of questions and answers and some counterreplies. The news media was told about the presidential decision to meet with journalists only a few hours before the conference was actually held.

Yesterday's meeting defined the way in which President Febres Cordero will hold his conferences from now on: It was held at the Government Palace's Press Room; he answered questions from a large number of participants, and he even exchanged views with some of them.

The press conference lasted approximately 90 minutes, and a host of topics were discussed. On one occasion the president objected to a question made by a radio newsman, telling him to ask questions in his own name without claiming to represent all the people.

On another occasion the president questioned the same newsman and pointed out that he also had the right to ask questions; that he was not only obliged to answer questions.

When the national secretary of public information tried to end the press conference, Febres asked the secretary to allow him to continue, saying: I am having a good time.

President Febres Cordero said that press conferences will take place in the first week of each month.

In addition, the head of state accused the legislative branch of acting brutally and pointed out that its actions must be in keeping with the Constitution. During his first and unexpected press conference, which was held at the Government Palace, he said: This is a serious and determined government; nobody will kick us around. This conference was held 9 months after Febres Cordero took over the Presidency.

Febres Cordero also said that he is not afraid of being tried politically by the Congress. He said that that government organization will only be able to supervise (fiscalizar) when the current agenda of special sessions is fully covered.

The president said that he believes none of his ministers has violated the law and, thus, none of them deserves to be dismissed.

ECUADOR

BRIEFS

ITALIAN-ECUADORAN TRADE--After a meeting with Ecuadoran President Leon Febres Cordero, Susana (Angelli), deputy foreign minister for external affairs [title as received], has stated that Ecuador and Italy will increase their trade relations and that Italy will give more technical assistance in large mining and agricultural projects. [Excerpt] [Quito Voz de los Andes in Spanish 1130 GMT 1 May 85 PA]

INDIAN COMMUNITIES PROJECTS--President Leon Febres Cordero has signed as a witness two agreements for 50 million sucres in favor of several Indian communities in the country. The agreements were signed by FODERUMA [Marginal Rural Development Fund], the Tena Cantonal Council, the Association of Evangelical Indians of Napo, and the INCRAE [National Institute of Colonization of the Ecuadoran Amazon Region]. The funds will be used to build health centers, bridges, water systems, latrines, schoolrooms, community houses, and irrigation projects. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 29 Apr 85 PA]

NEW AMBASSADOR TO COLOMBIA--The president has issued a decree appointing Dr Rodrigo Valdez Baquero as Ecuador's plenipotentiary ambassador to Colombia. Valdez Baquero is a career diplomat who has been with the Foreign Ministry for more than 25 years. [Text] [Quito Voz de los Andes in Spanish 1200 GMT 4 May 85 PA]

PRESIDENT'S CUBAN VISIT 'POSITIVE'--Quito--Ecuadoran Foreign Minister Edgar Teran has described as positive the results of President Leon Febres Cordero's recently completed 10-day trip to the United States and Cuba. The results have been good, he said, after stating that it was not a question of a trip to sign a specific agreement but rather to promote the country economically and to dialogue with the Cuban chief of state on various problems and make progress on the determination of adequate trade formulas. [Text] [Havana Television Service in Spanish 1102 GMT 18 Apr 85]

AMBASSADOR ON REAGAN PEACE PROPOSAL--Mexico City, 15 Apr (NOTIMEX)--The president of Ecuador cannot be anybody's attorney and it seems to me it would be an insult to say that he is acting in support of Ronald Reagan's proposal on Nicaragua, Ecuadoran Ambassador to Mexico Leopoldo Benitez Vinuesa has asserted. The diplomat made the statement during an interview he granted at the conclusion of the unofficial visit paid to Mexico by Ecuadoran President Leon Febres Cordero, during which he remained 1 hour at the capital's airport to meet with President Miguel de la Madrid and then continued his trip to Havana, Cuba. [Excerpt] [Mexico City NOTIMEX in Spanish 1825 GMT 15 Apr 85]

GRENADA

BANK REPORTS MIXED ECONOMIC PERFORMANCE FOR 1984

FL072329 Bridgetwon CANA in English 2225 GMT 7 May 85

[Text] St Georges, 7 May--Grenada's economy had a mixed year in 1984, with bananas continuing a downward slide, but some recovery in the cocoa industry, the East Caribbean Central Bank (ECCB) has reported.

The bank, reviewing the performance of its members in the past year, noted that the important banana industry in Grenada did not escape the battering the industry was receiving elsewhere in the Windward Islands. The decline which began in 1980 continued last year, with banana exports dropping to just over 8,500 tonnes from a 1980 level of more than 12,200 tonnes.

Income from banana exports dropped predictably, with the fall in exports, and was less than 8 million dollars (EC), in contrast to more than EC11 million dollars in 1980, said the ECCB.

Cocoa was about the only bright spot in the commodity section of the report. Provisional figures indicate growth in production and an increase in prices. Income increased more than 13 percent, reaching nearly EC12 million dollars. Output expanded more than 6 percent, and exceeded 2,100 tonnes.

But Grenada's third important export commodity, nutmeg, also declined in the year, the ECCB said. Revenue from nutmeg exports were more than 40 percent lower than in 1983 and barely got over the 3 million dollar (EC) mark. Output was down nearly 30 percent and the ECCB complained that the industry continued to suffer the effect of a weak market and falling prices. The average price per tonne of nutmegs fell more than 15 percent in the first 9 months of 1984, compared with the corresponding period in 1983.

Grenada did manage a reduction in its deficit trade account of about 5 million dollars (EC), despite a 15.3 percent drop in exports. The improvement was due principally to a 12.2 percent decline in imports, the ECCB added. In dollar terms, the deficit is expected to be a fraction under EC100 million dollars.

Grenada also succeeded in trimming inflation by 3 percent, from 6.7 percent to 3.7 percent, the ECCB stated. This was achieved largely by a 12.4 percent decline in the cost of housing in the index used for measuring the cost of living. However, the costs of clothing and footwear increased 13.3 percent, while the furniture and domestic appliances component of the index increased more than 28 percent.

Grenada's tourism bounced back from a sluggish start in the first 9 months of the year to record a 21.7 percent increase in the number of stay-over visitors. But cruise ship visitors dropped significantly by 32 percent to reach a little more than 16,000 tourists.

Credit to the Grenada private sector from commercial banks increased but only slowly and was just 6.5 percent higher than in 1983.

But in the final quarter of 1984, there was some improvement with the increase expanding by EC4.5 million dollars. Tourism received more than 50 percent more credit in 1984, compared with 1983, while manufacturing received an additional 44.7 percent and agriculture 5.7 percent.

Personal credit also increased substantially rising by nearly 23 percent over 1983, but loans to the construction industry and the distributive trade declined.

Credit to the construction sector fell nearly 43 percent while credit to the distributive trades was down almost 13 percent, the ECCB reported.

The liquidity position of the commercial banks improved, with deposits rising faster than loans. Deposits were up nearly 20 percent--or EC25.8 million dollars--while loans increased just 3.3 percent of EC3.2 million dollars.

CSO: 3298/673

GRENADA

TAX RAISED ON FAR EAST GOODS TO HELP BOOST AREA TRADE

Port-of-Spain TRINIDAD GUARDIAN in English 7 May 85 p 14

[Text] St Georges (CANA)--Grenada has hiked duties on several goods imported from outside the Caribbean community (Caricom)--and the labour movement immediately reacted by voicing concern about the impact the move will have on the cost of living.

Customs duties on at least 90 items--among them refrigerators, fertilisers, and cement--have been increased from 27 to 42 percent as part of an agreement reached by Caricom heads of government at their last summit meeting in the Bahamas in 1984.

Going Up

The move is aimed at promoting regional trade in the face of strong competition from goods made outside the Caribbean.

President of the Grenada Trade Union Council (TUC), Mr Basil Harford, said that some essential consumer goods were affected by the increase. What this means is that the cost of living of the average worker is going to go up by at least 15 percent in some cases, he said.

Mr Harford also said that Prime Minister Herbert Blaize's recent budget did not significantly improve the lot of employees.

He added: "It seems to me that a wage increase for a number of workers in the country is a must for 1985."

Labour Minister Dr Francis Alexis defended the 15 percent increase, saying that indiscriminate trade with third countries off cheap goods helped worsen the Caribbean's unemployment situation.

He said that some Grenadian firms have been going to Far East countries such as the Philippines and South Korea to import goods which are produced by Caricom countries.

"What that means is that when they bring goods in with their false invoice... the customs is robbed and workers inside this country are load off," he said.

Several Caricom manufacturers have been laying off workers while stockpiling their goods.

GRENADA

TUC URGES SUPPORT AGAINST HUMPHREY EXTRADITION TO U.S.

Port-of-Spain EXPRESS in English 4 May 85 p 29

[Text]

ST GEORGE'S, Friday, (CANA) — President of the Grenada Trade Union Council (TUC), Basil Harford has called on affiliates and workers to support imprisoned unionist Chester Humphrey who is fighting extradition to the United States on gun-running charges.

"We need in our own way to do whatever we can to ensure that Chester's trial, and the whole mechanics which has to deal with the question of his extradition is free, fair and above all if we can do anything to ensure that he's not extradited from the country," he said.

He added: "I don't think there is any country in the world that would allow its citizens to be extradited to another country."

Humphrey was apprehended last year after Washington made a formal request to Governor-General Sir Paul Scoon for his extradition to face charges in connection with the illegal shipment of arms and ammunition from the U.S in the late 1970's.

The arms were suspected to have been used by the leftwing New Jewel Movement (NJM) of which he was an executive member to topple the Sir Eric Gairy government in a 1979 coup.

The trade unionist last month filed a motion in the court of appeal challenging the ruling of two lower courts that there was sufficient evidence for a case to be made out against him in the United States. He fled the U.S. in 1980 while on bail awaiting trial.

Meanwhile a "free Chester Humphrey campaign" has been launched here.

CSO: 3298/658

GRENADA

BRIEFS

MAY DAY ADDRESS--ST. GEORGES Sat., (Cana)--PRESIDENT of the Grenada Trade Union Council (TUC), Basil Harford has launched a scathing attack on what he says are a number of anti-worker rules and legislation. In a May Day address, Harford was particularly critical of the two-year probationary period imposed on new civil servants by the Public Service Commission (PSC). He said the rule is often used to discriminate against workers because it makes provisions for their services to be terminated without any reasons having to be given. "I am saying--that any such regulation, and the regulation is there, must be removed because it is anti-worker. We must remove that because what happens in effect is that people use that clause indiscriminately. If they don't like your face, your head or your looks they terminate your services. We have to recognise that, and we have to do something about that," Harford said. The TUC president also announced that at the organisations last convention held in March a decision was taken to recommend to government that a minimum monthly wage of \$400 should be paid to government employees. [Text] [Port-of-Spain SUNDAY GUARDIAN in English 5 May 85 p 4]

CSO: 3298/658

GUADELOUPE

UPLG SPOKESMAN ON INFLUENCE OF KANAK MOVEMENT, TIES WITH MPGI

Paris LIBERATION AFRIQUE-CARAIBE-PACIFIQUE in French No 25, Mar-May 85 pp 6-7

[Interview with the People's Union for the Liberation of Guadeloupe (UPLG) by LIBERATION AFRIQUE-CARAIBE-PACIFIQUE (LACP); date and place not given]

[Text] LACP: On the initiative of UPLG, from 5 to 7 April 1985 an international conference of the last French colonies is to be held in Guadeloupe. What are its objectives?

UPLG: The first consists of reinforcing the solidarity of the struggle among the different peoples of the last French colonies and among the different organizations which are locally waging the fight against French colonialism and for national independence. We have excluded those who pose the problem in an ambiguous way in terms of autonomy or in the form of a third way. There is also the necessity of strengthening the coordination of our struggles. We have seen this to be so for the Kanak nation: Better coordination would have enabled us to provide support much faster and to step up the struggle here hand in hand with the struggle among the Kanaks.

On an international scale, we are determined that this conference must first call to account French public opinion. Outside of France, we feel that this conference should enable us to raise the problem of the decolonization of our countries in international forums, at the United Nations and any other organization in such a way as to admit our peoples' right to national independence. We want to press the UN Commission for Decolonization to declare itself on the reentry of our countries on the list of countries to be decolonized.

LACP: A UPLG delegation recently went to the Kanak nation at the time the provisional government headed by Jean-Marie Tjibaou took office. How is the development of the struggle for Kanak independence interpreted in Guadeloupe? Is it contributing a new dimension to your battle?

UPLG: We may say that we were really moved on seeing the Kanak flag raised. But to answer your question more directly, one important thing is certain, that there is great sympathy for the Kanak people's struggle and total support for it among our people here in Guadeloupe. We offer as proof of this the attitude of the man in the street when Machoro was murdered. It was common to come

across people who said: "They've killed our buddy, our boy, our comrade." Even among reactionaries there is a certain amount of respect.

Moreover, there are a lot of similarities with our situation: a small population, struggles of the masses because we can't launch a prolonged revolutionary war against France. The roadblocks, for example. Exactly 1 week ago (editor's note: the week of 4 March 1985) Guadeloupe was cut in two by the truckers' roadblock. The next few days the number of roadblocks multiplied and no one could leave one town to get to another.

Elsewhere, the reaction of the Caldoches [probably refers to residents of European descent in New Caledonia] in New Caledonia is crystallizing Guadeloupian public opinion against the lackeys of colonialism in Guadeloupe. We sense a great revolt on the part of people who up until now have not been political, have not made common cause with the organizations.

LACP: The idea of independence no longer frightens people in Guadeloupe. It's on everyone's mind. How is it expressed in people's daily lives and also at the level of your organization?

UPLG: The idea of independence has in fact been making progress since the creation of the UPLG, since the struggles waged by a certain number of trade-union organizations.

It is, for example, expressed among young people with regard to the issue of military service. Young people say that they have nothing to do with the colonial army: What they want is work. Recently 2,000 young people demonstrated in the streets of Pointe-a-Pitre rallying round that slogan. From the cultural point of view, Creole is at present spoken by the people, who up to now considered this language to be a dialect, a patois. Research on music is conducted and groka, the traditional music, now has its place in Guadeloupe.

In 1984 a musician who had performed traditional Guadeloupian music and lived like a hobo was followed to his funeral by 20,000 people. I believe that this is a symbol, a sign that permits us to say to what extent people have raised their consciousness.

In the domain of the economy the phenomenon of occupation of the land is not an isolated one. It comes under the heading of the consciousness raising and mobilization of peasants, poor peasants in particular; and it is really the spirit of independence that moves them. It is "economic resistance," that is, to produce to be able to guarantee our independence. We are obviously not going to be able to produce enough for our needs under colonial domination, but we are conducting an experiment. In managing over 1,000 hectares of land, in establishing cooperatives, in undertaking diversification of crops, in supporting operation of a factory to avoid its disappearance. Confronted with occupation of the land, we have been able to analyze the attitude of the landowner, who here among us is at the same time the owner of the sugar mill. He is a mill operator and landowner. When another landowner allows his land to lie fallow, his mill shows a deficit. When we plant the fields he has allowed

to lie fallow, he has a guarantee that his mill will be supplied with raw material. As a result, he has interest in what we are doing. Even at meetings, they have defended our positions in opposition to the colonial administration, feeling that we should have been allotted subsidies for the land we occupied when the colonialists did not want it. We have also received a good deal of support from a Guadeloupean middle-class faction that had invested in farm production or small cottage industry. They feel that without the struggle we are engaged in, this form of "economic resistance," peasants and skilled workers would have lost confidence and disappeared in a more or less short time. When the big European capitalist firms get into the act, you can well imagine that the little Guadeloupean capitalists disappear in the twinkling of an eye. So it is thanks to politics that we are engaged in a struggle against invasion, against the domination of the European companies which they are managing to resist. While they do not declare themselves for independence, they do recognize the merit of our action.

LACP: What are the most notable developments on the political scene in Guadeloupe in terms of this situation?

UPLG: It was the assimilatory forces of the Right and the Left, appendages of the French parties: the RPR [Rally for the Republic], the UDF [French Democratic Union] and the PC [Communist Party] with the Guadeloupean Communist Party and the PS [Socialist Party] with the Guadeloupean Federation of the Socialist Party, that determined policy in Guadeloupe.

At the present time these forces are on the defensive. No one believes in these forces and I think that most people believe in what is coming, in the new forces. It is true that the traditional parties do in fact have control of the municipalities, the county and regional councils. These institutions have been denounced because they are controlled by corrupt politicians who crop up in all the financial scandals of the past 3 years. Decentralization has indeed endowed country or regional councilmen with a certain number of powers but, when one arms a thief, he becomes even more demanding, more of a thief.

LACP: So it seems that there is a sort of line between the real country and the institutional country. You say so and what is new about it is the fact that you're not the only ones to say so. Considering the electoral system, how do you view the transition from real country to institutional country?

UPLG: You're raising the problem of the means. At the UPLG we've always said that we intend to develop the political struggle of the masses of the people, which means that we want to push for destabilization. In a colonial regime there is stability for those who appropriate public assets; but we're going to destabilize them through the struggle of the masses. We always say that the streets are our strength. The people will one day respond to violent police provocations like those of December during the trials of the MPGI (Movement for an Independent Guadeloupe) independence activists with some form of violence. At the UPLG we say that what we want to achieve is in fact total paralysis of this country through our power among the masses.

LACP: If I consider the statements you have just made and the lessons we may deduce about this real country, very much in favor of independence and which is expanding its audience even beyond the social classes that sustain the UPLG, we might ask ourselves whether there is going to be a confiscation of independence such that in the end those who control the real country and the economic power might very well negotiate independence and in very short order run such an independent state.

UPLG: That is a real danger which we do not ignore. We are aware of all the deals Michaux-Chevry, which represents a group of Guadeloupian middle-class landowners even though it everywhere proclaims that it is very French, that it is in favor of French department status, is involved in; but behind the scenes, when they visit France — moreover, you've noted this yourself — they use language that is very close to independence. There will be a tendency for them to recoup; only it will be harder for them in comparison with other countries in Africa or Latin America, because the fact remains that we have mobilized the masses. Because it is the European — French in particular — capitalist companies that dominate the economic chessboard in Guadeloupe, the productive class of the middle class, the land-owning middle middle class, is very limited. It nevertheless has a rather large political impact. But it will be much more difficult for it to seize power unless there is really a struggle on the part of the great masses and ourselves.

LACP: As a matter of fact, very heavy sentences (dozens of years in prison) were passed on MPGI militants at the end of the trials you just alluded to. How do you analyze these verdicts? What do you think of the MPGI action and what relations do you maintain with that movement?

UPLG: The colonial government is now cornered and it is still trying to frighten the people of Guadeloupe through very heavy penalties. It's too late. The more the colonial government practices repression, the more national feeling will evolve. As far as the MPGI is concerned, it is a political organization that came into being after the UPLG did and with which we maintain a certain number of relations; we have jointly organized a certain number of actions against repression. We don't always look at things in the same way, but we do agree on the objective: national independence. As I've just said, we don't always have the same ideas about the methods and forms of the struggle. We respect their viewpoints and they respect ours. The UPLG and the MPGI are at present engaged in a struggle for national independence. It's possible that at some time the conditions may materialize for achieving unity between these two organizations so that they can go further, toward a front or some form of common organization that will pursue the struggle for national independence.

11,466

CSO: 3219/7

4 June 1985

MEXICO

EXPORT PROGRAM INCLUDES DETAILED TREATMENT OF ASSEMBLY PLANTS

PA221930 Mexico City EL NACIONAL in Spanish 8 Apr 85 pp 6, 7

[Program for the Overall Promotion of Exports, PROFLEX, released by the Secretariat of Commerce and Industrial Development in Mexico City on 8 April--words within slantlines published in boldface]

[Excerpts] /Goals and Objectives/

Actions to promote the structural change began with the implementation of the Immediate Program for Economic Realignment. The adjustments in the exchange rates and the decision to maintain a realistic parity laid the groundwork for eliminating the anti-export movement that characterized the import substitution strategy. To complement this, a number of foreign trade policy steps were immediately placed into effect to support nonoil exports and the Financial Subprogram for the Promotion of the External Sector [Subprograma Financiero de Fomento del Sector Externo] was drafted with specific measures for the promotion of exports and a selective and efficient substitution of imports. As a result of this protection, nonoil exports have grown strongly during the last 2 years even though, beginning with the last semester of 1984, a slight slowing in its growth was noticed.

/Strategy/

The strategy of the program is based on a coordination of means and policies; agreement on goals, actions, and support; and on evaluation of and control over results. The promotion of exports is the point on which the objectives of macroeconomic and sectorial policies converge.

This program demands the definition of responsibilities. In the aggregate, the natural forum will be the Foreign Trade Cabinet. SECOFI [Secretariat of Commerce and Industrial Development] will undertake the definition and coordination of guidelines and specific policies for the promotion of exports. The pivotal role in the strategy for the undertaking of commitments at the level of products, enterprises, consortiums, and sectors will be assigned to IMCE [Mexican Foreign Trade Institute].

Policy on Protection Rationalization

The process of rationalizing protection contemplates two types of measures that are already being implemented simultaneously, i.e., the elimination of prior

permits and tariff reorganization in order for the production structure to depend mainly on tariffs. This policy is not aimed at making the production sectors undergo a shock treatment, but at pursuing a program of gradual and concerted changes. The elimination of import permits will follow a gradual upward trend, starting with raw materials and semi-finished products and ending with goods involving a higher added value. This process is to be carried out within 3-4 years.

The overall industrial and commercial programs, scheduled to be completed during the first semester of this year, will set the conditions for protection rationalization in each area. This requirement may be eliminated ahead of schedule whenever monopolistic practices, speculation, or domestic price gouging by national producers are detected.

/Promotion of Production/

--Measures will be adopted to increase the quantity of goods already being sold abroad and those already being produced but not being exported, as well as the manufacturing of goods which can effectively substitute for imports and compete abroad.

--We will promote and support necessary investments, which must begin immediately, and will indicate the cases in which the manufacturing of export goods by enterprises with a majority of foreign capital will be allowed.

--The public sector will function as means of support to the exporting community, allowing private and social sectors to take the initiative in developing export programs and projects. IMCE will announce the products are susceptible to exportation.

--The national banking system can launch export projects that are important because of the net generation of foreign exchange if the private sectors do not demonstrate an interest in them. This participation will be strictly temporary and transitory.

/Institutional Support/

IMCE

--The IMCE will expand its current promotion, counseling, and information activities to reinforce its role as a forum for consultation and coordination of the federal government, as well as the private and social sectors, and its role as coordinator of the activities among them in conjunction with the Mixed Commission for Counseling on Foreign Trade Policy [Comision Mixta Asesora de Politica de Comercio Exterior--COMPEX].

--IMCE will act as an attorney general's office for exporters, taking direct action to defend them. In a second instance, complaints will be referred to COMPEX for consideration.

--IMCE will take full charge of the administration of certificates of origin and of the Committee for the Defense of Exports [Comite de Defensa da las Exportaciones] and will strengthen the Single Teller System [Sistema de Ventanilla Unica]. It will also establish a system to publicize and inform the general public about this activity.

Foreign Trade Enterprises

--All foreign trade and service organizations will merge into what will be called foreign trade institutions.

--Foreign trade institutions are authorized to associate with foreign counterparts that are active in the international market with the understanding that in these associations, the goal will be to increase exports.

--National credit institutions are authorized to participate in foreign trade institutions, contributing a risk capital of up to 50 percent of the given institutions stock. The terms and conditions of their participation will be regulated by the Secretariat of Finance and Foreign Credit [SHCP].

--The number of items on the Schedule of Custom Duties of the General Export Tax [Tarifa del Impuesto General de Exportacion] requiring special permits will be reduced to a minimum and a quota will be established for each of these. The quota will be fixed by agreement with the corresponding agency and will be overseen by the SECOFI. This measure will reinforce the Single Teller System.

--As the agency in charge of issuing Certificates of Origin, the IMCE will simplify paper work and use mechanical systems, e.g., use facsimiles of previously registered signatures.

/Border Zones and Duty Free Areas/

The policy for border zones and duty free areas is geared toward the promotion and economic integration of the region with the rest of the country and toward the attainment of the overall development of said areas. It also seeks to guarantee to the inhabitants of those areas an adequate supply of consumer goods in general and of raw material for production, with an emphasis on Mexican-made goods and supplemented, when necessary, by import products.

Promoting Production

--The Law for the Promotion of Industry at Border Zones and Duty Free Areas and the law to attract industry to the borders will be reformed. The reform of the former will promote investment and employment, as well as the purchase of Mexican-made machinery and equipment, and will make it easier to import equipment and raw materials that are not manufactured in Mexico or which are not available in those areas. The reform of the latter will provide incentives to those national industries that establish themselves in those areas.

--Those industries located at the border zones or duty free areas which export will also enjoy the benefits of the present program.

/Assembly Industry/

Institutional Support

- The SHCP and SECOFI will establish a program by which indirect tax refunds will be paid expeditiously.
- Centers for contracting and subcontracting will be created to assist medium and small industries in selling their components to assembly plants.
- Firms supplying components to assembly plants will be considered exporters.
- The only textile assembly plants to receive authorization will be those which manufacture products that are on Mexico's quota list, as established in the Multifiber Agreement, and only after the supply of national production has been depleted.

Promotion

- There will be a diversification in the system to promote assembly plants, according to the country of destination and the production processes involved, with an emphasis on heavy industry, microelectronics, communications, energy, and biotechnology.
- Yearly exhibits of Mexican-produced components used by assembly plants will be promoted. Manufacturing plans will be approved or renewed in light of these goals, but freedom regarding the purchase of components will not be curtailed.
- The construction of industrial parks and the undertaking of joint ventures will be promoted, both at the borders and in the rest of the country.

Financial Support

- FOMEX [Export Promotion, Inc.] will afford preferential treatment to those assembly enterprises in which Mexican capital accounts for the majority of the stock and which have a rate of national participation of at least 30 percent.
- BANCOMEXT [National Foreign Trade Bank] and FOMEX will continue to grant preferential credit for reexportation programs to those assembly plants in which Mexican capital accounts for the majority of the stock and to these industries' suppliers.

Administrative Simplification

- Paperwork will be simplified to help assembly plants place up to 20 percent of their output on the domestic market.
- Products manufactured by assembly plants in the border zones and duty free areas which are dependent on import quotas can be sold upon the presentation of their corresponding import permits. They will enjoy customs exemptions.

--Mechanisms will be created to secure tax interest [interes fiscal] on imports of machinery and equipment.

--The time of duration of the temporary import permits allowing the entry of trailers transporting components to assembly plants will be extended.

--All customs authorities will be well informed of the requirements that must be fulfilled to establish and operate this type of plant.

--Machinery and/or equipment that needs to be repaired or replaced can be transferred to its original location if the cost of this does not exceed 20 percent of its original value. This is in compliance with the Assembly Industry Law.

CSO: 3248/351

MEXICO

SOCIAL WELFARE COMMITMENT SEEN IN GOVERNMENT, CT STATEMENT

Mexico City UNOMASUNO in Spanish 30 Apr 85 pp 16-17

["Joint Declaration by the Economic Cabinet and the Labor Congress on the Proposals and Demands of the Organized Labor Movement," issued 30 April 1985]

[Text] The Labor Congress [CT] recently submitted to the members of the Economic Cabinet a document containing a series of proposals regarding the social and economic situation confronting the country, entitled "The Workers Viewing the Current Situation: Options for Development," which has been analyzed by the federal government with the participation of representatives from the organized labor movement. In the document, the Labor Congress clearly states the national goals inspiring the workers' struggle; it reiterates its support for the doctrine and principles of the Mexican Revolution, the essential tenets stemming from the Constitution of the Republic and solidary, pacifist international policy, confirming its commitment to cooperate and participate jointly with the state in giving an impetus to the national plan.

The document also attests to a deep understanding of the country's situation and the labor movement's backing for the economic policy which President Miguel de la Madrid's administration has put into effect. It is acknowledged that, in view of the effort expended by the government, and owing to the solidary support from the population and the workers in particular, in a context of fostering the institutions and dialogue, there has been success in reducing and, in some instances, even reversing the detrimental effects of the crisis.

During 1984, the process of realignment and change was kept on the proper track, showing increasingly solid gains in fulfilling the objectives and goals proposed. The downward trend evinced by inflation that year created a more favorable context for recovery. National production increased more than the population did, and new jobs of a permanent nature were generated. The positive balance of accounts with foreign countries has been preserved; there has been progress in renegotiating the debt; and the firm process of putting public finances on a sound footing has been continued.

It also notes, as the president of the republic commented upon sending to the Congress of the Union the document on General Criteria on Economic Policy for 1985 that, despite the gains in surmounting the crisis, the efforts must be sustained and there must be continued implementation of the essential action

and criteria of the National Development Plan, so as to progress in overcoming the imbalances and attaining the qualitative changes that will, simultaneously, ensure the country's economic viability and consistent improvement in the welfare of the majority of the population.

Combating inflation is still the fundamental priority of the economic policy. An attempt is being made thereby to lend soundness to the recovery and consistency to the betterment of social welfare. Every point of decline in price levels is a step forward for protecting and increasing the purchasing power of wages.

Moreover, despite the difficulties that still remain, the government of the republic is keeping the commitment to provide for and improve the rendering of basic social services, which are an important element in the general welfare of the workers and their families.

The gradual, steady reactivation of the economy will unquestionably have an effect on the generation of a larger number of jobs, and of better conditions with respect to compensation and permanence, helping to expand the domestic market and the available supply of basic goods and services.

The rehabilitation of public finances is contributing to the decline in the inflation rate and to the recovery of growth on different bases. Nevertheless, as part of this effort, without underestimating the importance of the overall corrections, the structural reform of spending stands out; a process whereby it is attempted to allocate the public funds based on the social priorities established by the national plan.

The country is undergoing an intense period of transformations in the political, economic and social realms. It is in this context, and in response to the summons from President De la Madrid to participate in the national renewal that the Labor Congress document represents a significant, decisive contribution.

The federal government has prominently acknowledged the solidarity, patriotism and brilliance of the labor movement, as a factor of fundamental importance in surmounting the crisis and vouching for the option of new structures that will result in benefits for all the society, particularly the most unprotected groups.

In a context of constructive dialogue and mutual respect, the parties signing this document have agreed on the need for meeting the workers' demands to the greatest possible extent. The Economic Cabinet has discerned the importance of the proposals submitted, and has analyzed them carefully. Hence, a close monitoring has been maintained to gear the set of institutional and spending programs to the protection of the worker's wage and consumption, overseeing their effective fulfillment; and a determination has been made of the activities which need to be reinforced, as well as the initiation of new programs which, as a whole, represent a precise, realistic response to the labor movement's legitimate demands.

For all these reasons, and to progress in the areas that will constantly foster an improvement in the workers' levels of prosperity, presented below are responses and action to be taken, concerning which a permanent contact will be maintained between the Economic Cabinet and the Labor Congress.

First. Supply and Social Marketing

Eliminating Irregularities in Supplies and Establishing Central Agencies in the Large Cities

In order to fully address the requirements for modernizing and regulating the supply and marketing activities, there will be a speed-up of the execution and application of the National System for Supply, including action aimed at creating a suitable infrastructure for collection, transportation and distribution in the area of goods for widespread consumption. For this purpose, there will be an intensification of the social and private sectors' participation in the formation and development of the supply processes, with the state's backing for the coordination of activities on the federal, state and municipal levels.

In this connection, there will be a streamlining of the organization of producers and the construction of collection centers which, this year, will total 31, in 10 federative states.

Progress will also be made in the coordination and construction of 40 supply modules and central agencies in 22 federative states. Furthermore, the National Market Information Service will set up price information systems and will engage in activities to advertise fruit and vegetable products in eight central supply agencies.

To modernize the supply of perishable products, the formation and development of a cold storage system will be hastened. The first unit has already been put into operation in the city of Guadalajara, and the arrangement of contracts for the construction of five additional cold storage facilities will be continued. In this way, progress is being made to achieve a more efficient and economical system to supply goods for popular consumption, meeting the demands of the labor movement.

Intensifying the State's Installed Capacity for Basic Goods Production

The National Company for Basic Commodities (CONASUPO), a fundamental part of the state's backing for the production and supply of basic goods, will continue operating as a pivotal point through which the supply of products for widespread consumption is ensured, as well as the regulation of the priority markets participating primarily in the selling of beans, rice, oil seeds and powdered milk. A budget of 373 billion pesos will be earmarked for this purpose.

In the area of processing staple products, there will be participation, through CONASUPO Processed Milk, Inc (LICONSA), in improving the nutritional quality of the people's diet. This year, the production of reconstituted and concentrated milk will increase 28 percent over last year, reaching a production of 2 million

liters per day, for the purpose of promoting the fulfillment of the consumer demand and the market's regulation.

In addition, CONASUPO Processed Corn, Inc (MICONSA) will raise its cornmeal production to over 500,000 tons during 1985, to be used in making tortillas. To this end, the investments will be increased in the states of Mexico, Tlaxcala and Hidalgo where, this year, new cornmeal plants will be established, with the participation of the state governments, the rural producers and the dough and tortilla industry.

Also this year, CONASUPO Processed Wheat, Inc (TRICONSA), in turn, will produce over 250 million loaves of white and sweet bread, the price of which will enable consumers to accrue savings of more than 690 million pesos. Moreover, CONASUPO Industries will expand its wheat flour production by 29 percent, and that of edible oils 28 percent; and will promote the production of low-cost pastas and crackers, so as to ensure the supply and regulate the market for this type of product for popular consumption.

This group of activities has resulted largely from proposals made on various occasions by the country's workers.

Promoting the National Social Marketing System

As part of the proposals of the current administration aimed at fostering the mechanisms for marketing staple products the creation of and backing for labor union stores will be intensified. In 1984, this activity made it possible to operate 153 stores; whereas for 1985 the support will be provided for 253 stores. It should be stressed that CONASUPO Distributing Agency, Inc (DICONSA), in response to specific requests from the labor movement, will grant direct credit to the sector's stores amounting to as much as 75 percent of the capital needed to establish them; thereby increasing the unions' capacity to set up their own distribution systems. This year, the support for the union stores will mean benefits for 290,000 families, who will have a timely, low-cost supply of goods for general consumption.

Added to the foregoing are the efforts being made in the system of stores for public employees, to meet their consumption needs. It is also important to stress the generation of savings for the family economy as a result of the action taken by DICONSA in distributing 4.5 million vouchers and 1.1 million provisions, and making a larger volume of school supplies available at prices lower than those on the market.

To supplement the aforementioned activities, this year the Small Business Promotion Agency (IMPECSA) will sell, through its 328 branches in the country, over 100 billion pesos' worth of staple products at wholesale prices to supply about 145,000 purchasers, including 900 trade unions participating in the National Self-Management Program that is benefiting 15,000 consumer groups.

The aforementioned support is contributing to the consolidation of an extensive marketing system of a social type.

Second. Combating Speculation and Effective Price Control

In view of the persistence of upward pressure on prices, the state's action to combat this must be intensified. In setting prices of products for popular consumption, an effort has been made to avoid speculative influences and unwarranted hikes, for the twofold purpose of protecting the wage insofar as possible and ensuring sufficient production and supply levels.

In response to the workers' demands, the Secretariat of Commerce and Industrial Development (SECOFIN) will soon make public an agreement that determines the products on which the maximum sales price to the public must be shown, as well as ingredients and other features of the products, in order to prevent changes in prices that would harm consumers; while at the same time providing basic information concerning their contents and type of use.

In addition to this work currently being performed with regard to price inspection and monitoring, a program will be put into effect to decentralize these functions, in which the governments of the states and municipalities and the consumers' organizations will participate, so as to cooperate with the federal government and the social sector in overseeing official prices, as well as detecting the improper concealment of commodities and other speculative practices. This activity will soon begin in the states of Morelos and Sinaloa, and will be applied to other states and municipalities subsequently.

In this way, the administration is expanding its action to correct the negative effects on consumption from speculative practices, in violation of the regulations in the price area.

Third. Housing

The Secretariat of Urban Development and Ecology (SEDUE) will continue to implement the National Program for Housing Development through action to promote low cost housing within the reach of the social sector, to support independent building and progressive housing, and to improve and rehabilitate housing.

From an overall standpoint, this program calls for the execution of projects amounting to approximately 690 billion pesos, to address the population's needs and the repeated demands from the labor movement. Prominent are the activities to be carried out by the Institute of the National Fund for Workers' Housing (INFONAVIT) which, in 1985, will spend a total of 250.95 billion pesos; while 231.058 billion will be invested in housing and credit programs, 210.034 billion of which will be used for construction programs. With these funds, 79,044 dwellings will be started and 61,748 will be finished. In addition, 18.256 billion will be appropriated to cover requests for credit to be used for the purchase of housing from third parties, the construction on individuals' own land, the improvement of housing and the substitution of liabilities. The Housing Fund of the Institute of Social Security and Services for Government Workers (FOVISSSTE), in turn, has scheduled the rehabilitation of 2,700 dwellings and the turnover of 14,920 new dwellings to the workers affiliated with the ISSSTE [Institute of Social Security and Services for Government Workers] system.

As for the action being taken by the Federal District Department (DDF) in this respect, mention should be made of 18 fronts for independent construction in cut-off sections of the city, benefiting over 3,000 families. Also, 760 new dwellings will be built in housing units of the DDF itself. Concurrently, preventive and corrective maintenance will be offered for over 1,000 dwellings of the low-cost type.

With a direct SEDUE budget, 181 units will be completed for rent with an option to buy. This type of action will also be taken by FOVISSSTE, the National Fund for Popular Housing (FONHAPO) and the Housing Operation and Discount Fund (FOVI). In supplementary fashion, and in coordination with the Secretariat of Housing and Public Credit, the package of tax incentives and financing is being devised for the Rental Housing Program intended for the population of small means; and, at present, the financing systems are being revised to increase the number of workers to be benefited.

There will also be promotion for taking multiple action on housing throughout the entire country, with federal and state investments, providing the basic infrastructure for low-cost housing complexes. This, added to the promotion of the organization of housing cooperatives and the systems for production, distribution and marketing of input for housing, will make it possible to cut the costs of independent construction.

Finally, through the State Committees on Housing Standards and Promotion, a program will be carried out to simplify and reduce the red tape involving permits and licenses, which will help to reduce both the negotiating time and the cost of the completed housing.

Fourth. Promotion of the Social Sector

National Program

The federal government proposes to formulate and execute a Program for Promotion of the Social Sector, for which an intersecretarial commission has been set up that is responsible for consulting the social groups affiliated with this sector as well as for devising that program.

Several consultations have already been held, and gains have been made in arranging support to meet requirements and proposals from the sector itself.

As a first measure, attesting to the state's political intention of fostering the development of the social sector, the citizen president of the republic authorized the granting of a line of credit amounting to 5 billion pesos, with preferential interest rates, for the operation of enterprises in the social sector.

In view of the importance of a suitable legal framework, moreover, one of the basic activities being carried out is the formulation of a bill on enterprises and agencies of the social sector, which will necessarily include the labor movement's proposals.

With regard to the implementation of this program, a series of training plans is being prepared aimed at training members of the social sector in the fields of planning, managing and operating enterprises and agencies of that sector. It is also planned to establish backing by way of technical assistance, so as to eliminate the obstacles impeding the heightening of the social sector's production and productivity and to foster the creation of social enterprises.

Finally, a determination will be made of the agreements to be established between the federal government, the state governments and the social sector itself, in the context of the Program for Promotion of the Social Sector. At the same time, the timetable is being prepared for the final agreement with the social sectors involved and for the enactment of the program.

Channeling of Funds From Savers to the Social Sector, Particularly to the Development and Guarantee Fund for Worker Consumption (FONACOT)

As was mentioned earlier, the channeling of a sizable amount of financial resources to the social sector, at preferential interest rates, is in the process.

In addition to the foregoing, FONACOT will increase its budget appropriated for granting loans from 12.872 billion pesos to 16 billion, this year. Through their purchases, the workers will be able to save 3.2 billion pesos by way of discounts procured with the distributors.

Insofar as interest is concerned, it should be stressed that, starting on 1 May, FONACOT will adjust the mechanisms for collecting interest from workers with earnings of up to five minimum wages; which will be reflected in a real cut in interest rates.

Furthermore, FONACOT will increase more than double the maximum amount of credit to be granted as of 1 May, considering seniority on the job and wage earned by each worker. The maximum amount to be granted will be 283,645 pesos, as compared with a sum of 102,000 pesos in 1984.

Also starting on the same date, FONACOT will expand the basic table of consumer items and services to categories such as portable stoves, stationary gas tanks, water pumps and a larger number of work tools, based on the demands submitted by the workers through their trade unions.

Fifth. Protecting the Worker's Consumption

Methods for Protecting Consumers and Action to Publicize Consumption Habits

In order to protect, guide and organize consumers, the commerce and industrial development sector is carrying out a complete program, through the National Consumer's Institute, the Office of the Federal Attorney for the Consumer and the sector's own head to guide the public, informing it of its rights, and training it to organize common purchasing groups and self-protection habits.

The National Consumer's Institute will continue its program of nutritional guides to reorient consumer habits and counteract the improper effects of advertising, publicizing the features of quality, price, nutritional value and others of the goods and services offered on the market, for the benefit of the workers and other groups. During 1985, over 14 million guidance messages will be aired in the various news media, regarding supplies, prices and purchasing locations.

The Office of the Federal Attorney for the Consumer (PROFECO), for its part, will provide over 300,000 legal consultations, in order to protect the consumers' rights. Also, in accordance with the reforms and additions to the Federal Consumer Protection Law, which went into effect recently, PROFECO will take part in settling complaints associated with the purchase of real estate, housing rental contracts and approval of contracts of accession.

Supplementary Backing for the Workers' Consumption

Based on the policy of redirecting toward the end product the subsidies to raw materials, the creation of Participatory Marketing Committees is being fostered, as is the distribution of subsidized products through the government marketing infrastructure, so as to benefit directly the population with less means. At present, the monthly subsidy given for bread and tortillas amounts to 23 billion pesos, whereby the average prices of these items are kept at 5.00 pesos per unit and 32.00 pesos per kilogram, respectively. In this way, even in times of austerity, the government of the republic will take action to absorb the financial cost of the recent revisions in guarantee prices of agricultural and livestock products, for the benefit of the rural producers and the entire population, including the workers.

In the area of distributing products with widespread consumption, the CONASUPO distributing system will make sales of basic products and others for socially necessary consumption in urban and rural areas, at accessible prices, amounting to over 270 billion pesos, through 1,995 urban and 8,500 rural establishments. The prices will be 15 percent lower than those on the market and will benefit 35 million inhabitants. To support production and the generation of jobs, DICONSA will, in addition, purchase basic products representing over 50 billion pesos, through small and medium-sized industry.

The Mexican Social Security Institute (IMSS), for its part, has enacted an important series of plans the intensity of which will be heightened this year. Prominent among the activities are those backing the supply of basic products for popular consumption, both for the institute's workers and for the rural population organized into purchasing groups. For this purpose, the IMSS is using the CONASUPO distribution stores, the 137 social security centers and the institution's own stores for workers. It will also provide courses for the processing of goods of prime necessity, the promotion of healthy eating habits and the protection of the family income; and will expand its programs for the healthy development of working mothers' children. It has also substantially increased the capacity of day care services, with improvements in the quality of the early education.

The Federal District Department is also taking a series of actions to back the supply of basic goods and services. There are 80 DDF/CONASUPO popular centers in the process of being set up, and 15 additional DDF stores, located in strategic areas. Also, the community has at its disposal 100 new dairies, and 900 dressed carcasses of cattle will be marketed daily for consumption, through the supplies industrial agency.

The services of the DDF Fishing Products Distribution Center are available in the Iztacalco Agency, and this year the establishment of a new center in the Cuauhtemoc Agency will be added.

The mass transportation in the metropolitan area of Mexico City has been expanded significantly, which has protected the workers' income to a large extent. In this connection, by the year's end there will be 7 more kilometers of metro lines in operation. A total of 300 new buses will be purchased for Route 100, and another 300 will be rehabilitated. With regard to the electrical transport service, 260 new trolley buses will be incorporated and 114.5 kilometers of new lines will be built.

Qualitative Factors Supplementing the State Service Workers' Salaries

The action protecting the lives of workers in state service is also reflected in the Institute of Social Security and Services for Government Workers (ISSSTE). Prominent in this connection is the establishment of 125 new stores in various federative states, as well as 100 general medical offices and 19 hospital-clinics. In addition, the granting of a total of 276,426 loans, including short and medium-term loans, is noteworthy, as is the action in the housing area cited previously. Moreover, the Civil Service Commission will continue to give proper heed to the requests from workers subject to Section B, Article 123, of the Constitution.

Sixth. Workers' Rights

Profit-Sharing

It should be emphasized that, in the negotiations held recently, for the purpose of revising the percentage of the workers' share in the profits of business enterprises, important results were achieved: an increase in the percentage from 8 to 10 percent; and the agreement, at the request of the working sector's representatives, to keep the bases and procedures for calculation included in the Federal Labor Law in 1973, which simplify the mechanism for sharing considerably.

The regulations for Articles 121 and 122 of the Federal Labor Law, in effect since May 1975, have helped to simplify procedures, to guarantee the workers' right to have access to information in this regard and to lend full effectiveness to the right to make objections. Those regulations created an Intersecretarial Commission, with participation by representatives from the Secretariats of Finance and Public Credit, and Labor and Social Welfare, whose action will be intensified with the active participation of representatives from the labor

sector. The main functions of this commission relate to hearing complaints from workers over failure to fulfill the regulations, the establishment of measures for coordination between the fiscal and labor authorities, the approval of informational programs and the training of workers in the field, as well as the determination of criteria leading to the making of technical studies concerning the effects of the profit sharing and the degree of fulfillment of the goals thereof.

Participation in the News Media

In accordance with the principles and features of the National Development Plan, the Mexican Television Institute and that of radio are promoting the participation of social groups in the news media, offering the labor movement space in the formulation of programs aimed at systematic exploration of historical areas, and also of the present situation and prospects of the labor movement with respect to its organic structure, its proposals and its social demands. In this connection, the space for publicizing those topics will be geared to the specific requirements that are proposed.

Intensification of Occupational Safety and Justice

In order to prevent and reduce the job-related risks and foster better occupational health conditions, the Secretariat of Labor and Social Welfare and the Mexican Social Security Institute have coordinated their activities relating to research, training and technical advice. Concurrently, the aforementioned institutions have worked jointly on the formation of the National System of Information on Job Risks, which will help to reinforce, correct and refine the activities in the area of workers' benefits.

The IMSSS, in turn, has intensified its effort for prevention and control of job risks, associating the preventive measures with the evaluation of the enterprises' accident rate, the medical treatment, the rehabilitation and the economic support for workers who are victims of job risks. Similarly, mechanisms will be used to pool efforts on the part of employers, workers and the state, in order to foster greater responsibility for improving safety in work centers.

The reinforcement of the occupational safety in enterprises has been one of the repeated demands of the labor movement to which special attention has been given. The Secretariat of Labor and Social Welfare has revised its programs in the areas of medical care and safety on the job, and has engaged in improving and bolstering the operation of the Joint Safety and Health Commissions. In this connection, the National Consultative Commission on Safety and Health has been reinstated and reorganized, having achieved to date the publication of 20 instructions on the subject. The reinstatement of the State Consultative Commissions on Safety and Health has also been promoted. As for the Joint Safety and Health Commissions, the active promotion of their creation has led to the operation and registration of 53,000 commissions.

Furthermore, this year the Training Grant Program for Workers will be continued with a budget appropriation of 3 billion pesos, whereby about 25,000 unemployed persons will benefit. The 32 federative states will participate in this program, organizing 650 courses that will be given in 117 localities.

Prominent among the occupations selected for training are those associated with the food, chemical, basic petrochemical and clothing inbond assembly industries, as well as some categories of metal working. An impetus will also be given to self-employment and the formation of self-managing groups.

The National Employment Service will extend its coverage to reach 55 of the country's major cities. This will make it possible to provide for 100,000 requests, which will be channeled to the vacancies available and to the courses to be given in the program. There will also be promotion for support to the labor organizations to fulfill some of the requests by means of the admission clause in the collective contracts that are signed.

In addition, based on the National Training and Productivity Program (PRONACAP), during 1985 action will be taken to simplify and supervise, so as to require employers to obey the law. In this connection, the regularization of the collective work contracts is being undertaken, so as to include the clauses stipulated in Article 391, Sections VII, VIII and IX of the Federal Labor Law.

The process of executing the program is being constantly evaluated by the National Consultative Council on Employment, Training and Instruction, in which representatives from the leading labor organizations participate, as do those from the public and private sectors.

Similarly, in the context of the activities for 1985, it is proposed to decentralize the training and instruction activities to nine federative states, so as to bring the services closer to the site of their demand, as well as to give an impetus to the training in 15 branches of economic activity within the federal jurisdiction.

The responses to the demands made by the organized labor movement are associated with the group of actions taken by the federal government for its benefit since last year, through various departments and institutions. The activities carried out during 1984 have been subjected to a meticulous monitoring and evaluation, wherein the labor sector has played an active part.

This year, the attention given to the various demands from the labor movement will consolidate a series of programs on behalf of the workers' welfare to intensify the bonds between the state and the labor movement. The support for the welfare of the majority groups, through activities already detailed, will be supplemented by the additional measures determined by the Economic Cabinet and the Labor Congress, in the process of dialogue that has been established.

The tasks and activities currently being countersigned by the state and the labor movement confirm and strengthen their permanent alliance, demonstrating by deeds the commitment to vigorously maintain the institutions of the revolution and to collaborate unwaveringly in the creation of conditions that will grant the national majorities greater justice and prosperity.

On behalf of the Economic Cabinet, the Secretary of Labor and Social Welfare,
Arsenio Farrell Cubillas

The President of the Labor Congress,
Angel Olivo Solis

30 April 1985.

2909

CSO: 3248/352

MONTserrat

SLIGHT DOWNTURN IN ECONOMY REGISTERED IN 1984

FL061850 Bridgetown CANA in English 1707 GMT 5 May 85

[Text] Plymouth, 5 May--The economy of Montserrat recorded a slight downturn last year as a result of continuing contraction in the construction industry and related business activities, according to the Organisation of Eastern Caribbean States (OECS) Central Bank.

The bank in its economic review of member states, based its findings on preliminary data.

Its report continued: (Text) Retail prices increased by 2.9 percent during the final quarter of last year, as against 2.3 percent increase for the corresponding period of 1983.

However, the annual rate of inflation, as measured by the consumer price index, continued to trend downwards, increasing by 6.1 percent in 1984 compared with increases of 8.4 percent and 7 percent in 1982 and 1983 respectively.

Exports of goods and non-factor services declined marginally from 28.9 million dollars (1 EC dollar; 37 cents U.S.) in 1983 to 27.4 million dollars in 1984 while imports of goods and non-factor services increased from 59.4 million to 69.1 million dollars, thus widening the resource balance.

Of the exports of goods and non-factor services, goods accounted for 8.5 million dollars of which 4.1 million dollars were domestic exports and the remainder being re-exports.

Domestic exports were made up almost entirely of manufactured items, which accounted for 91 percent of the total, while agricultural goods accounted for the remainder. Imports of goods declined by 15.5 percent below the 1983 figure to 45.5 million dollars in 1984. This fall in imports was brought about by reductions in all categories of imports, except food which increased by 5 percent.

The tourism sector recorded in 1984 an increase in visitor arrivals of 14.7 percent. In comparison with the performance in recent years, this represented a substantial improvement.

In 1981 visitors stagnated, and in the following 2 years, declines of 4 percent and 5 percent respectively were recorded.

During the fourth quarter of 1984, there were 6,191 visitors to Montserrat of which 4,325 were stay-over. This fourth quarter performance represented an increase of almost 50 percent over the corresponding quarter in 1983 and brought total visitors arrivals for the year to 21,651.

Tourist expenditure for 1984 is estimated at 18.6 million dollars, an increase of 14.8 percent over 1983. The United States continued to be the largest source of stay-over visitors to Montserrat, and the sustained expansion of the United States economy was a major factor in the improved positions of the tourism industry in Montserrat.

Private sector deposits increased by 11.1 percent in 1984, despite a decline of 3.8 percent during the final quarter of last year. This was marked improvement on the performance of the 2 previous years when increases of 0.5 percent and 4.6 percent were recorded in 1983 and 1982 respectively.

All three types of deposits declined during the final quarter of 1984--demand by 5.2 percent, savings by 3.8 percent and time by 1.5 percent.

Similar declines in the fourth quarter of 1983 were recorded in savings and time deposits of 4.3 percent and 3.4 percent respectively. In relation to demand deposits, however, the decline (13.8 percent) was much sharper.

The average interest rate on savings deposits has remained at 2.5 percent for the last 3 years, while the average on time deposits ranged between 4.1 percent and 4.3 percent during the same period.

The average lending rates fluctuated between 10.1 percent and 11.2 percent during the 3-year period. This average was estimated as the average prime rate plus 2 percentage points and understates the true average effective rates charged by the banks.

Net domestic credit increased by 4.4 percent to 33.2 million dollars during the fourth quarter of 1984, compared with a 3.5 percent decline during the same quarter of 1983.

For the year ended December 1984, net domestic credit recorded a 21.9 percent increase, virtually all of which took place during the second half of the year.

In the fourth quarter, private sector credit increased by 5.8 percent, while net credit to central government recorded a modest decline.

For the year as a whole, however, private sector credit rose by 8.1 percent, while net credit to the central government increased by 8.8 percent. The net deposit positions of both the rest of the public sector and non-bank financial intermediaries deteriorated, declining by 8 percent and 14 percent respectively.

The liquidity of the commercial banks, as measured by the loans-to-deposits ratio, has remained virtually constant at around 84 percent for the past 3 years, reflecting similar changes in loans and deposits.

NICARAGUA

REPORTER INTERVIEWS DEPUTY MINISTER, SWEDISH AID WORKERS

Astorga Praises Aid, Attacks U.S.

Stockholm SVENSKA DAGBLADET in Swedish 10 Apr 85 p 5

[Article by Leif Bergstrom: "Managua Is Seeking a Rapprochement with the United States and Says, 'We Belong to the Western World'"]

[Text] Managua--"When Ronald Reagan tries to get the U.S. Congress to approve aid to the 'contra' rebels, he is not trying to get the \$14 million. He is trying to get political support and that is very dangerous for us."

That is what Nora Astorga, Nicaragua's first deputy foreign minister, said in an interview with SVENSKA DAGBLADET. Her analysis of the significance of the debate in Washington regarding continued support of the rightist guerrillas is shared by Americans and other foreign analysts.

The money is not important. All that is involved is \$14 million (130 million kronor). There are enormous quantities of politically conservative money in the United States, and in this case contributions from three Texas millionaires are all that is required," a Western observer in Managua told SVENSKA Dagbladet's reporter.

Instead, what is important is the question as to whether or not Congress decides to give moral and political support to the rebels.

And what will Honduras do if that developing country finds out that the United States is not willing to carry the burden? Honduras now offers the "contras" bases along its border with Nicaragua.

President Reagan has said that the Nicaraguan rebels are morally the equivalent of the leaders of the American revolution. He has staked a great deal of his personal prestige in an attempt to sway opinion--at the last moment--in Congress, where liberals and moderates are worried about the effect of support for the guerrillas on internationally recognized rights. Reports of massacres and attacks on civilians in the combat zone in northern Nicaragua have also diminished sympathy for them in the United States.

Managua brushed aside Reagan's peace proposal last week as purely a public relations maneuver. A spokesman in Managua responded to the proposal that a two-month cease-fire be observed to make it possible for negotiations between the Sandinists and the rebels to take place with the assertion that "we will never negotiate with those CIA groups."

Disagreement in the United States

The Sandinist regime, which is oriented toward the left, never fails to emphasize the American difference of opinion with regard to this question. If the American Congress gives a "no" vote, Managua will interpret that as a big victory. In a coordinated propaganda offensive, members of the Nicaraguan cabinet have visited countries that are allied with the United States and surviving victims of the rebels' attacks have visited Washington and American universities. But President Daniel Ortega Saavedra's peace initiative was recently characterized by the United States as inadequate.

"Nicaragua's very existence worries the United States. Secretary of State George Schultz has said that Nicaragua is 'bad news,'" says Nora Astorga.

She became the heroine of the revolution when she enticed the commander of Dictator Anastasio Somoza's National Guard into her bedroom, where the general was murdered by Sandinists, in 1978. Last year she was appointed to the position of Ambassador to Washington but the United States refused to accept her nomination.

"The United States on the Wrong Side"

Now she says, with Sandinist-type rhetoric:

"The United States never seems to learn from its mistakes. It is always on the wrong side, as in Chile or during the war for the Falkland Islands, which we call the Malvinas. In the Falkland Islands War, all of Latin America supported Argentina, but the United States supported Great Britain. Now all of Latin America perhaps does not support the Sandinistas, but it certainly does support Nicaragua's international rights," she says.

Astorga repudiates all accusations that, where domestic policy is concerned, the Sandinists are in the process of creating an unfree, Marxist society and that, where foreign policy is concerned, that country is trying to export its revolution. "Certainly we do not have a perfect democracy. How could we? Five years ago our people did not know what the word democracy meant," she says.

"No War-Making Machine"

She waves aside Washington's concern that Managua, with Cuban advisers and Soviet weapons, has built up a war-making apparatus that is superior to those of its neighboring countries, saying:

"It is true that we have more armed men in our forces, but we also are the only country in Central America that is subject to foreign aggression

from a superpower. We do not have an air force--only three planes, and we are lucky if they start running. We laugh at the patrol boats in our navy, but they are the only ones we have," she says.

There are new Soviet combat helicopters on Managua's airfield that, according to military analysts, can change the struggle against the rightist guerrillas dramatically. The deputy foreign minister says she does not think that is true.

"The White House's policy toward Nicaragua is based on the belief that that country is already hopelessly lost to communism. Some professional American diplomats assert that the struggle for power embodied in the Nicaraguan revolution is not yet settled but that Reagan's hard anti-Sandinist policy threatens to be self-fulfilling.

Welcome Assistance

The Sandinists often call attention to help from Sweden and some other Western countries as being welcome contributions that reduce the danger that that country will become completely dependent upon the Soviet Bloc. According to Astorga, about one fourth of that country's assistance comes from Western countries.

"We are a part of the Western world, and we want to stay there," she says, "and we hope for better relations in the future, even with the United States."

She blames the collapse of the bilateral negotiations with Washington and the earlier talks within the Latin American Contadora group completely on the Reagan administration. "The talks with the United States in Mexico had reached a stage where concessions by both sides were necessary. Perhaps that is why the United States broke off the talks," she says.

"Mediation by the Contadora countries--Mexico, Panama, Venezuela and Colombia--which is expected to be initiated again shortly, offers the only chance of arriving at a regional solution," she says.

One Western observer sees the reason for the poor results obtained through the negotiations on the inability of the Sandinists and the opposition to arrive at a formula under which the entire opposition could have participated in the fall election.

"The tragedy in regard to the negotiations lies in the fact that questions concerning security and democracy were mixed together. If the opposition had participated, it would have been difficult even for the Reagan administration to call the election into question," she says.

New Argument

Nora Astorga asserts that the Sandinists have nothing to say to the United States where Nicaraguan domestic policy is concerned. At the time of the

congressional debate Reagan abandoned the previous year's argument that assistance to the rightist rebels is necessary in order to cut off the Sandinist assistance to the leftist guerrillas in El Salvador.

Voluntary, Government Aid Workers

Stockholm SVENSKA DAGBLADET in Swedish 9 Apr 85 p 4

[Article by Leif Bergstrom: "Swedish Workers Assisting in Nicaragua; a Nation in the Process of Changing Attracts Them"]

[Text] Managua--A combination of devotion to developing countries and political sympathy with the Sandinist revolution has attracted a large number of Swedes who are assisting Nicaragua by working there.

"I probably would not have gone out to any other country. Latin America has interested me from the time of the coup in Chile," says Lars-Eric Winqvist, an engineer who is working as a volunteer in the IMEP metals enterprise for Swedish Voluntary Cooperation (SVS).

SVS has 34 volunteers in that country and Education and Assistance Activities (UBV) has 15. In addition, there are 30 consultants who have been sent there by the Swedish SIDA [Swedish International Development Authority] aid organization. Other Swedes go there on the money they have saved and offer to work for nothing for a few months.

Most of the volunteers SVENSKA DAGBLADET's reporter talked with expressed sympathy with the regime in Managua. "I had performed solidarity work at home. Much of the charm of coming here lay in the fact that one could study the revolution from close up. This is a society in the process of changing," says Bjorn Eriksson, a Swedish fellow-worker of Winqvist's at IMEP.

Contribute Something to the Woods

Certified Forester Svante Bjurulf, who is working on a project to save the primeval forest and gain experience at the same time that will stand him in good stead in any work he does in the Third World in the future, constitutes an exception.

"I want to contribute something--not so much to the country as to the woods. Whether I do it in Nicaragua or Guatemala doesn't make any difference to me," he says.

The number of volunteers in Nicaragua has decreased. It is generally harder for Swedish organizations to recruit volunteers for work in developing countries. "Perhaps that is because dedication to helping the Third World is decreasing," says SVS coordinator Torbjorn Karlsson.

Political sympathy is also demonstrated on the organizational level. The UBV has activities in several Latin American countries. But Nicaragua is the

only place where they cooperate with the government. "In other cases, cooperation takes place with trade unions or other organizations," Coordinator Philip Wahren says.

The mostly young Swedish volunteers appear to be basically in agreement on several points in their assessment of Nicaragua. The regime there desires the people's welfare, the assistance really gets to where it is needed and, if it were not for the rightists and the United States, the land could be built up peacefully and quietly, they say.

"The Sandinists are not Marxist-Leninists. There is nothing that indicates that they want to carry out nationalization," says Torbjorn Karlsson.

"The trouble is that people do not judge Nicaragua in accordance with the conditions that prevail there," says Bjorn Eriksson, who got his first experience with a developing country on a Cuban team of sugar workers.

The Swedish presence in Nicaragua attracted attention last fall when it was revealed that several volunteers had joined the Sandinists' militia forces. The volunteers blame what happened more on the Swedish media than on the political opinions of the participating Swedish workers providing assistance to Nicaragua. According to Eriksson, that was an example of how Swedes are mistreated by the press.

They do not like to comment on the story, but the embassy assures us that the Swedish Social Democratic Youth Association members who were talked about the most have now left the militia.

The volunteers say that they understand that their colleagues in the combat zone in the north have to drive around with weapons in their vehicles in self-defense, but that membership in the militia in Managua is an exaggerated reaction.

Foreigners' strong sympathy with the Sandinists led to a campaign against "the internationalists" by one of the opposition parties during the fall election campaign. Winqvist says that rather affluent women sometimes showed their hatred on the buses. On one occasion, he was crowded in the street by an automobile and was told, "We ought to send you home."

"But here at work the workers talk about the importance of the volunteers' assistance during the lunch breaks," Karlsson adds.

Important to Blend In

The idea of the volunteer operation is that they should blend in here in this country and, in contrast with the aid experts, should not live on a significantly higher level than the local population.

That brings new problems during a period of economic retrenchment when the official currency exchange rate is high, for a pair of trousers costs half a month's pay and a music cassette costs 250 kronor, the IMEP volunteers say.

The housing allowance of 1,500 cordobas does not last long when a great many Nicaraguans want to change them into dollars to be able to spend the money in Miami.

It is a matter of principle with the SVS to pay wages and benefits in the local currency. But, according to Winqvist, the authorities suggest that the volunteers should be paid in dollars and should then exchange them at the new "market rate of exchange" that has been announced. It provides for the exchanging of about 50 cordobas for a dollar, which is almost twice as high as the present official rate of exchange, but it is only a tenth of the black-market rate of exchange.

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CSO: 3650/232

PARAGUAY

MOPOCO PRESIDENT ON PARTY CONVENTION, DEMOCRATIC OPENING

PY070252 Asuncion EL PUEBLO in Spanish 1 May 85 pp 6, 7

[EL PUEBLO interview with Popular Colorado Movement, MOPOCO, President Waldino Lovera on 29 April--place not given]

[Text] [EL PUEBLO] Mr Lovera, were you elected president of the Colorado Popular Movement [MOPOCO] during the Movement's last ordinary convention?

[Lovera] Yes, I was. This is the third time my fellow party members have honored me with this high-ranking party post. But beyond this election, the importance of the party convention is that it received the enthusiastic and active participation of 92 delegates from several countries of the Americas and particularly from Paraguay. Moreover, the convention adopted important resolutions related to the social and political situation in the country.

[EL PUEBLO] Why was the convention held outside Paraguayan borders?

[Lovera] We had to hold it in Argentina because of the present lack of guarantees to hold events of this nature. In Paraguay we are truly unprotected in this regard. The MOPOCO is constantly being subjected by the ruling political party to all sorts of attacks and harassments that range from a sort of verbal terrorism to a repressive escalation that is unprecedented in our civic struggle. We are constantly being harassed by the police, day and night. This is the irrefutable evidence of the incredible persecution we have to endure, despite the guarantees that have been publicly promised to us by the executive branch, through the interior minister.

[EL PUEBLO] What were the main conclusions of the MOPOCO convention?

[Lovera] We are undoubtedly going through a critical political development period. I believe that we have to evaluate the present crisis seriously. This is why the center of our concerns was concentrated on the chaotic situation characterizing all national activities.

Regarding political-party affairs, it is unfortunate to see how our party has lost political leadership and how it has given up its responsibility of safeguarding at high-ranking government levels the practice of austere republicanism, which is the best definition of its ethical conception. Moreover, the struggle

that is now taking place among the party hierarchy and within the party committees and auxiliary party organizations is creating anarchy within the party. But these contradictions are the result of an authoritarian system that has suppressed internal freedom and that has not respected the sovereignty of Colorado Party members. The party has lost its self-determination, and the struggle for power that has been unleashed by backward upstarts is an obvious sign that there has been a rupture in the mythical monolithic party unit that has been so repeatedly proclaimed and misused.

Moreover, the administration, which lacks all ethical content, is exposed to thefts, robberies, scandals and abuses. The "affairs" involving the Retirement Pension Fund, the National Workers' Bank [BNT], the internal revenue department, APAL [National Administration of Alcohol], etc., which have been denounced in the press and are now being discussed in the courts, are shocking public opinion. But these investigations do not reach superior administrative levels, despite the fact that those responsible for this generalized disaster must be tried. On the contrary, the arrogance of those in power silences and conceals fraud.

In order to overcome the severe crisis that is plaguing the country, the convention reaffirmed the MOPOCO's basic objective, which is to work for the democratization and the moralization of the power structure because the two are indispensable prerequisites for the drive toward the social and economic recovery of the neglected sectors.

Among other measures that help carry out this strategy is to remain in Paraguay where the MOPOCO, together with its people, must continue waging its battle despite the harsh restrictions in effect. It must expand the political elbow-room acquired directing its message to other sectors. We must step up our efforts toward democratization by carrying out political actions and continuing active resistance through the mobilization of popular sectors.

[EL PUEBLO] Will there still be a MOPOCO in exile?

[Lovera] The convention has ruled that the MOPOCO is to operate in an organized way inside the fatherland. This is an extremely important political decision because it allows our movement to get in touch with the Colorado people after 25 years of unfair exile. From now on, our Executive Board will carry out its activities within our territory and we believe that the presence of the MOPOCO and its inalienable ethical principles will provide good prospects of recovering our party from the hands of its ideological and doctrinarian usurpers.

[EL PUEBLO] Are there any MOPOCO resolutions regarding the National Accord?

[Lovera] We have fully ratified our commitment to the National Accord. Furthermore, taking into account MOPOCO's founding membership in this multiparty group, the convention has ordered that the Movement is to increase its participation in drawing up and pursuing supreme national objectives within a legal, democratic, and peaceful framework.

Our citizens must be made aware of this enormous moral commitment undertaken by the leaderships of the parties that belong to the National Accord and extend to them their solid support.

[EL PUEBLO] How is the democratic solution proposed by the MOPOCO to be implemented?

[Lovera] Undoubtedly this democratic solution calls for institutional normalization. This is a clear-cut and straightforward proposal of our Movement. This normalization will have to be achieved through a transition government which would enact a peaceful and orderly democratic opening ensuring that our people will not have to endure painful conflicts. Our society is sick and tired of violence and bullies. All democratic parties and other sectors of society must participate in this transition.

This process will lead to a National Constituent Assembly which will mark the end of the transition period, thus reestablishing the state of law. This is our political proposal for peaceful change.

[EL PUEBLO] The First of May is drawing near, what thoughts does it elicit?

[Lovera] MOPOCO supports the struggle of the Paraguayan workers who demand more protection for their labor rights and greater social justice. The guiding principle is this: A stable democracy cannot be conceived of without a strong and organized labor movement.

This date reminds us of our commitment to struggle for the freedom of the labor movement, considering that the regimentation of the workers organizations undermines their demands and participation in the affairs of the country. The current labor leadership, under the protection of the regime, is an example of a structure that abandons workers to their own devices, that is isolated, ineffective, and acquiescent to manipulations by interests alien to the working class.

On this occasion, we praise the attitude adopted by the Paraguayan Journalists Union and other anonymous organizations that work for the unionization of workers, free from impositions from the outside.

MOPOCO also extends its solidarity to the organized workers who, since the 1958 strike, have been struggling for social objectives which they have in common with the combative labor organizations that militate in the Paraguayan labor movement, namely, the Legitimate Paraguayan Labor Confederation, Cortesi Secretariat, and others.

[EL PUEBLO] Do you have a message for the Colorado people and the country?

[Lovera] All our fellow party members should line up behind the MOPOCO banners. We are thinking of the Colorado peasants who are the inexhaustible source of our party's vitality, and the Colorado women who must no longer be left out of the party leadership. We also invite the youth to join the open and dynamic activities of our movement.

We are convinced that democracy cannot exist without the participation of the entire Colorado Party, a party which must now open its doors and institute its own internal democratization.

MOPOCO also calls on the citizenry to join and support our efforts, and to give us a vote of confidence. We offer them the guarantee of an ethical, not-for-sale leadership, which has maintained for 25 years a hard struggle from exile, and a people who have never pulled down their banners anywhere on the party's geographical map.

CSO: 3348/672

PARAGUAY

VOICE OF COLORADO SCORES EXILES

PY010320 Asuncion Domestic Service in Spanish 0030 GMT 30 Apr 85

["Voice of Colorado" commentary]

[Text] It would not be appropriate to say that God creates them and they get together. It would be more appropriate to say that the devil creates them, brings them together, and puts them in the same bag, but not a bag of cats, we ask these little animals to excuse us, this is a bag of rats, gnawing at the pages of history, as Leopoldo Ramos Jimenez would say referring to the eternal traitors of the fatherland, the sellers of the country who are eating out their guts in the gutters of the traitors and betrayers. They may say that we use very strong language to refer to these characters of minor league politics, but any other language would be inappropriate for those who get together abroad under the protection of foreign politicians in order to defame and slander this country, which unfortunately gave them birth, by proclaiming that the progressive and democratic government is a dictatorial regime. They thus take advantage of the dollars supplied by Yankee imperialism, resorting to all kinds of nonsensical utterances to embellish their lies. These are indeed men without a country who are paid and managed by the Bolshevik imperialism.

These are well known international Marxist agitators, such as the Czechoslovak Domingo Laino, Epifanio Mendez, Luis A. Resck, the Spaniard Augusto Roa Bastos, Epifanio Mendez Val, the son of the former chief of police and embezzler of the Central Bank, who, as a worthy son of his father, spent quite some time in the Soviet Union, not a vacation necessarily, but just like the Czechoslovak who was also there, behind the Iron Curtain, to receive instruction and money to fight the democratic regime.

All of them are cut from the same cloth, and they can change their clothes, but not their habits. And as we said already, they were put together by the devil in the same bag under the red Epifanio Mendez leadership, and from there started to shriek senselessly against the democracy ruling Paraguay, paying no attention to the fact that, thanks to this democracy, the Paraguayan people have found the path of their development and prosperity and peace, without indebting themselves to any type of imperialism. The people have done this through their effort and that of the government headed by that unique statesman General Alfredo Stroessner.

The tricky red Epifanio Mendez has managed to set up a radio program in Argentina. Through this program he and his comrades, calling themselves perpetual exiles, air their debates, which are characterized by the stupidity and incoherence of their statements, including their infamies and lies against their own fatherland. Thus the radio program sounds like a madhouse, and more than a political program, it sounds like a comedy by Argentine comedians.

In the midst of their tasteless and vulgar chatter, worthy of tearful, cheap television soap operas, they do nothing but talk about the dictatorship ruling Paraguay, the dictatorial regime, debts, torture, persecution and calamities that affect countries with which they are closely affiliated, each one of them talks about these things, beginning with Resck, the psychopath with hallucinations of persecutions, and the ridiculous Czechoslovak Laino, the communist, terrorist, and traitor of modern times, Epifanio, who used to persecute and torture Colorados when he was chief of police and embezzler of the Central Bank, and then his son, the public extortioner Mendez Val, who was a guest of the Soviet Union.

Each one shows his talent as a Marxist blabbermouth, even hurling invective against the government of the United States, and to get out of one of those entanglements they got into one of their debates, they declared themselves defenders of the Third World, in the same line as the communist governments of Cuba and Nicaragua, that is, a Third World in the image of the Soviet Union undermining the Western and Christian world. In another program of the same sort, the turn came up for the poet, and storyteller of sorts, the Spaniard Roa Bastos, who got in touch with radio Nanduti of Asuncion, it could not be any other station of course, and with its director who, in his capacity as a mercenary of the totalitarian Leftist Internationals, lent himself to a fawning and tearful dialogue. The Spanish Marxist indictrinator, just like the others, erupted in insults, condemnations, and threats against the national government and the Colorado Party, the downfall of which he nonchalantly predicted. This was a reaction against the Colorado government which stepped in the path of his subversive preachings during his trip to our country and expelled him because our democracy without communism does not accept the presence of advocates of that most sinister ideology, Marxism.

There is no doubt that the devil created them and that they got together in the bag of the atheist Marxism's dirty and repulsive rats to hurl their poison against the Paraguayan people, who are on their way toward their great destiny under the wise leadership of that unique statesman President General Alfredo Stroessner.

CSO: 3348/671

ST CHRISTOPHER-NEVIS

SIMMONDS WINS LIBEL SUIT AGAINST 'LABOUR SPOKESMAN'

Port-of-Spain EXPRESS in English 8 May 85 p 61

[Text] Basseterre, (CANA)--The High Court today awarded aggravated damages of \$75,000 (E.C.) to St Kitts and Nevis Prime Minister Dr Kennedy Simmonds in a libel suit against the opposition LABOUR SPOKESMAN newspaper.

In handing down his judgment, Justice Satrohan Singh said Simmonds' "esteem was lowered" and that his "wife and children (had) suffered" as a result of an article written by columnist Fitzroy Bryant and which appeared in the LABOUR SPOKESMAN on 23 May 1981.

It dealt with purchase of the government's inter-island ferry, "Caribe Queen," which commutes between the two islands of the federation.

Simmonds argued that the article falsely accused him of corruption in the purchase and claimed damages of an "aggravated and exemplary nature." Both Bryant and editor of the newspaper Joseph France were named in the suit and judgment was awarded against them.

Simmonds said the decision had "totally and completely vindicated me... and has established beyond a shadow of doubt, that I have been carrying out the duties of my office with the utmost propriety."

Defense lawyers Henry Browne and Lee Moore asked the court for a stay of execution pending an appeal.

Moore told newsmen later that his clients France and Bryant will pursue an appeal to "the highest level possible."

Prominent Trinidadian barrister Karl Hudson-Phillips led the case for Simmonds, who was also awarded his cost certified fit for two counsel.

The 2-week trial drew a packed court.

CSO: 3298/679

ST VINCENT AND THE GRENADINES

ECONOMY SHOWS IMPROVEMENT ON BANANA, OTHER EXPORTS

FL062114 Bridgetown CANA in English 1851 GMT 6 May 85

[Text] Kingstown, 6 May--Exports of St Vincent and the Grenadines' main foreign exchange earner, bananas, increased nearly 19 percent last year, but receipts grew by little more than 15 percent, the Eastern Caribbean Central Bank (ECCB) has reported.

The bank in its economic and financial review of member states said exports of bananas increased 18.8 percent over the 27,581 tonnes exported in 1983. But income grew by 15.3 percent reflecting a slide in the price St Vincent and the Grenadines received for bananas during the year.

Income from banana exports amounted to EC30.1 million dollars, up just 4 million dollars over 1983, said the ECCB, the monetary authority for the seven-nation Organisation of East Caribbean States (OECS).

This marginal increase was directly attributed to the fall in the price St Vincent and the Grenadines received for banana exports, declining from EC946 dollars a tonne in 1983 to EC918 dollars per tonne last year.

Said the ECCB: This fall in unit price was quite marked in the fourth quarter, when, in relation to the third quarter, earnings fell by 0.04 million dollars while output increased 5.1 percent. The ECCB said this drop in the price of bananas hindered an expansion of St Vincent and the Grenadines earnings in merchandise exports. But it did not prevent these earnings from increasing as much as 27 percent in the first 9 months of 1984--the period for which data are available.

Excluding bananas, the ECCB added, merchandise exports expanded by as much as a third in the first 9 months of 1984, compared with corresponding period in 1983.

This expansion, combined with a very slight growth in merchandise imports of 3.5 percent, produced a sharp reduction in the islands' deficit on the merchandise trade account, the ECCB said. The deficit declined significantly from EC62.3 million dollars in 1983 to EC49.2 million dollars last year.

The bank said this improvement was due largely to a 22 percent expansion in exports and the very small 3.5 percent increase in imports.

In monetary terms, exports for the first 9 months of 1984 were expected to reach EC100.3 million dollars, while imports totaled EC149.5 million dollars.

The ECCB was optimistic that, once the figures are tallied, St Vincent and the Grenadines' tourism will show an improvement on 1983.

Although a comprehensive assessment of the current account of the balance of payments of St Vincent and the Grenadines cannot yet be made, tourism activity is expected to provide more support in 1984 than in 1983, the bank said.

This can be judged from the substantial increase in cruise ship arrivals of 85.8 percent to 63,990 during 1984, it added. The number of stay-over visitors by air remained generally unchanged during the year at just over 47,400, but taken as a whole, tourist expenditure is expected to increase from the estimated EC49.1 million dollars generated in 1983.

The report also had good news on prices, with the rate of inflation being slashed by almost half from 4.4 percent in 1983 to a modest 2 percent last year.

Prices in the two major categories of the consumer price index--food and beverages, and clothing and footwear--actually fell by about 2.1 percent, the ECCB said. This was in marked contrast to the previous year when these categories rose by 5.3 percent and 4.3 percent, respectively the ECCB added.

But the cost of housing increased dramatically by more than 39 percent, compared to a 14.3 percent increase in 1983. The entire increase in the cost of housing occurred in the fourth quarter. But the ECCB offered no explanation for this.

Commercial bank credit to the private sector grew, but only sluggishly reaching EC107.6 million dollars, an increase of just under 8 percent in 1983. But this was significantly lower than the 15.7 percent increase registered in 1983 over 1982.

Loans to the tourist industry fell 14.5 percent but increased to all other sectors of the economy. Loans to the distributive trades grew by 31.7 percent, while loans to agriculture and manufacturing increased 25.4 percent. Commercial bank loans to the construction industry increased 10.2 percent.

The ECCB report spoke of a slight improvement in the liquidity position of the commercial banks operating here, noting that the loans-to-deposits ratio fell from 87.7 percent to 86.7 percent. This was due primarily to a faster rate of growth in deposits over loans.

The net foreign assets of the commercial banks continued to decline in 1984, the ECCB said, attributing this both to a contraction in the level of gross foreign assets as well as a sharp increase in liabilities in the fourth quarter of the year.

The gross foreign assets of the banks fell from EC15.9 million dollars at the beginning of 1984 to EC13.8 million by the end of December.

Net domestic assets grew just 4.3 percent in 1984, considerably lower than the 7.6 percent increase of 1983 and the 32.2 percent increase of 1982.

Another significant development during the year was the shift in the position of public enterprises from being net depositors to being net borrowers from the commercial banks. Credit to these enterprises increased 24.3 percent while deposits grew less rapidly, by 10.8 percent, the ECCB reported.

Commercial bank liabilities to the private sector--made up mostly by demand deposits--increased 13.2 percent to EC130.7 million dollars in the 12 months of 1984 compared with same period in 1983.

CSO: 3298/679

TRINIDAD AND TOBAGO

CENTRAL BANK GOVERNOR REVIEWS ECONOMIC SITUATION

Clarification on Reserves

Port-of-Spain SUNDAY GUARDIAN in English 5 May 85 pp 1, 23

[Article by Kit Roxburgh]

[Text] REAL per capita income has fallen by at least 16 per cent since 1983, Government spending has had to be cut and private firms not in the oil business are too dependent on Government to provide an alternate source of economic dynamism.

But stressed Central Bank Governor Dr. Euric Bobb yesterday, it is important to clear up some confusion which exists even in Parliament.

It is wrong to believe that Government has direct access to the country's foreign reserves from which it pays higher salaries and wages or public expenditure in general.

Dr. Bobb was giving the feature address on "The economic realities of Trinidad and Tobago in 1985 and prospects for the future" during a seminar on the same theme organised by the Ministry of Labour.

Venue was the John F. Kennedy lecture hall, St. Augustine campus of the University of the West Indies (UWI).

Dr. Bobb revealed that in 1982 the unemployment rate was 9.9 per cent. By the middle of last year, it had shot up to 12.8 per cent.

"The increase in the unemployment rate has affected mainly females and young people," he said.

Dr. Bobb explained in detail how the current economic situation came about. And the situation, as "every resident of the country is by now keenly aware," is not bright.

--Large companies and the self-employed alike have generally found that earnings and profits are no longer increasing, but, indeed, probably falling. And many have had to close down all or part of their operations.

--People have been laid off from jobs after several years service others who are still employed have experienced a sharp fall in the rate of increased wages and fringe benefits as compared with the recent past.

What he had to say, Dr. Bobb remarked, would be cold comfort to the retrenched worker, the bankrupt businessman, the graduate seeking a job without success and others grappling with the worse effects of the economic downturn.

Forces

"But the fact is that every citizen must understand and come to terms with the economic forces that affect us all and...seek to correct the current economic problems."

But he said that although the country's foreign exchange reserves have fallen and the country's capacity to import has thereby been reduced, the level of reserves is still more than adequate to meet our liquidity requirements and allow a margin of reserves which can be invested to yield a return.

At present the country's import ratio--the ratio of stocks of reserves to merchandise import--is about seven months.

He noted that between 1982 and 1984, the stock of reserves fell by two-thirds, from \$7.687 million to \$2.835 million.

"The reserves had to fall in order to accommodate an orderly transition to new economic circumstances," he said, adding that it was a controlled fall, an explicit policy choice.

Explaining the confusion in Parliament over the Government's fiscal balances and the nation's stock of foreign exchange reserves, he said it is true that Government has been the major source of foreign exchange for the economy through its revenues from the taxation of oil companies which settle their liabilities in foreign exchange.

These revenues are paid first in foreign exchange through the Central Bank's account, and the bank credit the Government with TT dollar equivalent.

"At this point the link between the Central Bank's foreign assets and the Government's fiscal accounts is broken," Dr. Bobb went on.

Government's subsequent

financing of its expenditure causes its balance at the Central Bank to change, but the bank's foreign exchange holdings are affected mainly by sales of foreign exchange to the public, and to the government.

The country's stock of foreign exchange reserves is therefore not directly related to the Government's fiscal position.

"It would be very misleading to act on the belief that Government has direct access to the foreign reserves as a source of financing higher wages and salaries or public expenditure in general," he emphasised.

He also mentioned that the decline in public expenditure has caused the growth of deposits at financial institutions to fall, thus limiting their credit expansion.

Interest rates are higher now than during the boom years and lending is a much more selective process.

Importance of Local Action

Port-of-Spain SUNDAY GUARDIAN in English 5 May 85 pp 1, 23

[Text]

DR. EURIC BOBB, Governor of the Central Bank, said yesterday that the prospects for the country's future depends not so much on any recovery in the industrialised countries or on any action by OPEC or other external factors.

Addressing a seminar at St. Augustine on the country's present economic position and its likely future, he said that our prospects depend much more on "how we respond" to the structural changes taking place in the world economy. And how we organise ourselves for an effective response.

He gave details of the country's current economic policy explaining why indirect taxation has been increased. He spoke of an economic policy in the medium term policy and dealt at length with the prospects for further industrialisation.

And he said it was important to expose and dispel certain illusions and fantasies about our present and future economic situation.

These, he told the seminar which was opened by Labour Minister John Donaldson, can be classed as:

- The "recession" fallacy.
- The "Keynesian" fallacy.
- The "Doomsday" fallacy.

He said we are not experiencing a cyclical recession along the lines of the industrialised countries. While it is true that recessions are characterised by falling real incomes and rising unemployment (with or without inflation), it is wrong to

assume that we are caught up in a cycle.

What is happening is that the international petroleum industry is in the process of fundamental structural and institutional changes.

We must adjust to this shift by fundamentally altering our lifestyle, and keep away from the blind faith and pious hope that the gods will smile on us and something unknown will cause our economy to boom once more.

The second fallacy is a cousin to the first. It involves the view that active government intervention will reflate the economy, "presumably by higher Government spending. Such a course would be dangerous, if not suicidal," he stressed.

Priming the pump by higher government spending would be wrong for two reasons.

First, it would be based on an incorrect diagnosis, as our current condition is not a cyclical phenomenon which can be rectified by John M. Keynes' theory of demand management.

Secondly, higher government spending will ultimately worsen the balance of payments position and ignite inflation once more.

The third fallacy is that Trinidad and Tobago is sliding down into a position from which it will not recover.

Dr. Bobb said the country has enough resources and the capability to exploit those resources. Given suitable incentives and the requisite climate for investment, the people can galvanise themselves into improving their standards of living, he said.

CSO: 3298/666

TRINIDAD AND TOBAGO

ANALYSES OF NAR, ONR VIABILITY, ELECTION PROSPECTS

NAR Situation

Port-of-Spain SUNDAY GUARDIAN in English 5 May 85 p 5

[Article by John Babb]

[Text]

Statement by Panday

I WOULD like to see all the matters concluded. The Constitution is there as agreed to by the contact group, but obviously it needs to be ratified by a national convention.

We are working on a programme and policy and that is taking some time, because it is a very important document. I would like that to be concluded.

Leadership is not a problem because the mechanism has been set up, and by June everything ought to be in place and we will

have a general convention.

I agree that time is not on our side. I hope we can move faster. I believe everyone realises that time is of the essence.

As I said on television, the whole struggle for unity is because there was disunity. Things have to be ironed out and this inevitably takes time.

As I also said, I think we have lost some political opportunities.

Things are not going badly, just slowly.

Statement by Robinson

WE HAVE an agreed programme. I have not been saying very much because I have been assisting in every way possible to have real progress.

I think real progress is now being made.

The time-frame is the same as indicated by Mr. Panday. And I would like that time-frame to be adhered to. I see no reason why it should not be adhered to.

I would do everything possible to assist.

ONE of the most intriguing issues in Trinidad and Tobago today is not so much the economy or labour problems, but what is happening to the National Alliance for Reconstruction (NAR) which, after a very promising start, appears to have stalled almost in mid-air.

To those on the outside (and insiders agree), the spanner in the works is the question of leadership. Who is going to be political leader? Despite all protestations on the part of those involved, no one is really fooled.

The leaders themselves may try to convince us that it's no big thing but we know better, and hasten to add that one understands the problem, because the NAR is not a political party such as the People's National Movement (PNM) which was started by the late Dr. Eric Williams. He was its founder, the undisputed leader. In many ways it was his party and we all know what happened to those who challenged him, real or imagined.

The NAR is an amalgam of four opposition groups — the United

Labour Front (ULF), the Democratic Action Congress (DAC), the Tapia House Movement (and these groups are united in the National Alliance) and the Organisation for National Reconstruction (ONR). As Lloyd Best would say, it is a party of parties.

FOUR GROUPS

The one thing they have in common is a burning desire to unseat the PNM.

These four groups within the NAR are of very different political backgrounds.

The ULF is the result of splinters from the old Democratic Labour Party (DLP). Traditionally it has been the parliamentary opposition. And, as some say it seems quite contented to continue to be the Opposition, drawing its base support from the rural East Indian community where race has always played an important factor in voting patterns.

The ULF was joined by the DAC, the Tobago element — a very powerful situation, but from an entirely different base.

In fact the DAC, led by Arthur Napoleon Raymond Robinson, was the first PNM breakaway group. Robinson himself is a former deputy of the PNM hierarchy. Indeed so close was he to the top that many a time one had to look up from the Press table in Parliament to be able to tell who was speaking — Robinson or Williams.

I recall a particular Sunday morning PNM General Council meeting, the last meeting attended by Robinson at which he handed in his resignation and left during a light rain. No one left with him. Instead, the voice of Muriel Donawa-McDavidson could easily be heard downstairs Balisier House, throwing remarks at Robinson as he left.

BASTION

Well since then, as the politicians would say, a lot of water has flowed under the bridge and Robinson has built himself a political bastion in Tobago, the full wrath of which the PNM felt in last year's Tobago House of Assembly elections.

In fact Robinson's victory was a humiliating defeat for Prime Minister George Chambers in a most personal way.

Since 1976 Robinson has been defeating the PNM in Tobago at national elections. But it was last

year that the PNM suffered the worst defeat in its 30-year record, and it was led into that head-on confrontation by Chambers himself.

The next side of the National Alliance is Tapia which comprises largely academic backroom men, formerly led by university lecturer Lloyd Best but now headed by Beau Tewarie. Tapia is really not much of a name on the political scene. Predominantly they are men whose ideas are respected, but the respect has never been translated into votes.

In the two national elections that Tapia contested the results revealed its inability to attract the voters.

In 1976 out of 315,809 votes cast, Tapia polled 12,021 — 3.81 per cent. In 1981 when the theme was "Give Georgie ah chance," Tapia's stocks even sunk lower. Out of 415,416 votes cast the party got 9,401 — or 2.26 per cent.

So together the National Alliance comprised the ULF, the traditional opposition; the DAC, the first breakaway of the PNM, and Tapia.

With the ONR — which is another PNM breakaway led by Karl Hudson Phillips who, incidentally was also a top PNM lieutenant — the three previously named parties make up the NAR.

Although the ONR mustered a large following and got a lot of votes in the last election, (22 per cent) the votes were scattered and the party failed to win a seat.

CONTROL

In 1983, in a tentative "accommodation" the four parties were able to inflict defeat on the PNM in local government elections in its strongholds — the so-called East/West Corridor.

The PNM retained control of the four municipal councils and lost out in the county councils. But even in the municipalities of Port-of-Spain, Arima and San Fernando, which have been PNM strongholds, the ONR/Alliance made inroads, winning seats in the three councils for the first time since the PNM took control of them.

The inroads into the PNM areas and the victories in the counties by the "accommodation" opened the eyes of the opposition groups.

It seemed to dawn on them at last that strength lay in unity and that by coming together and, not opposing each other in the various constituencies they stood a good chance of toppling the PNM in national elections.

Local government elections of course, are not national elections and it does not necessarily follow that what happens in a local government election will happen in a national election.

True enough. But at least the results of opposition unity indicate something interesting. It points out that something can be done. And clearly, even the PNM itself recognises this, for after the local government elections in 1983, Overand Padmore, the PNM's spokesman/debater, in a television statement described the result as a "warning" to the PNM.

It is a warning that the PNM appears to have taken very seriously.

Since then, the PNM has been going about trying to recapture lost ground and trying to firm up its base in a very subtle campaign. For starters Government ministers and activities now virtually monopolise television.

CONTINUES

The PNM has even gone to the extent of looking at itself inwardly as it continues to set things up for the next election.

A look at the population movement via the location of new and large housing projects in the East/West Corridor stronghold is something to watch.

There is no doubt that the Elections and Boundaries Commission will be required to do some redefining of boundaries, and a constituency that is now one seat could be two in 1986. Arima for example.

There are some other pointers that some people also look at.

Among the latest examples they cite is John Scott's criticism of the PNM's brainchild — DEWD. They also recall John Barsotti's recent television statement knocking the management of the country's finances. Barsotti, mind you, is not a politician, but an economist, closest to the Prime Minister and Minister of Finance.

So there we have it. A situation where these opposition groups have seen where they have an opportunity in unity and have been holding talks over the last two years through their "contact groups."

Why is it that no further developments have taken place? Why have they come no closer to forming a united opposition that they have all yearned so much for, in order to provide the country with a viable alternative to the PNM? Do they seriously expect the country to vote in national elections for splinter groups? There's no future in that.

While emphasising that leadership was not the problem since all the mechanisms for that have been set up, Panday, as the official Opposition Leader, has confessed that they have lost some political opportunities.

DIFFICULT

Indeed they have. And very important opportunities too. Opportunities which might be difficult to regain in time for the next election.

The urgent need is for the formation of a cohesive organisation with a clearly defined leadership, as well as very clearly defined policy and programme.

But that is not all. After having decided on those issues there has to be time for convincing the population. The voters would need time to study its policy and programme.

Despite the assurances that the mechanisms are in place, rumour has it that the NAR's problem is still one of leadership — who is to get it.

Panday is the official Leader of the Opposition with eight seats in Parliament, so one has to see him as being able to stake the strongest claim. What is the problem where he is concerned? Is it race?

In 1985, the age of the computer, are we in Trinidad and Tobago, where more than half the population, according to unofficial figures, is East Indian saying that a man is eliminated on the grounds that he is an East Indian? Or is it something else?

Is Panday himself interested in the leadership? Would the easy going lifestyle he seems to prefer be an obstacle to possible Prime Ministership?

MECHANISMS

In a television interview last week he shrugged this off by indicating that however the chips fall whenever the mechanisms are put into operation, he would abide by that decision.

Of the leaders, A.N.R. Robinson, whose party has two seats in Parliament, is probably the most experienced. He has personality; he has an image. One can see him being a prime minister and holding his own anywhere.

But would Robinson be prepared to leave his Tobago kingdom, to lead Trinidad and Tobago? If he resigns as Chairman of the Tobago House of Assembly to come to Trinidad to lead the NAR and it loses the election, what then?

He is the one with the most to lose and will have to consider his options. Although he has protested that he is not interested in secession no one knows what is likely to

happen one day in that Tobago scenario.

Then there is Beau Tewarie. Beau who? Beau Tewarie? He has no claims at all. Tapia's history in elections alone has eliminated him.

Which leaves us with Karl Hudson-Phillips, the most colourful and, of course, most controversial of the lot. Some people believe that the ONR lost in 1981 because of Hudson-Phillips. An equal number insist that without him the ONR would not have made the good showing it did.

A lot of people don't like him but reluctantly admit that without him politics here would be dull.

Some people talk about him in relation to the Public Order Act, because he was Attorney General at the time. But this is unfair. The Public Order Act was a Cabinet decision. When the Act was withdrawn Hudson-Phillips tendered his resignation which Williams refused to accept.

Karl Hudson-Phillips, it should be recalled, was the only man to stand up against Williams when he refused to sign an undated letter of resignation as a condition for contesting on a PNM ticket.

He too said he was not interested in "naked power." If he was, he said, he would have stayed in the PNM and kept his mouth shut. He might have been PM today because he was certainly senior to Chambers. But then so too might ANR Robinson.

PROBLEM

Like his colleagues, Hudson-Phillips has said there is no leadership problem in the NAR. The problem "existed in the minds of unauthorised persons who make releases to the Press."

But last week, opposition chief whip, Nizam Mohammed, who is a member of the NAR, warned his colleagues that the opinion of the electorate was that the unity talks between the Alliance and the ONR had been dragging on for too long while the next general election was staring the nation in the face.

Anyone who cannot take this hint from the people, said Mohammed, has no business in politics. So true. For surely time is not on the side of the NAR.

But while the NAR is stalling the PNM is making hay, getting things into place.

While the units of the NAR are not exactly fighting and quarrelling in public, the fact is that people do not perceive them as a unified force,

and the longer they put off the important decision about leadership the more they ruin their chances of presenting themselves as a viable alternative.

Clearly each group has an important input if the PNM is to be unseated. Contrary to Hudson-Phillips's statement, the ONR cannot go it alone, or for that matter, any of the other groups singlehandedly. The PNM has seen to it through the way the party has entrenched itself via jobs, housing and numerous other perks.

DIFFERENCE

The people who have been placed favourably by the PNM see the party as almost their source of life. They see the PNM as the difference between life and death, and as such will not give in that easily. Voting for the PNM is a straight case of survival, for many.

Like Hudson-Phillips, Panday cannot go it alone because his base is in the East Indian area, where his image is that of a trade union leader with little or no appeal to the urban middle-class.

DAC's base is absolutely confined to Tobago. And as for Tapia, well, that is a non-starter where national elections are concerned.

Based on the returns of the 1981 election when PNM stocks were much higher than now, a NAR accommodation stood to win at least seven more seats than the opposition won, which would have pushed its tally to 17 seats — to close for the PNM's comfort.

There is no doubt that at least 18 of the seats which the PNM won it did so handsomely.

But, based on the figures, had there been an accommodation of opposition parties, seats like Baratara, St. Joseph, Tunapuna, Nariva, Caroni East, Pointe-a-Pierre and Princes Town would have gone to the NAR.

This is not to say that the results could go this way in 1986, because the demographic pattern of voters has since changed.

However, from all indications 1986 is shaping up to produce the greatest political dog-fight, between the PNM and the NAR — that is if we have a NAR by then.

Finally, the best news has been Panday's statement in which he indicated that the leader of the NAR is to be selected on democratic lines via a system of delegate voting, in which each side — the National Alliance and the ONR — will each have 500 voting delegates.

Port-of-Spain SUNDAY GUARDIAN in English 5 May 85 p 5

[Article by Clevon Raphael]

[Text]

EVEN though the leadership issue is yet to be resolved, the National Alliance for Reconstruction (NAR) is in a better position to contest a snap general election than the ruling People's National Movement (PNM).

This was the confident statement last week of the political leader of the Organisation for National Reconstruction (ONR), Karl Hudson-Phillips, one of the constituent groups in the NAR.

Hudson-Phillips, who was interviewed on the fifth anniversary of the ONR which was celebrated two weeks ago, said he was not nursing any great ambition to be leader of the NAR and that it was to the credit of the ONR's policies and the strength of party officers and members that the ONR was still "very much alive" today despite the humiliation suffered in the 1981 general election.

He recalled the launching of the ONR in April 1980 at the nation's most popular political stomping ground, Woodford Square:

"The ONR was started with the desire of a large number of people to advance the cause of social justice, equality and national unity, so in a real sense the present process to have a national coalition under the NAR started with the ONR.

"The whole movement had its genesis around the issue of land and land tenants. This issue cut across all racial and social barriers. It was a fundamental appeal by all sections of the population.

"It was in a sense the first social movement in Trinidad and Tobago with the exception of the Butler movement in 1936-1937."

This movement, he added, was crystallised in the National Land Tenants and Rate-payers Association and at its 1979 convention, a decision was taken to form a political party — the ONR.

The 1981 election campaign was a bitter one. The ONR was labelled the "rich man's party." Hudson-Phillips himself was personally vilified in an anti-ONR campaign that was so effective that the ONR, despite polling the second highest number of votes cast, did not win a single seat.

In his lawyer's office on St. Vincent Street, Port-of-Spain, last week, Hudson-Phillips said the party had had only 10 months to prepare for the election and although there was disappointment

in the ONR camp on the night of the election, the party was satisfied that it had made an unforgettable impact on the electorate and the population in general.

He continued: "This was largely because the ONR was the only party which presented a manifesto which gave a complete analysis of the reasons behind the problems in the country at the time, and offered the solutions.

"The result in 1981 was an emotional one in the context of the two traditional alignments (PNM and ULF) feeling threatened."

SURVIVING

Hudson-Phillips said the fact that the ONR was still surviving after the 1981 drubbing was a tribute to the hard work of its members and what the party stood for, and added:

"It is also ample testimony that the party was speaking the truth in 1981 and not attempting to play games with the population."

Today, he said, the ONR had deepened its organisational roots in the society and now has considerable "grassroots" support in the society. "And this is because we went on a conscious programme to go to the little people in the villages. Without any Government assistance we have been able to build roads, bridges and in one instance a small reservoir in the back of Curepe."

Self-help projects were also undertaken in cooperation with the St. Patrick and St. George East County Councils.

"What I believe the people see in the ONR is a group of serious, honest, dedicated people who are concerned with improving Trinidad and Tobago, particularly in the area of youth.

"We want to develop a policy of strengthening ties with young people in the Caribbean, hence the party was represented at a number of regional and international conferences, the most recent being the International Year of the Youth meeting in Jamaica."

Also among the achievements of the ONR he listed were active support for the international breast-feeding movement and women's development.

What was the party's most traumatic experience to date?

Without hesitation Hudson-

Phillips said: "Not having won a seat to Parliament in 1981. But looking back I think I can say everything happens for the best."

He invited the population to look at how the Government handled the 1983 Grenada political crisis, the deepening economic downturn in the country and the question of unemployment.

The party's statement of principles, he reiterated, was a contemporary document on national unity, the ONR's vision of the decade of the 80s, so the development of the NAR was a natural consequence of ONR's philosophy.

Other parties in the NAR are the United Labour Front, the Democratic Action Congress and the Tapia House Movement.

Hudson-Phillips sees as a critical question in the next general elections — constitutionally due by February 1987 — whether the NAR can persuade a fair percentage of the electorate who formerly voted the PNM not to do so.

EXPIRATION

"Only 56 per cent of the population voted. One will hope that we will see at least 70 per cent turning out of the next general elections."

There was no leadership problem on the NAR, Hudson-Phillips said. These "problems," he said, came from unauthorised and unattributable sources.

But can the NAR go into a general election now, assuming it is called before the expiration of the present term of office and given the present situation where a leader had not yet been clearly identified?

Hudson-Phillips responded: "Clearly in the context of the snap

election one will have to come to a decision fairly quickly not only about the leadership but on several other matters. The NAR is in my opinion more ready for an election than the PNM.

"The PNM is in the position of not knowing what to do. They have the option to call an early election or let things run the full term. If it is called now I have no doubt the population will reject the PNM.

"But if the PNM should delay it will continue to run the risk that things will get worse. So really they are between the devil and the deep blue sea."

Does Hudson-Phillips have any great ambition to be the political leader of the NAR?

"I will put it this way. As I have said on several occasions, I could have kept my mouth shut and remained in the PNM and be still in the PNM today.

"I could have signed the undated letter of resignation in 1976 and continued in Parliament up to today. If Karl Hudson-Phillips was interested in naked power I could have stayed with the PNM.

"If I were interested in only Karl Hudson-Phillips I could have made a very comfortable living outside politics.

"What I am interested in is getting together all the forces, more particularly balancing all the forces, to put Trinidad and Tobago on the road forward."

What about the future of the ONR in relation to the NAR?

Hudson-Phillips: "That has a lot to do with what we have been able to achieve under the banner of the National Alliance for Reconstruction."

TRINIDAD AND TOBAGO

OFFICIALS RESENT CARICOM ATTACKS ON TRINIDAD TRADE POSTURE

Port-of-Spain SUNDAY GUARDIAN in English 5 May 85 p 10

[Article by Clewon Raphael]

[Text] AS Caricom continues to flounder under the strain of economic hardtimes sweeping the region, official circles in Port-of-Spain are calling for a review of the Common Market Treaty established 12 years ago to boost intra-regional trade.

According to officials who last week requested anonymity because of the political sensitivity of the issue, a review was needed not only to save Caricom from a total collapse, but also to remove the "thoroughly unfair image being painted that Trinidad and Tobago were the bad guys in the trading pact."

Putting it bluntly one source said:

"They can cry, shout, bawl how much they want, Trinidad and Tobago can no longer afford to bear the burden of adjustment of our Caricom partners, when we have our own economic problems to work out."

What this means is that Trinidad and Tobago is still being viewed as the major export market by other Caricom countries who have targeted most of their exports on Port-of-Spain.

Claiming that the trading arrangements were not benefitting Trinidad and Tobago — and producing figures to prove the point — and that it was virtually a one-way affair, one of the concerned officials said:

"At regional conferences we get the distinct impression that some countries are ganging up on Trinidad and Tobago accusing us of closing our markets ... that we should issue more import licences and other relative charges.

"But what are the true facts? With the exception of oil and fertiliser exports we have a negative trade balance with all of them."

When petroleum is excluded from Trinidad and Tobago's trade figures the balances in trade with the region are minus \$296.1 million EC and minus EC\$186.3 million EC for 1983 and the period January to September 1984, respectively.

That the Common Market was undergoing severe strictures was left in no doubt when at the Nassau Heads of Government Conference last year it was agreed to implement by January 1, 1985, measures to revive the sagging trade among the 12 member states.

These included removal of protectionist policies, raising of tariffs on a specified list of foreign goods to protect similar products made in the Common Market.

However, at last month's Caricom Council of Ministers meeting in Georgetown this deadline was pushed back to June 1, 1985.

Various reasons were advanced by the different states for not being able to meet the original deadline, but generally they claimed "technical reasons."

ECONOMIC OVERTURN

In the meantime Trinidad and Tobago continues to be pounded for not issuing more licences — even though this country was also facing effects of the economic downturn.

One of the officials said: "Imagine they want us to open up our markets when they are not reciprocating. They also have some measure of protectionism and the biggest offender in this regard is Jamaica..."

"Jamaica, unfortunately is undergoing a terrible economic crisis but our manufacturers are literally crying for help. Jamaica is claiming that it has lifted the barriers but in fact this is not so.

"They talk about removing the need for licences but what continues to be a real barrier is the regular devaluation of the Jamaican dollar. "No one knows for sure the rate of exchange at any given time. Our manufacturers have complained that it takes so long to get paid if at all, for exports to Jamaica.

"What is even worse is that the purchasing power of Jamaicans is virtually non-existent." Jamaica like other Caricom countries, owes Trinidad and Tobago on outstanding loans.

The extent to which Jamaica manufacturers have their eyes glued on the Trinidad and Tobago market is gauged when a manufacturer of galvanize has targeted 80 per cent of his products for Port-of-Spain.

Also, there are requests from Jamaican manufacturers to send to Port-of-Spain some \$22 mil-

lion worth of products such as chocolates and appliances, items already manufactured here.

Pointing out that retail sales in Trinidad and Tobago had dropped by 20 to 25 per cent over the last year, the source emphasised:

"In keeping with the Caricom Treaty we must do some imports from our partners but an important factor we cannot dismiss is the need to protect our manufacturers.

"Almost every single item we import from regional countries can be imported from outside the region at much cheaper rates; these include textiles, furniture and appliances.

One theory advanced for the problems in Caricom trade is that it has been caught up in the international economic crisis and the attempts of the small and vulnerable Caribbean states to survive this turbulent period.

When Caricom had its birth in 1973, intra-regional trade accounted for 7.5 per cent of the community's total imports, increasing to 9.3 per cent by 1981.

It dropped to 8.5 per cent in 1982 and by 1983, at a little more than six per cent, was below the amount of a decade earlier.

Intra-regional trade in money terms declined by \$74 million (US) in 1983, a fall of 13 per cent.

Jamaica's introduction of a tiered exchange rate system in 1981 has been credited with erupting the trading system. This was done to grapple with that country's chronic economic problems.

This set in motion counter measures by other countries, Trinidad and Tobago opting to impose licensing restrictions on imports.

One can understand the dependency on the Trinidad and Tobago market by its Caricom partners because according to knowledgeable sources, the Common Market functioned as it did only in so far as Port-of-Spain was willing and able to provide a readily available and lucrative market for the exports of its less affluent neighbours.

But with the drying up of the petro-dollars that is no longer possible and one source emphasised:

"In the days of the oil windfall that was possible but not at this time. How do you get that message across to our Caricom partners who are painting us rather unfairly as the bad guys of the movement?

CLEARLY DEMONSTRATES

At the Georgetown meeting it was reported that the Trinidad and Tobago delegation, headed by Industry Minister Senator Wendell Mottley, placed its cards on the conference table — this country can no longer carry the rest of the region at its own expense.

Trinidad and Tobago has already adopted one course of action which clearly demonstrates Port-of-Spain's disgust with the lack of trading reciprocity with its Caricom member states — firming up bilateral arrangements with individual countries.

Discussions have been held with Barbados, the Dominican Republic and Antigua and the word is that this route may be more intensely pursued.

"Trinidad and Tobago is definitely interested in fostering the regional integration movement but the time has come when serious consideration must be given to a review of the Common Market Treaty.

"We are quite frankly tired being the whipping boys for the economic problems being faced by these other states when we are also experiencing our share of difficulty. A new initiative must be found to save Caricom from total collapse...it cannot continue this way for much longer."

Conditions which dictated the creation of the Common Market, he said, are not the same today as they were in 1973. But will Trinidad and Tobago dismantle its trading restrictions at this time?

"I cannot say what we are going to do. What we are saying at this time is what we are not doing — that is to continue to bear the burden of adjustment of other Caricom states.

"Trinidad and Tobago can be likened to a lifeboat with everybody trying to get in...that will not work in the present economic conditions."

It was understood that Senator Mottley took to Cabinet last week a comprehensive report on the Georgetown meeting which included recommendations on what action Trinidad and Tobago should adopt in the current impasse.

"We are eagerly awaiting the June deadline to see how much progress has been made in implementing the Nassau accord...to see how serious our Caricom partners are treating this critical issue."

TURKS AND CAICOS

GOVERNMENT WANTS GOVERNOR OUT AT END OF HIS TERM

Port-of-Spain EXPRESS in English 8 May 85 p 61

[Text] Grand Turk, (CANA)--The Government of the Turks and Caicos Islands, dissatisfied with role played by British Governor Christopher Turner in the arrest of former Chief Minister Norman Saunders, says it does not want his 3-year term of office extended.

"I understand that his (Turner's) term of office comes to an end in September. Well we will certainly have to make the authorities in England know our feeling and certainly hope that there [be] no form of extension as to the time he has to spend in these islands," Government Minister Robert Hall told CANA.

"Turner must leave these parts as soon as his term of office is ended," he was further quoted as saying.

Saunders was arrested on 5 March in Miami on drug conspiracy charges along with two other members of the legislature and a Canadian businessman. He resigned as chief minister 2 weeks later.

CSO: 3298/679

VENEZUELA

PRESIDENT LUSINCHI ADDRESSES COUNCIL OF AMERICAS

Caracas EL UNIVERSAL in Spanish 12 Apr 85 p 1-12

[Text] The governments of the industrialized countries must realize that economic equilibrium cannot be achieved at the expense of other countries and to our future detriment.

The president of the republic, Jaime Lusinchi, made this remark in his address to the Council of the Americas.

The chief of state gave the following speech:

I would like to cordially thank the Council of the Americas and the American Society for having invited me to speak to you about our present and future economic relations. I have come to speak with you informally, without ceremony, so that we can jointly explore possible forms of cooperation that would be mutually beneficial and that would also bring benefits to the world economy and enhance international stability.

Latin America is emerging from its deepest economic crisis in the past half-century by way of an adjustment process that has both positive and negative factors. Among the positive factors I should single out the reactivation of the world economy, which has prompted an expansion in Latin America's exports and a rise in international reserves. Moreover, the trend in interest rates has been favorable, which has given Latin America a breather in its debt servicing and has loosened this bind on the region's economy.

Among the worrisome elements that persist I should mention:

1. The uncertain future for Latin American exports, given the strong protectionist trends in the developed countries.
2. The instability of interest rates.
3. The unfavorable trend in terms of trade
4. The high cost of servicing the foreign debt

5. The persistent contraction of foreign capital, particularly from banks and multilateral agencies, and of private investment

We can gather from this brief outline that the region's economic recovery depends largely on external factors, inasmuch as domestic efforts have in most cases reached their maximum.

Owing to the impact of the international economy, the policies that the industrialized countries pursue, particularly the United States, can hamper or promote the region's development and, within the region, the economy of Venezuela. Like other countries in the area, my country has suffered the consequences of the monetary, fiscal and commercial policies of others. The fact is that although there has been economic recovery in the industrialized countries, it has not extended proportionally into Latin America. One of the reasons is that this economic recovery, particularly in the United States, is somewhat unstable because it is based on a budget deficit that has reached unprecedented peacetime levels. To this we must add that the new commercial legislation passed in late 1984 contains elements that could have very adverse consequences for Latin America and that are, therefore, causing profound concern throughout the continent.

Another important facet of economic recovery is the normalization of capital flows, both public and private. The region has become a net exporter of capital, which is patently absurd.

I should point out that this situation coincided with a curtailment of access to official credit for the economies that had developed the fastest, the argument being that they already had access to private capital markets; it also coincided with a stiffening of the conditions for and a drop in the amounts of loans from international organizations earmarked for resolving temporary liquidity problems.

In reviewing some of our major economic concerns, I cannot fail to mention the problem of the foreign debt. The international cooperation that has been displayed in seeking solutions to this problem is perhaps the best evidence that unilateral solutions could have dire consequences. These efforts must continue and expand so that we can find politically viable solutions that do not jeopardize democracy, an asset that we regard as inalienable and to whose preservation we must subordinate our efforts.

In this regard, I must emphasize that it would be improper, unjust and dangerous to focus just on the problems of the continent's major economies and to neglect the difficulties of its smaller nations. It would be unacceptable to the region as a whole if the strictest conditions were imposed on the countries with the least bargaining power, condemning them to economic, social or political instability, which in the long run would affect the entire region and could have repercussions beyond the continent, as we have already seen from experience.

I am approaching these problems from a regional perspective not only because I feel very much a Latin American and believe deeply in continental solidarity, but also because we are up against a worldwide problem in which democracy, economic stability and even continued peace are at stake.

The recent course of events, the magnitude of the adjustments and our future possibilities for action can all be seen in the specific case of Venezuela. This is why I have also come before you today to speak on behalf of Venezuela. A Venezuela that has rescheduled its foreign and domestic government debt and that will meet the commitments it has taken on. A Venezuela that has eliminated its budget deficit, that has put its foreign accounts in the black, that has boosted its international reserves and that has realized that only joint efforts can lead to balanced, sustained development.

We are a democratic country and are an active part of a continent whose peoples desire democracy as a political system. Whether we are part of government, labor or management in democratic Latin America, we are obliged to fulfill this legitimate aspiration of our peoples. Because economics is the foundation for producing the goods that we require to meet the needs of our men and women, without discrimination or privileges, it must be a permanent topic of discussion among the active segments of democratic societies.

As part of this discussion, all of us, the international financial community, businessmen, multilateral organizations and governments, must face the fact that to a degree we have been imprudent and that, therefore, we are jointly responsible for the foreign debt crisis and for the bottlenecks that have reversed economic growth.

It is wrong for each of us to excuse our past mistakes and to try and avoid, in isolation, the consequences of the crisis. We can surmount it only through united action.

I propose the following guidelines for such action:

--The governments and peoples of the debtor nations must realize that they have to work, save and distribute equitably the fruits of their collective efforts.

--The financial community must realize that its loans will be repaid only if the terms and interest rates enable debtors to produce the wealth they need to maintain social stability, to progress and, therefore, to meet their obligations.

--Businessmen must realize that their investments will be profitable only in a climate of social peace and harmonious development in the countries in which they are operating.

--International economic authorities must realize that the exploitation of the natural resources of the developing countries, along with restrictions on access to export markets, can lead only to greater structural imbalances that sooner rather than later will work to the detriment of the main actors.

--The governments of the industrialized countries must realize that economic equilibrium cannot be achieved at the expense of other countries and to our future detriment.

I would also like to discuss the issue of foreign investment in Venezuela. We regard foreign investment as not only desirable but necessary in an increasingly interdependent world. Nevertheless, the legitimate interests of the investor must be reconciled with the interests of the host country. We are aware that it is in our interest to update our foreign investment legislation, to make it more appropriate and uniform.

Consequently, within the framework of the Andean Pact we have conversed with the presidents of its member countries with a view towards updating national foreign investment regulations in keeping with the new international political and economic conditions. In this regard, we will promote foreign investment that complements domestic capital, that helps create new jobs, that provides for a real transfer of technology, that saves and generates foreign exchange and that does not make use of domestic credit to the detriment of the financial needs of local investors.

We can work together for Latin America. Three objectives have dominated our peoples' struggle throughout our history: independence, democracy and economic and social progress. These challenges still stand before us. The close relationship between the three demands that we persist in our efforts, because we cannot consolidate our progress unless we move ahead on all three fronts simultaneously.

Even independence, our inviolable, greatest achievement, is endangered by the proliferation of conflicts that stem from age-old economic imbalances, that threaten democracy and that are fueled by outside forces.

Democracy, which our peoples have always clamored for, has gained renewed strength today, and we pleased to see that it prevails in most countries in our region. Nevertheless, many of them have fledgling democracies that are exposed to various threats.

Perhaps the greatest threat is economic instability, which makes it difficult to correct social injustices and to overcome poverty. Such instability is closely tied to the sluggish, vulnerable commercial and financial relations with other countries and to the uncertainty that has characterized the world economy in recent years.

Our great challenge today is to make democracy, peace and economic and social development mutually reinforcing. We must meet this challenge with practical, realistic solutions. This task has implications that go beyond regional boundaries, because in a world that is politically and economically ever more interdependent, the fate that befalls the continent will, for better or for worse, affect the entire world.

8743

CSO: 3348/638

VENEZUELA

FINANCIAL PERFORMANCE DURING FIRST TRIMESTER OF 1985 VIEWED

Caracas EL DIARIO DE CARACAS in Spanish 27 Apr 85 p 53

[Article by Francisco Faraco]

[Text] Deposit Guarantee

Decree 540, creating the Deposit Guarantee and Bank Protection Fund in our country, was passed on 22 March. Immediately individuals and institutions in private banking circles began commenting on the decree. In addition, Dr Vicente Lecuna Escobar tried to have the decree annulled, and the Supreme Court recently agreed to hear the case.

The decree in question really does have flaws and omissions that make it quite different from similar legislation in other countries, and that impose a severe burden on the national banking sector. All these factors point to the need to revise it.

The original objective of all these laws was to provide an alternative to insolvency in bank interventions by reconstituting the institutions subject to intervention where possible, or simply returning the deposits to the public in the insured amount. At least this was the case in Italy (1929), the United States (1933) and Spain (1977). On the contrary, Decree 540 expressly excludes the banks that were subject to intervention before its effective date, leaving hundreds of thousands of "victims" in limbo.

Moreover, these laws incorporate elements of bank control and supervision aimed at preventing new collapses; for this reason, they contain provisions for the mandatory and timely compliance with the corrective measures adopted by the Fund Administration with regard to an institution's management or financial situation. Again, our law is an exception. The Fund authorities, like their counterparts in the Bank Superintendency today, may be well aware of dangerous practices by an institution but cannot order any corrective measures. Thus, we will continue to read excellent reports that point out concentrations of risk, hidden losses, counterfeited cash, etc., yet the authorities will be able to do nothing to rectify the situation effectively.

To be sure, now relatively major fines can be levied against violators, but what is a million bolivars to someone who has embezzled or mismanaged many

times that amount? Furthermore, the objective is to prevent, not just to punish.

First Quarter of 1985

During the first quarter of 1985, monetary liquidity in the hands of the public grew by 0.58 percent (Central Bank of Venezuela figures as of 29 March), or shrank by 0.01 percent (Central Bank of Venezuela figures as of 3 April). In other words, there was practically no change from the last day of 1984, contrary to expectations stemming from statements made by monetary authorities and estimates contained in the Quantified Economic Program (PEC) drawn up by the Central Bank of Venezuela (BCV) and accepted by creditor banks and the International Monetary Fund (IMF).

In terms of the factors determining monetary liquidity (the monetary base and multiplier), it is noteworthy that as the growth figure cited in the previous paragraph was achieved, the steady decline in the multiplier (4.795 in January, 4.740 in February, and 4.580 in March) acted as a restrictive factor. This decline was caused by the equally steady growth of the BCV's bank reserves, and its origin is linked to the expansion policy carried out by the central bank. That policy did not, however, manage to keep it in line with the existing demand for credit. The monetary base, in contrast, registered a positive growth rate (a 4.72 percent increase during the quarter) as a result of the rise in "other investments" of the BCV. It is impossible to learn the specific investments with the information available, although it is known that they are not public securities, financial bonds or mortgage bank bonds. They may be DPFs [expansion unknown], savings certificates or unsecured bonds issued by private financial institutions.

With regard to the components of liquidity, a reduction of 3.2 percent has been seen in demand deposits, while savings and time deposits have grown by 2.5 and 7.1 percent, respectively. This is evidence of the public's tendency to shun liquidity, which has been influenced by the upward trend of the bolivar's value on the free market, and by the stability of domestic prices which reinforces that trend by making it more consistent.

Although monetary liquidity in the hands of the public grew by just 1.023 billion bolivars during this quarter, the financial system showed net gains of 6.182 billion bolivars during the same period. This reflects the magnitude (5.159 billion bolivars) of the expansion carried out by the government and the BCV, which has led to a significant imbalance on the financial market, as we will show below (see graph).

Breaking down investments, we see that with respect to mortgage banks and finance companies, investments in securities represent 40.3 and 46.4 percent of the total, respectively. These are truly disproportionate figures, and they stem from the innocuous nature of the monetary measures taken to expand the real estate sector, in the first case, and in the second case, from the financing provided by Fococam and the BCV to finance companies with debts in foreign currencies that signed Exchange Agreement No. 5 for the purchase of foreign exchange with which they can buy the "zero coupon" bonds. The latter

assertion is confirmed by the fact that 71 percent of all such purchases are concentrated in two finance companies that have very significant dollar debts.

This imbalance caused by the monetary policy of the central bank is really inconsistent with the goal of continuing to promote a greater revaluation of the bolivar on the free market, since its credit potential could be utilized for currency speculation purposes if there is a drastic change in expectations as a result of negative trends in the petroleum business.

This possibility is particularly relevant if we bear in mind that during the Northern Hemisphere winter season there was a decline in the consumption of OPEC oil, rather than the usual increase. If we add to this sign of weakness on the market the suspension of the coal miners' strike in Wales, which means that the equivalent of 500,000 barrels of oil will be placed on the market; the liquidation of the BNOC by the British Government, which would force small North Sea companies to sell a large proportion of their production on the spot market; and the high level of inventories at present, the prospects for the market during the warm season (when demand for oil will obviously drop) become very dim in terms of expecting any upswing in the volume of crude exports.

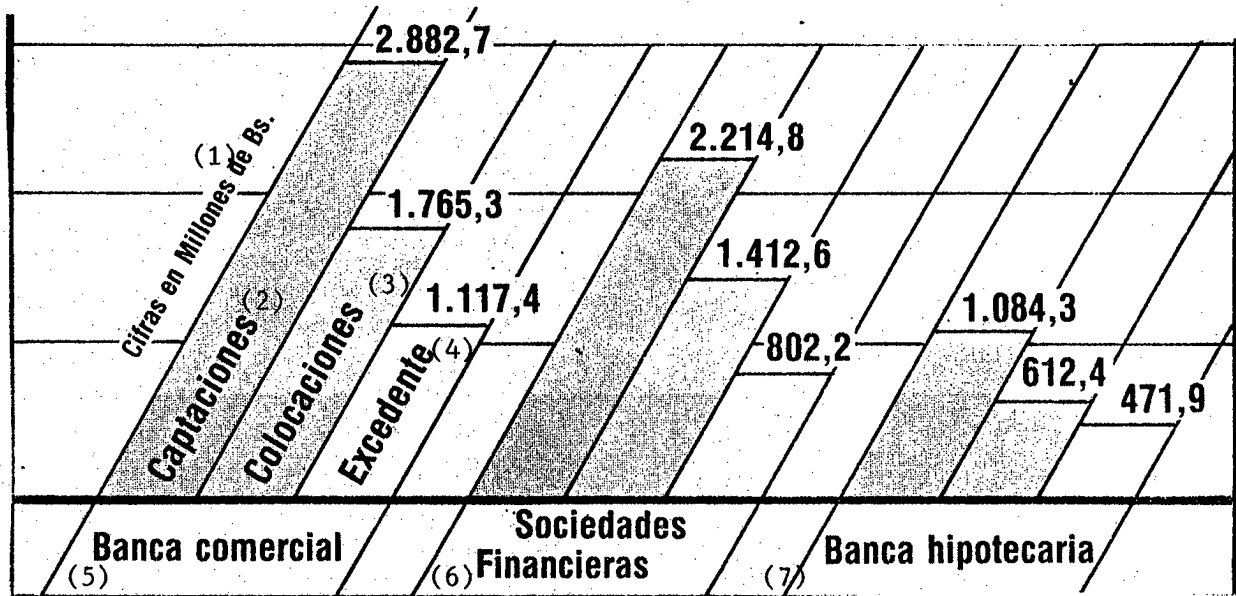
In fact, external sales of Venezuelan petroleum declined by 50,000 barrels per day during the first quarter of the year. If we extrapolate the figure for the entire period from this amount, we obtain a decrease of some US \$500 million in foreign exchange revenues. Objectively, this decline is manageable, given the current level of foreign reserves, but its psychological impact could have very negative repercussions on the BCV's strategy for revaluing the exchange rate on the free market while promoting a surplus of lendable funds on the financial market.

The total volume of loans to the financial system during this quarter (2,551,400,000 bolivars), though higher than the figure for the same period of last year (427 million bolivars), is considerably lower than the quarterly average of 1984 (3,982,700,000 bolivars). This reveals the persistence of the shrinking trend that has characterized the Venezuelan economy in recent years.

For the purpose of slowing the downturn in the economy, essentially in terms of its effects on the level of employment, the National Executive has submitted to the Congress of the Republic its Plan for Extra-Budgetary Investment, for a total of nearly 6 billion bolivars. The plan will be financed with 2-year treasury bills, which will be counted toward the legal reserve maintained by the commercial banks in the BCV.

Judging by its size and its specific provisions, it is clear that this plan is aimed at partially and temporarily alleviating the problem of unemployment among construction workers, since it is not very significant in terms of boosting the economy. The financing mechanism has, however, attracted attention because it appears that the National Executive expects a significant increase in fiscal revenues in 1986 and 1987 to redeem the treasury bills. Otherwise, the argument of speed takes on more validity. In any case, financing with treasury bills has the advantage of not increasing public spending for debt servicing, since the bills are not interest-bearing.

Situation of Financial Market
First Quarter 1985



Key:

1. Figures in millions and billions of bolivars
2. Deposits
3. Investments
4. Balance
5. Commercial Banks
6. Finance Companies
7. Mortgage Banks

8926

CSO: 3348/656

VENEZUELA

AD ORTHODOX FACTION OPPOSES PEREZ' CANDIDACY

Caracas BOHEMIA in Spanish 22-28 Apr 85 pp 18-20

[Text] How to stop Carlos Andres Perez? That is the question that is stumping all the orthodox members of Democratic Action (AD), many people in the current administration, and members of the new wing of AD who tremble at the mere thought of the former president throwing his hat in the ring again and giving orders at Miraflores.

So far, all efforts to devise an electoral mechanism that could successfully prevent the selection of Carlos Andres Perez (CAP) as the white party's presidential candidate for the general elections of 1988, have proven futile. For this reason, the statutory reform committee named by the National Executive Committee (CEN) and chaired by Carlos Canache Mata has not issued the corresponding report; it has limited itself thus far to inconsequential discussions and requests for extensions in the preparation of the report.

In the beginning, influenced by the arguments of Luis Pinerua Ordaz and Canache Mata himself, the committee had approved the method of so-called "primary" elections to select the candidate. But the majority present at the AD "mini-summit" hit the ceiling, arguing justifiably that in this way, not only would Perez be assured of the nomination, but his internal adversaries would receive a veritable thrashing.

Another valid argument against the "primaries" came from the powerful Labor Union Bureau. Headed by Manuel Penalver and Antonio Rios, the AD labor sector claimed that this method has had disastrous results in Democratic Action's history. They recalled that the first time it was used, a colossal fight ensued. The upshot was the rift of 1967, and the emergence of the People's Electoral Movement, with Luis Beltran Prieto Figueroa at the helm. On the second occasion, in 1977 when Luis Pinerua Ordaz was nominated to run for president, the infamous "primaries" brought AD to the brink of another serious schism.

In short, neither the orthodox ADers headed by Barrios nor the labor sector wants to hear any talk of "primaries," and they advocate exploring other means of selecting the candidate. This problem has placed the party on a dead-end street: It cannot return to the old, traditional formula of electing the presidential nominee at a national convention, because such an election would be subject to all kinds of manipulation, given that the number of voters

(delegates) would barely exceed the number of leaders (some 1,000). Nor can it turn to "primary" elections, because that method is associated with some sad memories and no one wants to retrace the path of divisiveness. For now, the most accepted formula, which will certainly be chosen at the next CDN [expansion unknown] to be held in the middle of this year, is that of electoral colleges.

The method of electoral colleges has already been tried, when the present chief of state was nominated to run for president. On that occasion, about 30,000 AD members participated in the selection of the candidate. Now, the electoral colleges would be expanded; in the 1988 election as many as 50,000 to 80,000 AD members may participate. The colleges would be made up of AD leaders at all levels (national, regional, district, municipal, and grassroots committees); leaders of labor and trade unions and production associations, as well as those of the AD business sector; teacher and student leaders at various levels (mid-level education, universities, special education); and independent sectors associated with the party, previously selected by Democratic Action officials.

Who Will Vote in AD?

The other thorny issue that AD members face in the internal election process, aside from the selection of the presidential candidate, is the election of the new party officials. The problem lies in the list of active members, the so-called electoral register, which includes all those who have the right to participate in internal elections.

The national secretary of organization, Senator Luis Alfaro Ucerro, asserts that the register is ready, because the final sign-up deadline for those aspiring to run for office in AD fell about 2 months ago. At this time the electoral register is being carefully scrutinized by high AD officials, regional authorities, and all leaders who are particularly interested in keeping that list up to date and clean. All are aware of the importance of these rolls; they could be used in any election fraud scheme, and anyone who is not on the list will not be eligible to run in the upcoming internal elections.

Candidates for Nomination

A struggle is going on in secret, behind closed doors in Democratic Action. Everyone is campaigning, although they publicly state that "this is no time to think about candidacies," or "there are top priority problems, especially in the government, which must be dealt with."

The facts will not go away, however, and the backdrop to the 1988 elections has already been erected in AD; all actions and internal movements are governed by it. Thus, the cabinet shuffle, the changes made in state governments, and even shifts of mid-level officials, are all related to the nomination campaign. The struggles going on in most party sectors are closely tied to the nomination. Recently, the selection of the candidates for president of the Municipal Councils of the country's principal cities provoked a

lot of clashes in the national leadership and among sectoral leaders. Examples of the latter were the efforts of the Miranda and Lara CESs [expansion unknown] to oust Orlando Elbittar and Dorys Parra de Orellana from their posts as presidents of the Municipal Councils of Petare and Barquisimeto, respectively.

The men who dream of moving into Miraflores—some publicly, others only in their hearts—are Carlos Andres, Octavio Lepage, Carlos Canache Mata, Reinaldo Leandro Mora, David Morales Bello, Manuel Penalver, Luis Pinerua Ordaz, and Armando Sanchez Bueno. So far, Senator Gonzalo Barrios has not explained, publicly or privately, to whom he was referring when he stated that the next AD candidate could be an "outsider." The notion of an efficient bureaucrat, a top-flight executive, such as Leopoldo Sucre Figarella, Carmelo Lauria or Juan Pedro del Moral being chosen at the last minute has not been discounted either.

Carlos Andres Perez has the advantage in this classic race for the AD presidential nomination in 1988. His name, during this time of problems and crises, is associated with a dynamic government, under which there were jobs and money for all. Opinion polls indicate that his popularity remains untouched, bordering on 70 percent, while his internal opponents have at the most 15 points each. To be sure, the race is just beginning, and it remains to be seen, among other things, whether CAP will be able to finish in the running if the internal maneuvering against him is effective. Another unknown is how AD and the former president himself will deal with the campaign that will be unleashed in the various opposition sectors, as soon as their aspirations are made clear. There would be talk once again of the "Sierra Nevada," of new periods of squandering and corruption, of advisers of the ilk of Gumersindo Rodriguez and Diego Arria. There would even be interference in the private life of the leading candidate. At any rate, CAP continues his feverish activity inside and outside Venezuela, girding his loins for new battles.

Minister of Domestic Relations Octavio Lepage is apparently the favored candidate of the administration, one labor sector and some regional leaders. Many people recall the preliminary campaign waged by Rafael Andres Montes de Oca, who held the same post in the last administration. Lepage travels in the interior constantly, and is expanding his activities. He is "milking the job for all it's worth," as the saying goes. This was evident during his recent stint as envoy from the President's Office, as we saw him eating an "empanada de cazon" in the eastern region of the country, and even on boring television spots regarding Big Week. It should be noted that when someone is in such a high position, everyone (in the party, the government, and even the street) says yes to him. It remains to be seen whether this sycophancy will translate into concrete support once he leaves his post . . .

Recently there has been a lot of talk about Manuel Penalver's aspirations. Some say that "his ears are burning," and that the man will move beyond the position of secretary general; meanwhile, others assert that we are not in Costa Rica, and that "Manuelito knows how far he can get." In any case, we cannot lose sight of him. This is the first time that a single man has held so much power (labor and political) in AD. Moreover, many see Penalver as the only one who could stop CAP.

Reinaldo Leandro Mora could be the ideal candidate for the ADers. He is respected within the party, where he is already regarded as the successor to Gonzalo Barrios; he is known for his serious attitude, his extensive administrative experience (he has been an ambassador, minister of education and minister of domestic relations), and his vast support in key sectors such as the private sector, the clergy and the military. The only criticism of him is that he dreams of an idyllic consensus, and expects the nomination to be handed to him on a silver platter. Everyone in AD knows that this did not happen even to party founder Romulo Betancourt. One has to fight hard for the job from the very beginning.

Carlos Canache Mata, Luis Pinerua and David Morales Bello are working very actively, touring the interior and attending conferences, forums, and any other major event. Pinerua is almost assured of finishing in the running and squaring off with CAP for the nomination. The others are awaiting the final decision of the charismatic Andean leader.

Meanwhile, other aspirants of the Sanchez Bueno ilk are lighting candles to the saints like old maids, to see if the seas will part for them, or if they will be given the long-awaited opportunity to run.

8926

CSO: 3348/655

VENEZUELA

MAS LEADER RENOUNCES PARTY MEMBERSHIP

Caracas EL NACIONAL in Spanish 3 May 85 p D-17

[Interview with MAS Deputy Sol Alvarado by Leopoldo Linares; date, time and place not given]

[Text] Sol Alvarado, one of the most important leaders of the Movement Toward Socialism (MAS) in the interior of the country, is leaving that political organization. He has a very strong reason of a strategic nature: MAS is playing into the hands of the big parties, and for that reason it has no future. He has another immediate reason: He cannot tolerate the manipulations and the fraud that are being perpetrated within the party to prevent Juvencio Pulgar from attaining the post of secretary general of the orange party.

Until recently, Sol Alvarado was the chief deputy of the MAS parliamentary delegation in the Legislative Assembly of the state of Lara, and was a member of the national directorate of that movement. He spoke for a long time and in great detail in our offices about his reasons for abandoning his former comrades in the struggle. Alvarado also served as MAS secretary general in that state for 7 years.

When we pointed out that his resignation cannot be a spontaneous action, but must have strategic motives, Sol Alvarado listed the reasons for his departure from the ranks of MAS, one by one: 1) MAS is playing into the hands of the big parties and for that reason has no future. 2) MAS's leadership has collapsed; it leads nothing, and the only movement is due to inertia. The leaders are vegetating, having fallen into the traditional political habit of using the party as a means to gain personal benefit, and forgetting the people and the party's campaign promises. 3) Most regional committees are ignored, as are their proposals. 4) The National Congress is used as a platform for personal aggrandizement; the country's problems are not discussed except as a catapult for advancement. 5) MAS is run by totalitarian standards, in which a clique takes all actions without answering to anyone, using manipulations and games to evade responsibility. An example of this is the measure to dissolve the national directorate when a Sol Alvarado cannot share responsibility for the MAS debacle with a Pompeyo Marquez, a Teodoro Petkoff or a Freddy Munoz. 6) In the current internal process, it is apparent that a kind of castling move is afoot (similar to what is happening in Democratic Action

and the Social Christian Party) to protect the current national leaders and perpetuate their power.

"I want to extend to them the criticism that MAS has hurled at all other leaders of the Venezuelan left in general, that they are the "chiefs" of major defeats, and are trying to remain at the head of the country's socialist movement. I think the time has come to put a stop to this situation, so that the new generations--note that I am not advocating a generational struggle--can assume the political leadership of the nation. In the specific case of MAS, the current leaders have exhibited a great capacity for making mistakes and a stubborn resistance to correcting them. It would appear that these leaders consider themselves the owners of MAS, as if it were a piece of property they could buy and sell, without answering to anyone or giving anyone else a chance."

Fraud and CSE

"In MAS," stated Alvarado, "a fraud is being perpetrated in connection with Juvencio Pulgar's candidacy. So far he is the only alternative to oppose and hinder the officialist candidacy of Freddy Munoz."

In addition to the many irregularities in Lara (changes in the day and time of the regional electoral commission's meetings, obstacles to opening up registration centers, the repeated refusal to provide registration books, the omission of district and even regional leaders from the lists, and the failure to adhere to the agreements and resolutions issued by national election authorities), Deputy Sol Alvarado complained about the actions of the National Election Commission chaired by Carlos Tablante. In fact, he reported that after all these irregularities took place in Lara, Tablante visited Barquisimeto and declared to the local press that "nothing has happened here and everything is normal."

"How can everything be normal with so many instances of unscrupulous behavior, the disappearance of voter rolls and other manipulations? Look, neither I nor Pedro Perdomo, vice-president of the Municipal Council of the Jimenez District (Quibor) appeared on the list, so we could not participate in the internal process in MAS. And this has happened to a large number of leaders and members who support Pulgar, throughout the country."

Sol Alvarado contends that all of this fraud and maneuvering comes from Caracas, specifically from the commission known internally as the System for Registration and Review (SIR). Vicente Gonzalez, Ivan Esquerre and Rafael Colina are in charge of that commission. These men, according to Alvarado, are notorious "hawks" who are known "for their depraved and unscrupulous practices."

"Now," continued Alvarado, "the worst thing is that these deeds are being carried out in the very headquarters of the Supreme Electoral Council (CSE), because they are also officials in that agency. This is a very touchy issue, because if these deeds continue and spread, the reputation of the top electoral officials in the country could be called into question. In this regard, I would like to call CSE President Carlos Delgado Chapellin's attention to

these anomalies. I am doing so not only on behalf of MAS, but also for all parties, for the good of Venezuelan democracy, because the agency that legitimizes Venezuela's elections is involved here."

Alvarado to Remain Independent

Before the end of the interview, we asked Sol Alvarado about his new political plans. He confessed that it is very difficult for a politician to remain on his own, so he admits that he will stay in politics. He adds, however, that he will not go to another party, because he has severe criticism of the "partocracy" (the parties have their finger in every pie, interfering in the development of the civil society without fulfilling their true role in a democracy).

"We have reached the point—absurd, if you will—that to elect the carnival queen in any neighborhood in the country, the political parties have to get involved," Alvarado said. "This must be stopped, and it will happen when the citizens become aware of their rights and exercise them. We are seeing democracy sink because the parties are so venerated here, while many people's abilities and desires to work for the common good are ignored."

[Question] So you will participate in a movement . . .

[Answer] Yes. I am going to participate in a movement to rescue the citizens' rights. This movement will not confront the parties head-on, because I am no one's enemy, not even MAS's. I have already seen that many people support this option in Lara, even members of other parties.

[Question] And will you oppose or support the present administration?

Alvarado smiled and made this final statement: "In the Legislative Assembly I will act in opposition to the administration and in defense of those measures that benefit the masses."

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CSO: 3348/655

VENEZUELA

SOVIET SCIENTIST ON ASSISTANCE FOR NICARAGUA

PA110336 Caracas EL NACIONAL in Spanish 3 May 85 p D-13

[Article by Imperio Rodriguez]

[Excerpt] "Our government supports the efforts of the Contadora Group to normalize the situation in Central America, and would be willing to give the Managua government greater economic assistance if it is subjected to a new economic blockade by the Ronald Reagan administration."

Aleksandr Sizonenko, a Moscow scientist, arrived in Caracas to lecture on the USSR's victory over the Nazis, which was decisive in ending World War II, and commented on Nicaraguan President Daniel Ortega's presence in Moscow.

Sizonenko is one of the scientists from the Institute for Latin American Studies in Moscow, and is very familiar with Latin America's reality. In very fluent Spanish, he answered questions on the tense situation that he foresees as the result of President Ronald Reagan's request--refused so far--for \$14 million in assistance for the "contras." He also answered questions on Ortega's visit to Moscow to ask for economic assistance. Everything seems to indicate that the United States will increase economic pressure on the Managua government.

Sizonenko was very clear and precise on this. His answers were brief, yet accurate. In the first place, he defined his government's position on the crisis in Central America.

Our stance is clear enough. We think the United States should not intervene in Latin American affairs and, specifically, Nicaragua. The U.S. assistance to the Somozists should end. The United States should not prevent Nicaragua from determining its own fate and if the Soviet Union helps Nicaragua it is because we have an economic exchange agreement. We help in the construction of manufacturing plants and the development of Nicaragua's fishing fleet, among other areas. This is why Ortega is in Moscow.

Ortega's presence in Moscow is understandable. If it becomes necessary, we will economically assist Nicaragua even more. We assist the Sandinist government on the grounds of existing agreements. Reagan dislikes this assistance because he believes that Central America and the other Latin American countries

are his colonies. He does not like these nations to develop friendly ties with the Soviet Union. We must bear in mind that the Sandinist government has always expressed its willingness to have good relations with the United States.

[Question] Could this assistance be military if it is required by the Managua government in view of the threat of an intervention?

[Answer] Only my government can answer that question. First of all, we vigorously condemn the U.S. policy of aggression because we believe that a country may not intervene in another nation's affairs. We oppose the aggressive tendency of the United States.

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VENEZUELA

CALDERON BERTI ON NETHERLANDS ANTILLES, GEOPOLITICS

Caracas EL UNIVERSAL in Spanish 14 Apr 85 p 1-12

[Article by Humberto Calderon Berti: "Venezuela-Aruba-Curacao: Oil and Geopolitics"]

[Text] The presence tomorrow, Monday, of a prominent Caribbean delegation in Venezuela to discuss with the authorities, among other important issues, the difficult situation being experienced by their economies with the closing of the Aruba refinery and the imminent shutdown of that of Curacao, updates the reflections on this subject, associated with the world of geopolitics, made by Dr Humberto Calderon Berti, former minister of mines, and former head of Venezuelan Petroleum, Inc. [PETROVEN].

Dr Calderon Berti says: "Since time immemorial, our country has maintained with the islands of Curacao and Aruba a close, tight, economic and human relationship. There are many families in the state of Falcon whose origins lie in those islands, as well as Curacaoans and Arubans whose roots go back to territory of the western state. These relations have always been harmonious and mutually feasible, abetted, among other reasons, by the mutual understanding of the strategic significance that each area has for the other, and by this geographical proximity that has facilitated a fruitful commercial exchange, particularly food supplies, the flow of tourists and supplies of crude oil to be processed in the Curacao and Aruba refineries, set up many years ago by Shell and Esso (currently Exxon), respectively.

"The changes that have occurred on the international oil market since the 1973 oil embargo and, most dramatically, after the overthrow of the Shah of Iran in early 1979, have had a deepseated effect on the world refining industry. A sizable number of refineries, over 100 located in the United States and Europe, have ceased their activities, owing to the very large losses resulting from their operations. The reason is simple: The increase in the price of crude has not been matched by a proportional increase in the price of the products accrued from that crude. This has caused the presence of what is technically known as a negative refining margin. In other words, the sales price of the products does not cover the cost of purchasing the crude plus the cost of refining.

"The Aruba and Curacao refineries could not escape that problem. Both were built many years ago, and show a high degree of obsolescence, particularly the one in Aruba. Built with the intention of serving as refineries for exporting, they have been geared toward the production of a very high proportion of residual fuel bound for the market on the East Coast of the United States. With the price increases of 1979-80, the replacement of the use of residual fuel by that of coal, owing to the competitiveness of prices of the latter, has been increased, weakening the residual market in an obvious manner. After the nationalization of the Venezuelan oil industry which took place on 1 January 1976, both refineries received supplies of Venezuelan crude under different price schedules, which enabled them to keep up the profitable operation, but with an increasing economic sacrifice for our country. This situation continued until late 1983, because in that year Venezuela decided to apply notified prices to our supplies of crude to those refineries. The effect of our decision was felt immediately, because the indirect 'subsidy' that we offered them on the crude price disappeared; which caused losses for the Aruba refinery amounting to \$55 million. This led Exxon to the decision to close its refinery in Aruba, arguing the heavy burden represented by the losses incurred during the previous year; overlooking the fact that the refinery had brought it large profits for over half a century while it was in operation.

"This situation worsened the socioeconomic problem that has been occurring on the neighboring islands since 1979.

"A series of proposals was made in 1980 by the islands' authorities to the Venezuelan Government, among others, that relating to the burden on their economies represented by the rise in oil prices; because, although the domestic consumption of hydrocarbon by-products increased between 1973 and 1979 by only 3.2 percent, the cost of the oil imports to meet that domestic consumption increased sevenfold during the same period, rising from \$11.6 to \$80 million per year. Of the 12,400 barrels per day of oil consumption in 1979, nearly 7,500 barrels per day were used to desalinate the water that they had to consume and to generate required electricity, basically for household use. This unquestionably represented a major economic burden, and a situation with undeniable social effects on our neighboring islands. Something had to be done, and it was then that Venezuela offered the Antilles Government to negotiate with Mexico for their incorporation into the benefits of the San Jose Accord. The Mexican Government, arguing with the view that we should not apply it to countries lacking independent political status, rejected the Venezuelan proposal. We think that this view still prevails among the Mexicans.

"With Exxon's decision to shut down the Aruba refinery, the situation has become complicated. Last year, the refinery contributed about \$80 million to the GDP, whereas tourism contributed \$150 million. Venezuela's current economic situation and the new parity of the bolivar with respect to the dollar have brought about a substantial decline in our country's tourism directed toward the Caribbean; which has worsened Aruba's situation further still, because our citizens accounted for as much as 30 percent of the neighboring island's tourists.

"The Aruba refinery's technical obsolescence made it very difficult for it to be profitable from an economic standpoint, even with a major change in the status of crude prices. Hence, no participation by us in that refinery would be advisable under the present circumstances.

"The case of the Shell refinery on Curacao is slightly different. It is one of the most complex in the Caribbean. The press reports note that Shell intends to make a decision similar to that made by Exxon on Aruba, except that Venezuela would provide it with an additional supply of heavy crude, which might improve the profitability margins.

"With regard to the case of the Curacao refinery, from 1978 until the end of 1981 we held talks with both Shell and the Antilles Government, exploring the possibility of some kind of tripartite association that would make it possible to ensure the refinery's future operation. Conditions have changed since then. We don't know whether there is a possibility of a satisfactory arrangement that would allow for Venezuela's participation. We think that it would be worthwhile reactivating those talks and exploring the possibilities of some agreement. With the additional supply of Venezuelan heavy crude, at official prices, it is possible that the chances of the refinery's profitable operation for an additional period of time could be increased.

"Moreover, it would be feasible for our geopolitical interests if Venezuela were to devise some system similar to the San Jose Accord, which could be applied, even if bilaterally, to the Netherlands Antilles, particularly to that oil used for household purposes. This would help to ease the social and political tensions in the current situation that could unquestionably become exacerbated.

"Nevertheless, the essential problem is still latent. We have commented on other occasions, receiving a variety of reactions ranging from the most encouraging from Jose Vicente Rangel and Jorge Olavarria to the critical ones of others, that the fundamental issue is of a political nature, and is associated with the question of the viability as independent countries which these Caribbean islands that are so close geographically and emotionally may or may not possess.

"The experience that we have noted in recent years with the small islands of the Caribbean, former colonies and now independent countries, should prompt us to reflect. On some occasions, such as in the case of Grenada, the situation has become so critical that it warranted foreign intervention, criticized by many publicly, but actually representing an alleviation which prevented further trouble.

"Great Britain and the Netherlands bear a great responsibility to history for the way in which they ran their colonies in the Caribbean. Many of the existing ills and problems were brewed during the colonial period, and currently constitute a latent source of conflicts in the region.

"Aruba, Curacao and Bonaire are located in an area which affects our country's strategic security and opportunities for development. What happens there will undoubtedly affect Venezuela, just as what happens here affects them. We have maintained, and we still maintain, that those islands have such a limited economic substance that their viability as independent countries is dubious. We think that, once they stop receiving economic support from the Netherlands, amounting to about \$100 million per year, the economic situation will tend to become complicated, and the security and defense factors could become threatening to our country, if situations similar to those experienced on Grenada were to crop up there. And not only is this a legitimate concern for us, per se, but also for the Caribbeans themselves, who must be troubled by the prospect that their economic weakness may make them the target of some adventure. For this reason we stress that we should get to the bottom of the problem, and seek a permanent solution, of mutual benefit, for it. We are certain that many Antilles political leaders share our views within the privacy of their consciences.

"A kind of permanent relationship between those islands and our country would be the most advisable. The Venezuelan National Constitution itself states this in Article 15, which reads, verbatim: "...The law may establish a special legal system for those territories which, as a result of a free determination by their inhabitants, and with the consent of the Congress, become incorporated into the republic." So one might ask: What was the intention of the legislator when he included an article of that scope? Could he have been thinking about some African territory? Unquestionably no. Could he have been thinking only about the claimed territory of Esequibo? Possibly, but we don't think that he was referring to it alone; and if so, there is no reason to confine himself to what was the initial motivation for that constitutional provision.

"Some Venezuelan political leaders who could not be termed pro-imperialists or colonialists have agreed with us. Venezuela has major economic and social problems which force us to think first of our own country and its people. Politically, the country would not understand a massive economic cooperation with the Netherlands Antilles motivated only by humanitarian reasons or those of solidarity; in addition to the fact that assistance conceived thusly is unstable per se, because it would be subject to Venezuela's internal fluctuations.

"A permanent solution to the problem would prevent us from having, in the future, far more risky and weak solutions from an economic and political standpoint.

"We should not allow the opportunity of posing this problem to the Antilles' seasoned political leadership to be missed."

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VENEZUELA

WESTERN HEMISPHERE RECEIVES 80 PERCENT OF TOTAL OIL EXPORTS

Caracas EL UNIVERSAL in Spanish 23 Apr 85 p 2-19

[Text] According to the figures provided by the Ministry of Energy and Mines and the oil industry, Venezuela retains first place with respect to the marketing of its crude and petroleum by-products in over 20 countries of North, Central and South America and the Caribbean; in other words, in the Western Hemisphere, where the country sold 80 percent of its liquid hydrocarbons last year.

During 1984, Venezuela exported an average of 1,521,160 barrels per day, of which number 1,221,730 barrels per day were exported to Canada and the United States, in North America; to the British West Indies, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama and the Canal Zone, Puerto Rico and the Dominican Republic, in Central America and the Caribbean; and to Argentina, Aruba, Brazil, Colombia, Curacao, Chile, Ecuador, Guyana, Paraguay, Peru, Trinidad-Tobago and Uruguay, in South America.

The rest of the exports, that is, the 302,810 barrels per day representing 20 percent of the foreign sales, was exported to the Eastern Hemisphere, primarily to Europe which, as we know, absorbed 280,400 barrels per day of that volume.

During 1984, North America purchased a total of 675,750 barrels per day of crude and by-products from Venezuela. Central America and the Caribbean absorbed 142,210 barrels per day, including the 70,000 barrels per day associated with the San Jose Accord, plus the volumes sold to other countries in the area apart from the aforementioned accord.

South America holds an important place, because that area includes Aruba and Curacao, which rank first. The exports to that region during 1984 were 398,280 barrels per day, whereas exports to Asia and the Far East absorbed only 18,909 barrels per day, and exports made to Africa totaled only 3,480 barrels per day.

Furthermore, it should be pointed out that Venezuela is gradually increasing its heavy crude export volumes. During 1984, the proportion of those crudes in the total exports exceeded 50 percent, with a clearcut trend toward an increase in that proportion.

The Case of the United States

Venezuela is currently the third-ranking direct supplier of crude oil and by-products to the United States market, following Mexico (which has held first place for the past 4 years) and Canada. In 1984, Venezuela exported 536,000 barrels of oil per day to the United States, representing 27 percent more than in 1983, when the exports totaled 422,000 barrels per day. During that same period, Mexico exported 739,000 and Canada, 629,000 barrels per day.

Venezuela, for its part, retained first place on that market among the OPEC suppliers, followed by Indonesia and Saudi Arabia. In fact, those latter countries sent the United States 342,000 and 322,000 barrels per day apiece, in the period noted.

The following table shows the performance of direct North American oil imports in 1984:

United States Direct Oil Imports by Country of Origin, 1983-84
(thousands of barrels per day)

	1983	1984	Increase/Decrease	Percentual Variation
Mexico	826	739	(87)	(10.5)
Canada	547	629	82	15.0
Venezuela	422	536	114	27.0
United Kingdom	382	396	14	3.7
Indonesia	338	342	4	1.2
Saudi Arabia	337	322	(15)	(4.5)
Algeria	240	318	78	32.5
Virgin Islands	282	294	12	4.3
Aruba and Curacao	189	185	(4)	(2.1)
Nigeria	302	214	(88)	29.1
Others	1,186	1,405	219	18.5
Total	5,051	5,380	329	6.5

Source, U.S. Department of Energy

Venezuela also registered the largest individual volumetric increment (+ 114,000 barrels per day), exceeding Canada (+ 82,000 barrels per day) and Algeria (+ 78,000 barrels per day); whereas Nigeria and Mexico reduced their sales by 88,000 and 87,000 barrels per day, respectively.

The aforementioned statistics exclude the indirect exports of some of the supplier countries. For example, Venezuela supplied 266,000 barrels of crude oil per day to the Aruba and Curacao refineries in 1984. The United States imported 185,000 barrels per day of by-products from those islands during the same year. Of this total, it may be estimated that about 120,000-140,000 barrels per day are by-products of the refining of crude originating in Venezuela. If we add this latter volume to the country's direct exports Venezuela

would become the second-ranking supplier of oil to the United States, with a total volume of direct and indirect exports amounting to about 656,000-676,000 barrels per day.

To put these results in their proper context, we must consider the fact that North American oil imports declined consecutively from 1977 to 1983, dropping from 8.80 million to 5.05 million barrels per day. In 1984, they rose for the first time in 7 years, standing at 5.38 million barrels per day. Venezuela's oil exports, for their part, also declined between 1976 and 1983, dropping from 2.16 million to 1.50 million barrels per day. The following table shows the changes in the United States' total oil imports and Venezuela's total exports from 1976 to 1984, as well as the country's percentual hare in the total imports made by the former:

United States Total Oil Imports and Venezuelan Total Exports, 1976-84
(thousands of barrels per day)

	1	2	3	4
	U.S. Imports	Venezuelan Exports	U.S. Imports from Venezuela	% of Venezuelan Share of U.S. Imports (3:1)
1976	7.313	2.156	700	9.6
1977	8.807	1,987	690	7.8
1978	8.363	1.963	645	7.7
1979	8.456	2.099	690	8.2
1980	6.909	1.864	481	7.0
1981	5.909	1.759	406	6.9
1982	5.113	1.554	412	8.1
1983	5.051	1.500	422	8.4
1984	5.380	1.517	536	10.0

It may be observed on the preceding table that Venezuela has, since the nationalization of the oil industry, maintained a leading position in its main natural market, despite the fact that the Venezuelan presence on that market has been hurt by the combined effect of the considerable cut in United States oil imports and the no less considerable drop in the country's oil exports. In spite of these factors, Venezuela has improved its position on the market since 1982, managing to supply 10 percent of the North American import requirements last year, a figure exceeding that registered in 1976.

Up until 1982, the decline in Venezuela's oil exports was due almost exclusively to the sizable increase in liquid hydrocarbon consumption on the domestic market, which rose from 244,000 barrels per day in 1976 to 381,000 barrels per day in 1982.

In 1983, Venezuelan oil exports declined only 3.5 percent; whereas in 1980, 1981 and 1982, they dropped 11.2, 11.7 and 5.6 percent, respectively. Last

year, the exports rose for the first time since 1979. These figures assume greater significance if one considers the fact that, since March 1983, the country's oil production has been restricted by OPEC, in the context of the efforts being made by the organization to protect the oil prices and markets.

In conclusion, these positive results are also due to the marketing policy adopted by the national oil industry since nationalization, in accordance with the guidelines dictated by the Ministry of Energy and Mines. The policy of diversifying geographical clients and markets has been executed successfully, without neglecting the natural markets for Venezuelan oil.

2909

CSO: 3348/666

VENEZUELA

COPEI SECRETARY GENERAL ON NEED FOR PARTY MOBILIZATION

Caracas EL NACIONAL in Spanish 2 May 85 p D-5

[Text] Yesterday, at its regular meeting the COPEI [Social Christian Party] national committee agreed on a general mobilization of the entire Social Christian membership to demand of the government both wage increases and correction of the fiscal economic policy.

In the view of the COPEI members, there will be no economic reactivation in the country unless there is purchasing power in the hands of the vast majorities. The COPEI leadership thinks that, to create that purchasing power, there must be an increase in wages for those who are employed and, simultaneously, a policy to promote jobs for the unemployed.

The green party's secretary general, Deputy Eduardo Fernandez, announced that, at yesterday's session of the top-level Christian Democratic leadership, the main topic related to an analysis of the country's economic and social situation, in connection with the marking of International Workers Day. He stressed that the COPEI leadership is of the opinion that Venezuelan workers are entitled to demand a defense of the wage, which has declined dramatically as a result of the present government's economic policy. As he remarked, in that demand the workers can count on the most definite backing from COPEI.

In the view of COPEI members, there is a need to revise the wage policy and to raise the workers' pay.

He emphasized: "Not only for reasons of social justice, but also for reasons of the most orthodox economic policy; there will be no economic reactivation unless there is purchasing power in the hands of the vast national majorities. And to create purchasing power, there must be a wage hike that will benefit those already working, and also a policy to promote jobs, for those who are unemployed, who, based on the most conservative estimates, exceed 1.3 million."

General Mobilization

In view of this state of wage deterioration and reduction in employment, the Social Christian leader adopted the policy of not standing by idly.

Fernandez announced: "The national committee agreed upon a general mobilization of the party to demand of the government a correction in its economic policy which, following the dictates of the International Monetary Fund, under the pretext of economic effectiveness, has imposed an overly serious social cost, translated into inflation, a high cost of living and unemployment."

According to Fernandez, the most serious aspect lies in the fact that, despite the government's rhetoric, reactivation has not been achieved in the course of action selected by the AD [Democratic Action] government either. He said: "It turns out that, after over a year of implementation of this policy, the economy is still stagnant and the Central Bank has shown a retrogression, a negative growth in the economy of -1.7 percent, in comparison with last year."

Anti-Worker Policy

COPEI has viewed with sympathy the statements made by the CTV [Confederation of Venezuelan Workers] president, Juan Jose Delpino, at the formal session of the Federal District's Municipal Council on the occasion of International Working Class Day. On that occasion, Delpino described as "devastating" the effects caused to the workers by the present government's economic policy.

The Social Christian Party's secretary general said that he had great personal esteem and great respect for the CTV president, over and above the political differences that exist between the two.

He remarked: "It seems to me that not only the government, but the country as well should pay heed to the views expressed in his speech at the Municipal Council, reflecting the legitimate anxiety of the workers regarding an anti-worker economic policy, contrary to the common people's interests and also to the interests of the middle classe and all sectors with a desire for change."

'No' to Solutions of Force

Moreover, the COPEI national committee similarly reviewed some of the most recent indicators of public opinion disclosing the presence of a critical statement among major sectors of society. In this regard, the COPEI members think that the country is opposed to solutions of force.

The leader of the main opposition party remarked: "All the polls agree in indicating that the Venezuelan people categorically reject any solution of force; but, with the same conviction, they demand a sincere effort for rectification and change in the operation of our democratic system."

He noted that, along that line, it recorded the notice issued by COPEI of its "Ideological Congress for the Construction of a New Democracy," to be held in Caracas during May 1986 which, as Fernandez put it, "must have as characteristic features efficiency, participation and consistency with the ethical values that serve as its grounds."

He added: "The outstanding factor most eroding the people's confidence in the democratic institutions is the government's failure to keep the solemn commitments assumed during the election campaign. A year and a half later, the results of the administration are quite poor, particularly in the areas wherein the most formal offers were made. Full employment was offered, and there is more unemployment than ever; an offer was made to battle the high cost of living, and inflation has tripled; it was offered to reactivate the economy, and the economy is still stagnant."

2909

CSO: 3348/664

VENEZUELA

LABOR LEADERS CALL FOR IMMEDIATE WAGE INCREASE

Caracas EL NACIONAL in Spanish 2 May 85 p D-1

[Text] Yesterday, labor leaders agreed on the imminent need for raising the workers' wages in order to cope with the economic situation besetting the country.

Amid the euphoria of the labor parade held yesterday on the occasion of May Day, leaders of the CTV [Confederation of Venezuelan Workers] and CUTV [United Central Organization of Venezuelan Workers] were in agreement that a wage increase is the most suitable means at present for making up to the workers for the efforts expended to withstand a considerable share of the crisis that has been agitating the country since 1981 under tragic circumstances.

Antonio Rios, one of the most explosive CTV leaders, upon being asked by reporters about this slogan for a wage hike voiced unanimously yesterday during the march, said that "the raise is inevitable." In Rios' view, the workers have already made a major effort and sacrifice to combat the crisis. Moreover, he thinks that it is now necessary to increase the workers' consumption capacity through a wage hike, so as thereby to make it possible to reactivate the national economy. It is his opinion that the wage increase would bring about a dynamization of consumption that has become necessary to reactivate the economy.

He denied that the wage increment on this occasion would be reflected in inflation because, as he told reporters, when the workers' consumption increases, the demand for goods increases, and this is reflected in improved production by the productive sector.

But Rios cautioned that, along with the wage hike, measures must be adopted aimed at reactivating the economy; because if not, what happened in the past might occur.

The COPEI [Social Christian Party] labor leader, Dagoberto Gonzalez, for his part, also came out in favor of the wage increase, arguing that the rise in the cost of living was not occurring on a par with the income of the country's labor sector. He also said that they intended to take several alternatives to the next Workers Congress to ensure that this wage increase would take place as soon as possible.

Democratic Action's secretary general, Manuel Penalver, was also approached by reporters and at the beginning of the exchange, in response to a comment on the economic measures announced by President Reagan with respect to Nicaragua, remarked that this was a high-level policy matter, concerning which demands had been made by the workers, praising the possibilities for democracy in that respect. He then commented on the discussions of collective contracts by branches of business and industries as a positive factor because, in his judgment, this intensifies trade union action and prevents the dispersion of the labor forces.

Before the parade started, the CTV president, Juan Jose Delpino, spoke briefly with reporters and repeated that the compensatory measures had not been sufficient for the workers, although he noted that they had been fulfilled by 80 or 90 percent.

The PCV [Communist Party of Venezuela] deputy, Pedro Ortega Diaz, cited the scope of yesterday's demonstration, and attempted to stress that the workers' fundamental motivations had been repudiation for CONACOPRESA and the wage hike.

In addition, he remarked that they would give an impetus to the bill for a wage increase that they had recently introduced in Congress, because they consider it a demand of prime necessity at the present time.

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VENEZUELA

DISAGREEMENT WITHIN AD OVER SELECTION OF CTV PRESIDENT

Caracas EL DIARIO DE CARACAS in Spanish 27 Apr 85 p 13

[Text] Deputy Carlos Luna, of the Carlos Andres Perez sector, remarked that the bureau should select its candidate for the presidency of the CTV [Confederation of Venezuelan Workers] secretly. Pedro Brito will compete with the candidate of the orthodox group, Juan Jose Delpino.

The selection of the next president of the Confederation of Venezuelan Workers which will unquestionably emerge from AD's [Democratic Action] trade union bureau is currently manifesting the dispute between the sectors adhering to former President Carlos Andres Perez and the trade union bureau's orthodox sector following the Manuel Penalver line.

Deputy Carlos Luna, member of AD's trade union bureau, commented that a series of meetings is being held with the top-ranking leaders of his party to propose backing for the idea of holding the election of the party's candidate for the CTV presidency in a secret, universal, direct manner, as stipulated in the organization's bylaws.

Luna said that the candidacy of Pedro Brito to run for the nomination would be launched during the AD trade union plenary session to be held a few days before the opening of the CTV's Ninth Congress, on 20 May.

AD's trade union orthodox group proposes Juan Jose Delpino to remain in the position that he has held since the death of Jose Vargas, while Brito's candidacy is supported by the provincial members, including Gonzalez Navarro and Martin Correa.

Luna noted that a high-level internal debate would take place, but at the same time criticized the present conduct of the CTV leadership, observing that "it has not been on a par with the workers' aspirations."

Luna expressed optimism because the AD CEN [National Executive Committee] had approved the selection of the bureau's candidate by means of a secret vote which, in his opinion, would increase Pedro Brito's chances of attaining the nomination.

The trade union leader said that he had been met with receptiveness in his talks with Gonzalo Barrios, Perez, Pinerua, Leandro Mora, Izaguirre, Canache Mata and other AD leaders.

VENEZUELA

MEP CRITICIZES PURCHASE OF BRAZILIAN PLANES

Caracas EL DIARIO DE CARACAS in Spanish 27 Apr 85 p 11

[Text] Deputy Jose Antonio Martinez believes that there are geopolitical and technical reasons that would prevent the Venezuelan Air Force from purchasing the Brazilian-made Tucanos-Embraer planes. This position is backed by research into this type of equipment.

The purchase of the Tucanos-Embraer planes from Brazil brought yesterday's challenge from MEP [People's Electoral Movement] Deputy Jose Antonio Martinez, member of the Foreign Policy Borders committee, who believes that such an operation would affect the Venezuelan Government because of the geopolitical disadvantages.

Martinez explained that the trade agreement signed last year by Brazil and Venezuela can work without any problem in the strictly economic sphere.

However, he also believes that the location of Brazil as a neighboring country of Venezuela affects the purchase of defense material for geopolitical reasons known to everyone in Venezuela and Brazil.

Furthermore, Martinez argues that this type of aircraft has technical flaws detected by the Federal Aviation Administration (FAA) of the United States and by the specialized periodical INTERAVIA AIR LETTER as a result of an airplane crash in Florida, with the deaths of the 13 occupants of the Brazilian aircraft.

Finally, if the cabled story announcing the purchase of the Tucanos is true, Martinez does not understand how the president of Embraer Ozines Silva can say that the negotiations began some time ago, directly and without bidding, since it is elementary that purchases have to be put up for bids in order to ascertain what is most suitable for the nation geopolitically, economically and technically speaking.

Other Data

EL DIARIO DE CARACAS has researched the Emb-312 Tucano aircraft, which have the following characteristics:

The Embraer Emb-312's are of Brazilian design and make. For reasons of geopolitics and military strategy, much caution is advised in the purchase of such Brazilian military equipment (...). The Royal Air Force of Great Britain is now bidding on the purchase of 150 planes and is making an exhaustive investigation of the AAC A-20 (Australia) and the Embraer Emb-312 Tucano (Brazil).

The Tucano had to be substantially modified to enter the evaluation process of the RAF and the model being examined is consequently different from the plane offered to the Venezuelan Air Force, which is far inferior.

The Embraer representative in Venezuela (Juan Mata Molina) is a close relative of the wife of the commander of the Venezuelan Air Force (...). As JANE'S DEFENCE WEEKLY of 8 December 1984 states, Brazil is offering England, as an incentive to buy the Tucanos, landing rights in Brazilian territory so that the RAF may have an alternate route in its flights to the Malvinas.

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VENEZUELA

ZAMBRANO ON CONTADORA, BORDER PROBLEMS WITH COLOMBIA, GUYANA

Caracas EL NACIONAL in Spanish 15 Apr 85 p D-2

[Interview with Jose Alberto Zambrano Velasco, former minister of foreign relations, by Alfredo Pena; date and place not given]

[Text] The government of Nicaragua, which won the elections with a broad majority, has the obligation to dialogue with all sectors, even the Democratic Coordinating Committee, which made the mistake of not taking part in the elections.

The Sandinist regime had no reason to reject Reagan's proposal outright and in its entirety. No government in the world, especially if it is going through the extremely difficult circumstances existing in Nicaragua, can refuse to talk with its opponents.

The call for a dialogue was first made by the Nicaraguan opposition meeting in Costa Rica. Ortega should have responded and sat down with them at the bargaining table. To engage in dialogue does not mean abdicating.

President Reagan incorporated into his proposal, basically addressed to his country's Congress so that it would approve the \$14 million needed by the Contras, the summons for a dialogue initially formulated by the Nicaraguan opposition.

President Reagan has the right to back whomever he pleases, but he will not find backing in international law for his petition that the Nicaraguan Government should now call for new elections. The regime in Managua is not to blame for the fact that the Democratic Coordinating Committee committed the blunder of not participating in the elections which, with all their restrictions, were at the time recognized by the international community.

Today, our forum is with former Foreign Minister Jose Alberto Zambrano Velasco.

[Question] The Contadora situation seems to be stagnating. President Betancur traveled to nine countries seeking a political solution to the Central American crisis. President Reagan received it with his own plan. The deputy foreign minister of Mexico, Valero, declared that the move of the Chief of State of the United States further complicates things.

[Answer] It is obvious that there has been a certain stagnation in the Contadora Group. But it is possible that it may now emerge from that stagnation because one can see that proposals are being made at the highest levels that might move toward democracy. Mexico wants to obtain peace in Central America and I believe that with that objective, their action would be satisfied. Venezuela goes a little further: We not only want peace, but a democratic, pluralistic regime with the participation of everyone.

[Question] But we must not make the mistake -- great care must be taken here -- of trying to export our political system. This would give the Nicaraguans and the Cubans the right to do the same.

[Answer] The policy which we might call the institutionalization of democracy is based on the most absolute respect for the principle of nonintervention. This was made manifest in the OAS when, on the eve of Somoza's fall from power, it was very clearly established that solidarity between Latin American countries was sufficient to permit that gesture of support for those suffering from that persecution. Venezuela has always respected the principle of non-intervention and for the Contadora Group, this is fundamental.

[Question] We may wish for a democratic and pluralistic government to be established in Nicaragua, but we cannot intervene to impose one.

[Answer] Never. But in addition to the principle of nonintervention, we also support the principle of the self-determination of peoples.

[Question] Reagan's proposal contains two elements that have been criticized by some, because it would mean intervening in the internal affairs of Nicaragua: 1) the requirement that Managua call for new elections; and 2) the deadline for the Sandinists to come to an agreement with the Contras.

[Answer] Reagan's proposal can be viewed from various standpoints: 1 -- Reagan is addressing himself to Congress and American public opinion, trying to obtain resources for specific objectives, which in addition might be in contrast with all these principles of international law: that of nonintervention and self-determination; 2 -- that of the very content of the solution. Here, dialogue is an element that must be emphasized as positive. Dialogue is sought by everyone: the resistance forces and President Ortega himself. I recall that when I accompanied President Herrera to El Salvador, we stopped in Managua, where we met with Major Ortega, who had already been elected president, and he explained that he intended to engage in a far-reaching dialogue.

[Question] But the government of Nicaragua alleges that if Reagan wants dialogue, then why withdraw from Manzanillo in Mexico.

[Answer] Manzanillo is a case of bilateral relations between the United States and Nicaragua and indeed, we truly do not know what they talked about and what proposals and mutual suggestions they made there. This has led to the confusion of believing that Contadora is reduced to bilateral relations between Washington and Managua.

Nicaragua and El Salvador

[Question] You will recall that when the elections were held which Duarte won in El Salvador, international social democrats spoke out demanding, in a sense, that Duarte hold new elections because the opposition -- social democratic and leftist -- had not participated in the process.

[Answer] Indeed, that problem did occur with respect to El Salvador and after those elections, two more electoral processes took place fully confirming Napoleon Duarte, who opened the dialogue. The La Palma talks -- government-guerrillas -- are precisely the opening of the dialogue. I believe that the entire Nicaraguan opposition should have participated in the elections. They would have obtained a very large flow of votes and constituted a force that would now have an outstanding role in that country. The elections were held and, whether we like it or not, they have an effect on the legitimacy of that government. Nevertheless, accepting this fact, it is up to the Nicaraguan regime to initiate the opening. I do not believe that the American proposal that new elections should be held and that the election process be immediately opened up is the most suitable thing. And yet, precisely the same thing happened in El Salvador. The opposition in the La Palma talks proposed integration into the government and new elections. That is part of the negotiations. Whoever begins to negotiate presents somewhat unrealistic proposals and then gradually arrives at fairer terms. The United States has taken up the proposal that was once before advanced in Costa Rica by the Nicaraguan opposition. The Church has offered to be a mediator.

[Question] The rebels, whether Salvadoran or Nicaraguan, have to lay down their arms and accept the democratic free play if they want pacification. In this case, governments have the obligation to guarantee all the rights provided by democracy.

[Answer] But Nicaragua rejected outright Reagan's proposal and did not set a clear position on dialogue. That is why I believe that the government of Venezuela has to establish its position very clearly. Mexico and Colombia have established theirs. President Lusinchi's administration has the obligation of having clear initiatives within the Contadora Group and of maintaining the continuity of a foreign policy that all democratic regimes have supported, achieving not only measures of security, but also democracy, participation and ideological pluralism in the region.

[Question] The truth is that the only concrete proposal this week has come from Reagan. The responses have been somewhat ambiguous and imprecise.

[Answer] The Reagan proposal is concrete but not very clear. And yet, I believe that another proposal has to emerge. What is the significance of the

trip of the foreign minister of Colombia to Havana, where he talked with Fidel Castro and with President Daniel Ortega? And what is the meaning of the statement of Fidel Castro backing the Contadora Group? Is this not an equivocal backing of Nicaragua's refusal to accept the American position? That is the point.

[Question] According to what I understand, Nicaragua is awaiting the drafting of its new constitution. That could be the great opportunity to invite all sectors to participating in the drafting of the constitution. The commission that will draft the constitution should be made up of the broadest, most pluralistic groups.

[Answer] This could be a good way to open up a dialogue that just cannot get going. It would be one of the signs of opening for a government that is backed by an electoral process and that has declared its willingness to come to an agreement with the opposition.

Demilitarization

[Question] The demilitarization of the region (departure of foreign troops, military advisers and any kind of warlike presence of foreign countries) has been an aim which the Contadora Group has been unable to fulfill.

[Answer] The fundamental thing is the political decision.

[Question] Naturally. Then why not take to the negotiating table the protagonists in the conflict (Washington, Moscow, Havana, Managua and the Nicaraguan opposition) so that they might discuss the matter clearly?

[Answer] When the Contadora countries met in Cancun, a very clear idea was expressed inviting all countries with interests in the area: the United States, Cuba and others among those you mentioned. The Contadora presidents sent texts to the chiefs of state of the countries mentioned, asking them to participate in that effort for peace and stability in the region.

[Question] I believe that one has to get down to basics. Reagan says that Nicaragua is a Soviet base. Then he should discuss the matter with Gorbachev, with whom he is willing to meet to discuss the missiles in Europe, NATO, the Middle East and all the rest.

[Answer] In the perspective of the East-West conflict, the United States and the Soviet Union see this problem as something very small within the overall antagonism in which they are involved. We, on the other hand, do not want the problem to be that way, but rather, for the solution to be sought in the Latin American community, with the principles and laws that have governed our democratic life. This without downplaying the contributions which can be made in this direction by other nations of the world.

[Question] One has to be a little more realistic. What are we debating? The peace plan proposed by a superpower, which contains, among other things, \$14 million for the so-called Contras? President Reagan has said very categorically that in Nicaragua, there is no legitimate government, but rather, a revolution that usurped power at gunpoint.

[Answer] But Reagan's proposal emerges from an initiative of the entire Nicaraguan opposition, based on the offer of mediation from the Catholic Church and the will for dialogue announced by President Ortega.

[Question] And who asked for the mining of the Nicaraguan ports, the transfer of over 4,000 soldiers to the Republic of Honduras? President Reagan did all this, alleging that Nicaragua is part of the United States' zone of security. He was very emphatic in warning that Washington will not permit the establishment of another communist government.

[Answer] I agree, but the fact is that the interventionism is not only from the United States. Weapons are also going into El Salvador to the guerrillas, sent from somewhere else.

[Question] It is for that very reason that I say it is absurd to think about getting the real protagonists out of the conflict. Washington has said that there are over 8,000 Cuban soldiers in Nicaragua.

[Answer] Moscow and Washington have that East-West vision and they are seeking results that we do not totally share.

[Question] We shall have to seek a magic formula to convince Moscow and Washington that they should not back these local wars any more.

[Answer] I imagine that the presence of President Betancur in Washington and of his foreign minister in Havana, the presence of President Lusinchi in New York, is related to that idea. That is why I insist that the government of Venezuela should establish its position and so announce.

[Question] How can the region be demilitarized without the political decision of the superpowers?

[Answer] The solution has to include all the Latin American states and extend to the elimination of East-West tensions.

Dispute With Colombia

[Question] Recently in Colombia, both former President Lopez Michelsen and his Ambassador Botero revealed that under former President Perez, they reached an agreement blocked by the COPEI [Social Christian Party].

[Answer] There was a proposed agreement and a long report that was prepared by the COPEI to which I had the honor of contributing. We said that we should continue on the negotiations, trying to improve some of the solutions provided for therein.

[Question] The fact is that Carlos Andres Perez says that the COPEI should publish its proposed agreement and the response he gave at the time. Eduardo Fernandez answers emphasizing that it is up to Perez to reveal the proposal.

[Answer] The conclusions of the COPEI report were published. What has not been published in any form is the proposed Lopez-Perez agreement and that is

up to the Democratic Action (AD) and Carlos Andres Perez. I can say that the Caraballeda position did improve the Venezuelan position. That position did not mention the joint operation of the oil deposits that were discussed in the Lopez-Perez proposal.

[Question] Carlos Andres Perez told us that no progress was made compared with the proposal which the COPEI blocked.

[Answer] I am willing, whenever we receive the proper authorization, to point out the advantages and progress made in Caraballeda.

[Question] Will that dispute be eternal?

[Answer] It is necessary to go on talking and consider that only on the basis of an understanding between the two countries can any real solution be achieved.

[Question] Negotiations should proceed on what bases?

[Answer] On the basis of the Caraballeda position.

Dispute With Guyana

[Question] A few months ago, it was stated that the problem with Guyana was near to a solution.

[Answer] Yes, but I do not believe that at this time, those who were so optimistic still think the same. The UN general secretary will sooner or later choose one of the types of solutions. Then the two countries will organize things so that the possibility of an agreement may be discussed. I do not believe that an understanding is close at hand, just around the corner. Those who forgot the role of the secretary general of the United Nations and who believed in a quick solution to the problem were mistaken. It is a serious mistake that has already been corrected.

[Question] When Perez de Cuellar was left out?

[Answer] When those secret talks began with Ramphal instead of inviting the secretary general, who was to come to Venezuela in March of 1984.

[Question] Why did he not come?

[Answer] Possibly because the previous minister (Morales Paul) thought that the solution would come through a direct understanding with Guyana and therefore began the talks with Ramphal. He thought that the secretary general's visit was not suitable. I said that was a mistake and warned that we should not move away from the Geneva Accord and the approach of Dr Perez de Cuellar. This is what was being done with the support of the entire country through Capre, an advisory commission on the matter that had a pluralistic makeup, but it was forgotten and not called any more.

[Question] On Tuesday, information was revealed saying that joint development was proposed and that the solution to the dispute would be put off indefinitely.

[Answer] Yes, but throughout the 4 years of the joint period, Venezuela proposed such joint development and Guyana always rejected it. There was no way to come to agreement on this. I do not know where they got the idea that Guyana might now be willing to accept what it previously rejected. I do not believe it.

[Question] In my interview with President Burnham, he noted that Venezuela must first prove the nullity of the 1899 ruling.

[Answer] It was made clear that Burnham continues to think just as he did when the Geneva Accord was signed, according to which we must first prove to Guyana the nullity of the ruling in order to begin to seek practical solutions.

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VENEZUELA

EDUARDO FERNANDEZ ON POSSIBILITY OF SOCIAL UNREST

Caracas EL NACIONAL in Spanish 27 Apr 85 p D-20

[Article by Mario Villegas]

[Text] The information on the decline in oil exports and its adverse impact on Venezuela's fiscal budget for 1986 prompted the secretary general of the Social Christian Party (COPEI), Eduardo Fernandez, to assail the government once again for its lack of foresight in this regard.

The Social Christian leader believes that one of the key factors threatening the economic recovery is specifically the shrinkage of the oil market. The other factor is the terms on which the foreign debt rescheduling is reportedly being negotiated, which would involve an enormous sacrifice for the nation in that it would have to commit at least a third of its revenues to servicing the debt and paying off the principal.

When asked by journalists about the announced drop in oil exports, the secretary general stated:

"The urgently needed economic recovery is being threatened now by two additional factors. The first one is the news about the shrinkage of the petroleum market, of which we were already aware. This crisis is not temporary but structural, and the government has not made an effort to keep public spending within the limits imposed by the oil market. The administration is not looking ahead, especially with respect to public spending and its linkage to petroleum spending; instead, it has continued to show the same mentality that did so much damage during the years of profligate spending."

He observed that this is reflected in the fact that the first budget submitted by President Lusinchi is bigger than the last budget of Luis Herrera, even though everything pointed to the need for a policy of austerity and the adoption of preventive measures in view of the slump in the oil market, which COPEI members felt was predictable.

"The second blow is the signing of the debt refinancing agreement. The terms of this rescheduling will represent an excessively severe economic sacrifice. One-third of fiscal revenues will be diverted to servicing the debt and paying a tiny portion of the principal."

Fernandez explained that there is no coherent and reliable economic policy to deal with this situation. In his opinion, the only sectors that have received any stimulus have gotten it not as a consequence of a deliberate government policy, but as an immediate consequence of the devaluation. This measure reportedly made formerly unprofitable activities profitable (he cited the example of some agricultural products "that can no longer be imported" and some newly-formed non-traditional export sectors "that could not have operated under the old exchange rate").

He insisted that there is no deliberate policy to stimulate investment, create jobs, increase the income of the majority of the population or reactivate the economy. He stated, for example, that the plight of the construction industry is "scandalous," considering "that it used to generate employment in the country, but in the first year of the present administration it experienced the most drastic decline in recent years."

Insidious Adherence to IMF

Based on Fernandez' statements on the supposed terms of the debt rescheduling, the editor of EL NACIONAL asked him if COPEI would request a revision of the terms of that agreement.

The Social Christian leader recalled that, from the beginning, COPEI has been saying that no rescheduling program should be agreed to if it involves cancelling programs that are essential to our development or that meet the most pressing social needs of the country.

"The reason is that although the foreign debt is very important, it is more important to prevent the serious social conflicts that could arise if the economic slump continues and if the prescriptions of the International Monetary Fund (IMF) are followed. The government is insidiously adhering to the IMF's recommendations by freezing wages and reducing the public's purchasing power, on the pretext of straightening out the nation's accounts and achieving artificial balances."

Molotov Cocktail

He indicated that since the government announced its economic measures in early 1984, COPEI has been sounding the alarm about the social conflicts that could result.

"The sum total of the unemployment, the higher cost of living, more wage freezes, a deeper economic slump, more personal insecurity and a wave of crime, is a highly explosive social 'Molotov cocktail,'" he warned.

Nothing about Candidates

Some sectors of COPEI have been claiming the need for the green party to decide as soon as possible on its presidential candidate for 1988. Fernandez feels that in view of the current crisis in the country, COPEI should give top priority in its actions and concerns to developing a firm stance of constructive opposition.

"No matter how early you get up, the sun will not rise any earlier than it is going to. The presidential candidate will be determined in due time, and that time has not yet arrived. COPEI's first duty at this time is to strengthen its cadres and its democratic institutions, forming a vigorous, constructive, broad-based opposition that will be able to voice the anguish that Venezuelans feel today."

He stressed that the most serious problems are, first of all, the economic downturn, "which indicates that the government has lost the confidence battle," and then the unemployment problem. He stated that "basic statistics" peg the jobless rate at about 20 percent of the workforce.

"There will be enough time for electoral debate, and I think that speeding it up will not help solve our problems, but will actually aggravate them."

Fernandez reminded COPEI leaders and members that the two Social Christian victories (in 1968 and 1978) took place when COPEI members were able to choose their election platform through an internal consensus. "In 1968 as well as 1978, the party was able to interpret the will of our electorate. That will happen in 1988, too," he said.

Governors MRI Employees

The Social Christian leader was urged by the reporter to express an opinion on the idea of directly electing state governors, an issue that is once again on the political agenda.

Fernandez stated that the current regional leaders "are definitely in the service of the Ministry of Internal Relations (MRI)." He contended that the way to make them truly representative of regional interests would be to carry out a comprehensive reform of the state, "to transfer jurisdiction from the central government, where too much power has accumulated, to the regional and local governments." He believes that this transfer of powers is a sine qua non for the popular election of regional governors. "And I emphasize the concept of region, because I think that it is much more in keeping with Venezuela's new image than the old political division of national territory," he added. Going into more detail, Fernandez asked a final question:

"Why do we want state governors to be elected in a popular vote if they are going to continue being employees of the Ministry of Internal Relations?"

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VENEZUELA

DEBT REFINANCING AGREEMENT REACHED WITH CREDITOR BANKS

Caracas EL UNIVERSAL in Spanish 3 May 85 p 1-1

[Text] The Bank Advisory Committee agreed that the clause establishing the pre-payment system for official institutions and the creation of the On-Lending Fund would not be mandatory, and that no type of conditions would be imposed on a debtor that wished to make use of that fund.

The agreement reached yesterday by foreign debt negotiator Carlos Guillermo Rangel with the creditor banks in New York marked the end of the discussions concerning the structuring of the terms sheet for the rescheduling of Venezuela's \$20.75 billion foreign debt.

Finance Minister Manuel Azpurua Arreaza, Central Bank of Venezuela President Benito Raul Losada, and Director General of Public Finance Jorge Marcano studied the terms of the agreement until late last night. The signing of the agreement draws to a close a 10-month period of negotiations that began in June of last year.

Azpurua explained upon leaving the meeting that now that the terms sheet has been approved, the next step is to draft the economic report that will be submitted to the 460 creditor banks during the Venezuelan negotiators' tour of the different financial capitals. These details will be analyzed together with the 13 representatives of the Bank Advisory Committee next week in New York.

"After the tour and the clarification of any doubts that may arise, the contracts will be sent to the different banks. Work on these contracts is already well underway."

With regard to the On-Lending Fund, he stated that the agency that will administer the fund has yet to be determined; it could be the Finance Ministry, the Central Bank of Venezuela, or some other official entity. In any case, he explained that the Venezuelan Government alone will make this decision; it is not subject to the negotiations with the Bank Advisory Committee.

He admitted that the process of paying off the private foreign debt was a factor that speeded up talks with the bankers tremendously. In this regard, he pointed out that as of yesterday, a total of \$280 million had been paid in

interest on the private debt and some principal payments by debtors owing less than \$250,000. He called this figure highly positive, considering that a total of \$411 million was paid in 1984.

"This means that in just 4 months we have paid 68 percent of the entire amount paid between January and December 1984. We are definitely willing to continue this process, because we are in the final stage of this revision."

Azpuruá stated that with regard to the payments on the public foreign debt, a considerable savings of foreign exchange had been achieved because of the fall in interest rates, which had been estimated at 14 1/8 over LIBOR and are now below 9 percent.

"Since the contracts are for 180 days, we are assured that there will be no changes in this regard in the first 6 months."

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VENEZUELA

WORKERS DEMAND SALARY INCREASE, REJECT CONACOPRESA

Caracas EL NACIONAL in Spanish 2 May 85 p D-1

[Article by Hector Landaeta]

[Text] Perhaps because yesterday was May Day, the workers rallied around a common position, shared even by renowned leaders of the country's labor unions, in the spirit of the traditional workers' parade.

Indeed, "raise wages and reject CONACOPRESA" were the demands most often heard from the crowd that marched from Plaza Morelos to Plaza O'Leary to pay tribute once again to the heroes of labor on this traditional day, and to express to the nation and to the president himself the feelings that Venezuelan workers share today.

It was the National Commission on Prices, Costs and Wages (CONACOPRESA), however, that drew the unanimous repudiation of the crowd that began its parade at 1009 hours, with the participation of 244 unions, federations and labor associations. The demonstration covered Avenida Universidad with signs, all the way to Plaza O'Leary, where the traditional parade left in two stages. The first one hailed President Lusinchi and his ministers, who were sitting at Bloque Uno del Silenco, and was controlled by the Confederation of Venezuelan Workers (CTV). The other part of the parade, led by the United Central Organization of Venezuelan Workers (CUTV), vigorously challenged the government.

The parade started out with a contingent from the Metropolitan Police, which prompted the first critical comments from the journalists who were covering the demonstration. "They work too, beating up protesting workers," said an irreverent voice. Then, carrying a union flag, came a group of political and labor leaders: Manuel Penalver, Juan Jose Delpino, Cesar Gil, Dagoberto Gonzalez, Jesus Urbieta, Hector Perez Marcano, Eloy Torres, Sotero Rodriguez, Milton Carrero, Andres Hernandez Vasquez, and others.

The slogans abounded among the paraders: "Raise wages, freeze prices!" was shouted in chorus from the beginning. Delpino and Penalver, silent, marched rigidly in front. A human river flowed, covered with signs. Empty pots emerged from some buildings, and the shouts of protest began to grow louder as the "Down with CONACOPRESA" march proceeded. There were also harsh words about Development Minister Hector Hurtado, and shouts of "Long Live CTV!" and

"Long Live the Workers Movement!" Thus, in civic spirit, the human wave approached Plaza O'Leary. Halfway there, beer vendors seized the moment. Many were in a mood for celebration, and amid the union delegations more than one musical band tried to provide a festive air to an event that for many was an occasion of protest.

When it reached the entrance of the Plaza, the parade stopped. The presidential escort was in the way. President Lusinchi decided on this occasion to await the workers on the platform of Bloque Uno. There the military escort upset the neighbors, who complained about the security precautions that were taken. The press also protested once again against the methods that prevented them from getting up on to the platform, where there were beauty queens, gate-crashers, and all kinds of people, but no journalists.

The president was accompanied by Ministers Octavio Lepage, Simon Antoni Pavan, and Milena Sardi, and Caracas Governor Miguel Angel Contreras Laguado. At his side were labor leaders. Antonio Rios was chatting with the president while the latter waved vigorously at the marchers. The parade of unions, federations and associations thus looked like a salute to the president. The CUTV unions effusively greeted President Jaime Lusinchi, who responded equally effusively to the expressions of support. But in the middle of the demonstration, the repudiation of CONACOPRESA was a unifying factor. There was also a consensus with regard to the demand for a wage increase. The most diverse labor unions shouted their protests as the threatening clouds of the afternoon loomed over the human tide. Some time after noon, President Lusinchi decided to leave, but first he commented to "Premier" Lepage cordially that he was leaving him "in charge" of the parade. Moments later, a large number of marchers representing the CUTV unions appeared; they marked the beginning of the second part of the parade, which was characterized by strong protests against the government. The CUTV unions took aim at the government and shouted social slogans in strong language. They also wielded the internationalist flags, placing special emphasis on their opposition to U.S. intervention in Central America.

On this occasion, the unions of the Committee of Autonomous Unions (CODESA) and of the CUTV did not participate. Finally, while the CUTV unions were still marching in protest against the government, the rain began to fall, not unexpectedly, thus putting an end to the parade.

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VENEZUELA

BRIEFS

INVESTMENT PLAN FOR NETHERLANDS ANTILLES--The minister of foreign affairs, Simon Alberto Consalvi, announced that there is a plan to have private enterprise take an interest in the Antilles. The special envoy from the Netherlands, Emil Van Lennep, traveled to Curacao for the purpose of setting up, with Venezuela, an "informal mechanism for consultation," to help the Netherlands Antilles diversify its economy. Van Lennep met on the island with the Minister President, Maria Liberia, to inform her on his talks in Caracas in order to create conditions for avoiding Shell's closing of the refinery on the island, which would create a difficult unemployment situation. He will discuss with her the only condition imposed by the multinational that has not been fulfilled: namely, moderation in the Curacao policy on taxation and wages. Another condition, the supply of 140,000 barrels per day of Venezuelan oil, has been guaranteed. From there, he will depart for his country to propose what has been agreed upon with Venezuela: a consultation mechanism for discussing types of mutual cooperation and investment. Foreign Minister Simon Alberto Consalvi said that Venezuela has a development plan for the islands, because oil is not everything there, and that, in this connection, he would discuss with private enterprise the possibilities of investment in the Antilles. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 27 Apr 85 p 13] 2909

CORPOVEN OUTLINED 1984 FIGURES--Frank Alcock Perez Matos, president of the Venezuelan Petroleum Corporation [CORPOVEN], has stated that in addition to the light crude oil field discovered in the Paez District, in Apure State, there were other oil fields discovered in the La Villa, San Julian, Machiques, (Alturitas) and the (Alpuf) region to the east of Maracaibo Lake. Alcock added that the total production output for 1984 rose to 425,000 barrels a day, and that company's proven reserves are over 3 billion barrels. To conclude, Alcock stated that the Venezuelan Government has received over 12 billion sucres from CORPOVEN's operations. [Summary] [Caracas EL UNIVERSAL in Spanish 20 Apr 85 p 2-2 [as printed] PA]

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