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# Latin America Report

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19 NOVEMBER 1986

## LATIN AMERICA REPORT

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INTER-AMERICAN AFFAIRS

POLITICAL SCIENTIST ON CHILEAN TERRORISM, ARGENTINA'S ROLE

PY311617 Santiago LA TERCERA DE LA HORA in Spanish 26 Oct 86 p 1, 2

[Interview granted by Andres Benavente Urbina, professor of the Institute of Political Science of the University of Chile, to Reporter Maria Eugenia Oyarzun, in Santiago--date not given]

[Text] [Introductory remarks by Oyarzun] Upon his return from Buenos Aires, Professor Benavente issued a document entitled "The presence of the Manuel Rodriguez Patriotic Front [FPMR] in Argentina." In this document, Benavente refers specifically to an interview granted by the Chilean subversive group to the Argentine extreme-left magazine CRISIS, and to the book "The Chilean Insurrection: an Interview With the FPRM," by Argentine communist militant Arturo Lozza. The epilogue of this book is written by Luis Corvalan Lepe, secretary general of the Chilean Communist Party [PCCH].

Andres Benavente thinks that, although there is no direct support for the FPMR in Argentina, there is "a tremendously permissive mood that allows the Chilean subversives to enjoy good response and acceptance there."

Question: Why do you say that the FPMR is operating in Argentina?

Answer: The FPMR can express itself in very broad terms in Argentina, it has many visible contacts. It is connected with the so-called "People's Front," which is made up of three parties: the Communist Party, which has changed its line; the Revolutionary Peronist Party, former Montoneros; and the Movement Toward Socialism [MAS], a Trotskyite group. The FPMR also receives great attention from the press. The magazine CRISIS, a leftist publication of wide circulation, published in its last issue an interview with a person named Torres, allegedly a FPMR "spokesman." The interview is entitled: "Why we attempted to kill Pinochet." FPMR books such as Arturo Lozza's "The Chilean Insurrection" can be found in Argentine bookstores.

Furthermore, the main Chilean communist leaders, except Luis Corvalan, are living in Argentina. Thus, the FPMR has a political and financial field of operations in Argentina.

Question: Which is the new position of the Argentine Communist Party [PCA]?

Answer: It is very similar to that of the PCCH. The PCA is in favor of all forms of struggle: It has not yet mentioned violent struggle because it would be utopian to do so, but it is ready to launch a frontal opposition to Alfonsin, to take advantage of the widespread economic crisis and social discontent. The PCA is considering staging, maybe during the next administration, an armed struggle.

Question: Foreign Minister Dante Caputo has said that Argentina does not support the FPMR. What are, in your opinion, the reasons for the permissive mood of the Argentine officials toward the Chilean subversive group?

Answer: We can analyze Caputo's statement from two points of view: It is true that the Argentine Government does not finance the FPMR activities. However, support is conveyed not only through action, but also through omission. In my opinion, the Argentine Government is guilty of the latter.

It is said in Buenos Aires that Alfonsin's administration is very permissive with the Latin American left in general, and especially with the Chilean left, hoping not to have problems with the Argentine left in moments of severe economic crisis and increasing social uneasiness. This policy is designed to prevent guerrilla uprising in the country, at least for the moment, and allows the administration to slide further to the left than the Peronists themselves. I think that Alfonsin, who usually does quite well in foreign policy, has a very precarious domestic balance that forces him to adopt these positions.

Question: What does Lozza's book say about the FPMR?

Answer: The book reveals the FPMR's structure at that time, in August, but this must have changed by now. The book says that the FPMR is made up of detachments that operate in certain regions. Each detachment is divided into operational groups, which are briefed only on those matters which concern them. The operational groups are in charge of launching terrorist attacks. Militants are not recruited directly, which clearly shows that admission to the FPMR is made through the PCCH. During the first stage, one is a "collaborator" or a "helper," i.e., he has to provide logistic support, hiding places, etc. Then, one is admitted into the "Rodriguist militia." This militia is officially recognized by the Communist Party. The third stage is joining the lowest FPMR echelon. Within the FPMR, the lowest echelon is that of combatant. Then comes that of militant, followed by that of head of detachment. The leadership is exercised by a staff of commanders.

Question: Why do you think the book conveys the intention of transforming the domestic Chilean problem into a regional problem?

Answer: Because the PCCH wants to internationalize Chilean subversion. This is its goal, although it is still far from attaining it. It has the example of El Salvador where, thanks to Mexican and French complacency, the guerrillas obtained the status of a "belligerent force," which entails a certain recognition by other nations.

In Argentina, I read an article in the magazine SOLIDARIDAD, which is published by the Trotskyite group MAS, asking Alfonsin's government to recognize the FPMR as a "belligerent force." The reason for this request is that this recognition would obviously help the FPMR carry on its guerrilla warfare. For that reason, the FPMR says that Pinochet's regime is not only a stumbling block for our democracy, but a "threat" to Latin American democracy. It would not say this if Latin American democracy were strong. The FPMR is saying this only because Latin American democracy has been facing problems and has failed to meet the people's expectations. Therefore, the FPMR emphasizes the possibility of the restoration of authoritarianism.

Question: Do you think that there is an intention to create the same type of "armed force" in the continent or, at least, in the Southern Cone?

Answer: There are signs that the guerrilla movement of the seventies is being reactivated. We have the concrete example of the "America Battalion," which operates in Colombia with the M-19 guerrillas, and also includes the Ecuadoran guerrilla group Alfaro Lives, the Peruvian Tupac Amaru, and Chilean guerrilla groups.

The "America Battalion" is now operating in Colombia, but the idea is to spread the fight throughout Latin America. We should also take into account what I call "the potential insurrection"; that is, the groups that are temporarily playing a political role, like the Tupamaros in Uruguay.

Question: Where will this "inter-American guerrilla" be "headquartered"?

Beyond all doubt, in Argentina. Newspaper reports show that there are frequent leftist political meetings in Argentina, like there were in Chile during the Allende administration. These meetings range from the university academic level to the political and underground circles. Consequently, just as some Argentines believe that the possibility that polarization in Chile may lead to the export of insurrection, I see it the other way around. I believe the Argentine political situation is jeopardizing the stability of the continent.

Question: Why?

Answer: Because tolerance of extremism usually exacts a very high price. The Latin American governments that were too tolerant with extremists, for example, the Goulart administration in Brazil and the Uruguayan government before Bordaberry's place coup, inevitably collapsed.

Question: Who is financing the FPMR?

Answer: They say they have four financial sources: First, the weapons they seize from the Carabineros and soldiers. Next comes the international aid, which is perhaps the most important source and which furnishes them with a constant flow of money with which to buy arms. The third source perhaps less important than the others, is the FPMR's own money. A fourth source is the FPMR's possibility to operate on the weapons black market.

Latin American Communist Parties have changed their strategy. During the 1960's, all but the Venezuelan Communists harshly criticized the guerrillas because, following the Soviet course, they lived in a kind of "peaceful coexistence" with the United States. The peaceful coexistence ended with the Reagan administration. The USSR is no longer willing to neglect guerrilla activities. In their self-criticism, many Latin American Communist Parties have complained that they have been too separated from the extreme left. For example, there is no longer a rivalry between the Communist Party and the MIR [Movement of the Revolutionary Left] in Chile. The Salvadoran Communist Party supported Napoleon Duarte's presidential nomination on two occasions. They also supported him at the beginning of his term, but later declared war on him, taking up arms in 1989 when they realized they did not control him. Since then almost all Latin American Communist Parties have shifted toward a more radical position. [date as published]

The drama of Latin American communist parties is that they have never participated in triumphant insurrections. They were not in Cuba, where the harshest criticism of Castro during the revolution came from the Communist Party, which finally supported him when he achieved victory. The same thing happened in Nicaragua, where they joined the Sandinists only after the latter achieved victory. The Communists seized the Sandinist movement and now seem to be trying to control both the government and the revolutionary process. The communists are doing this because if they are not part of the process, the masses will pay no attention to them.

Question: Would that be the continental strategy of the Communist Parties?

Answer: Yes, with the idea of creating problems for the United States. For them the ideal would be to go back to the style of the 60's, that is with Guevara's idea of creating several Vietnams but as that idea is obsolete, because the theory of revolutionary focus has failed, they are encouraging a new insurrection. The insurrection is made up of three simultaneous elements: First, a strong social mobilization to agitate the masses. Second, an involvement in the political game to homogenize it and radicalize it, and third, the armed component. The Sandinist contribution to continental insurrection is this triple strategy which basically is a single strategy that leads inevitably to popular war.

Question: Both in the book you mentioned as well as in the interview, is it clear that the FPMR and the Communist Party are the same thing?

Answer: Yes, I believe that this is the great intellectual contribution of the book and the interview because there has always been believed that there was a connection. Luis Corvalan has admitted this on more than one interview when he said that there are Communists in the "Front" but that the Communists do not control that organization. Former Communist Deputy Luis Guastavino, who lives in Buenos Aires, said: "The people are seeking to improve their fighting ability and their command over all forms of struggle. The FPMR is getting stronger and its actions are destabilizing the enemy. Military power is not taboo. It is a component of the different methods of struggle." In other words, they admit that the PCCH expresses its armed struggle through the FPMR.

There is something new in this book. Luis Guastavino announced 2 months in advance the attack on President Pinochet when he said: "Even the unforeseen should be foreseen. Even the spontaneous cutbacks should be organized at the right places. Taking the masses into the streets alone is no longer enough. We must know what to do with the masses on the streets. We must work with a well perfected plan. We must make a thorough job and introduce the conviction that it is possible to give a basic blow to the dictator. Efforts should be made to make it a great check but we must think of the possibility of the check mate."

By reading the above statement it is very clear to me that the Communist Party publicly announced, 2 months in advance, its intention to assassinate the president. What happens is that in our country we always read too late, we read history and we never get ahead of events.

Question: Why do the FPMR leaders appear in the book giving "assurances" to the Argentines that the agreements, institutions and Argentine territory will be respected?

Answer: They want to be recognized as a belligerent force. If they were not operating as an armed group in Argentina they would not have to release a declaration addressed to the Argentine government, people and congressmen. It would not be necessary. If they do so it is because the FPMR has in Argentina its center of political operations where they make their international connections and where obviously they are conducting their military training.

Question: Why is it that the "front" does not have a government platform and its only mission is to overthrow Pinochet?

Answer: The lack of an FPMR government program reveals its dependence on the Communist Party.

Any insurrectional movement, whether big or small that seeks to conquer power has a program, just in case it wins. The programs of M-19 and Shining Path are quite long. By not having a program the FPMR is indicating that if it achieves its objective then its mission ends, and its members then return "home" and their "home" is the Communist Party. They do not need a program because they have the program of the Communist Party.

Question: Do you believe that the MPD is a monolithic bloc, or that it has cracks?

Answer: The Socialist Party-Almeyda faction [PS-Almeyda], which is a member of the MDP, supported the armed-struggle thesis at a plenum held in August 1985. But this thesis has not been implemented through members of this party. I do not know of any brigade that is sponsored by the PS-Almeyda. This party made a self-analysis and realized that the MPD has absorbed the PS-Almeyda to the point of making it lose its identity. The PS-Almeyda then decided

to recover its public identity, and in this decision can be found the basis of its real problems with the Chilean Communist Party [PCCH] and MIR [Movement of the Revolutionary Left]. The Socialist Party split and The Commanders ground, which most openly supports a solution by insurrection, walked out. The Commanders group is currently headed by Eduardo Gutierrez. One of two things can happen now: The PS-Almeyda can actually break away from the MDP over the way in which the PCCH has used violence, not because it does not believe in that form of struggle, but for the sake of convenience. It should be remembered that Leninism is the link between the PS-Almeyda and the PCCH. Or, to appear divided might be the strategy of the extreme left. In my view, this might be the case because the MDP no longer has status as a political interlocutor. It should be no surprise that it be replaced by another group in that capacity. The PS-Almeyda could survive the upheaval and remain as some sort of bridge between the extreme left--which is in need of political contacts--the moderate left, and the political center.

Question: Isn't the Christian Left [IC] playing the role of a bridge?

Answer: Following the attempt on Pinochet's life we have witnessed some sort of gerrymandering of the political map. The so-called socialist bloc no longer exists. Some of its members are strongly opposed to violence, like the Socialist Party-Nunez faction [PS-Nunez] and others; some like the MAPU [United Popular Action Movement] and the IC are working with the MPD in the universities. The document known as "Basis for Governability," which was drafted by the National Party and the Christian Democratic Party, was signed by the MAPU, the same MAPU that is today allied with the MDP in university elections. The IC is also supporting the grand plan of the communists. This plan is none other than the rebuilding of the Popular Unity [UP], which only needs the Radicals to be rounded off...

Question: The Radical Youth [JR] is also coupled with the MDP in the universities...

Answer: I believe that history will approve of the work of Enrique Silva Cimma. He will be remembered for having rescued and revived a Radical Party [PR] that was almost in shambles in 1973. However, Silva Cimma has been losing control over the Radical Party. He has not been able to bridle the Radical Youth. The JR has publicly disobeyed him, and struck a pact with the MDP. It would be no surprise if the Radical Party topples Silva Cimma and then sides with the alliance of the left under the leadership of the PCCH.

Question: What are, in your view, the near future and the medium future political prospects?

Answer: The opposition is now facing real problems, such as the shortening of the timetable. The year 1989 is no longer far off; it is getting closer. The opposition has had its ups and downs. First, a landing forced by reality. Second, the MDP has been isolated from the establishment institutional system which has become rather acceptable.

The landing forced by reality reveals the failure of the opposition's strategy.

In 1983, when the situation was favorable for negotiations, during the "political liberalization" of Onofre Jarpa, the opposition thought that the government was extremely weak and so pressured for a quick transition, but things did not go that way. Late that year, the opposition lost its drawing-power to the protest demonstrations. Following the state of siege, which had been in effect, it believed that the time for negotiation had come. The opposition always marched one step behind.

As a result, the government is now quite firm and the mission of Interior Minister Ricardo Garcia is precisely to reaffirm the existing institutional system. The National Accord, which should have emerged as a proposal during the tenure of Onofre Jarpa, came late, with no possibility of success--not to mention its internal contradictions.

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CSO: 5600/2052

INTER-AMERICAN AFFAIRS

BARBADOS TRADE MISSION 'PLEASED' ABOUT VISIT TO JAMAICA

Bridgetown SUNDAY ADVOCATE in English 5 Oct 86 p 1

[Text]

A BARBADOS trade mission returned home from Jamaica on Friday night having secured firm orders, and confidence that there will be improved trade between the two Caribbean Community and Common Market (CARICOM) countries.

The mission which was organised by the Barbados Export Promotion Corporation (BEPC) and included representatives from eight local manufacturing companies, was led by Dr. Carl Clarke, the BEPC's Deputy chairman.

According to Dr. Clarke, the manufacturers received firm orders in excess of Bds\$4 million and the manufacturers were generally pleased with the outcome of the trip to Jamaica.

Dr. Clarke said that the Arawak Cement Company had received orders worth \$1 million monthly for its cement while another company had also received firm orders to the tune of \$2.3 million for cartons and cigarette boxes.

Dr. Clarke pointed out that negotiations took place between a Jamaican concern and the Barbados Packers and Cannery (BAPAC) to look into the possibility of selling meat products to Jamaica.

### *Ham shortage*

"What is also of interest is that the Gleaner newspaper in a page one report had said that there was the likelihood of a shortage of hams in Jamaica around Christmas," he said.

"But the question for BAPAC was satisfying the health authorities, which we do not see as a problem, and the price," he told the Barbados Advocate yesterday.

"The outcome of the trade mission to Jamaica has been positive and we can expect an improvement in trade between Barbados and Jamaica," he said.

"The response to our presence in Jamaica was excellent, and we were well received, and I would think that

this mission would pave the way for a better trade relationship between the two countries," he pointed out.

The objective of the mission was to re-establish contact with Jamaican distributors and retailers who previously marketed Barbadian products. It was also hoped that contacts would have been made with Government and private sector officials.

According to Dr. Clarke: "We met with Peter King, Chief Executive Officer of the Jamaica National Exporters Corporation (JNEC) and other officials."

### *Examine goods*

Mr. King was also quoted in the Gleaner newspaper as saying that his organisation was pleased that the Barbados mission would give the Jamaican businessmen and consumers an opportunity to examine Barbadian products. He also said that Barbados remained of the more important Caribbean trading market partners for Jamaica.

The mission followed market research carried out in Jamaica by the BEPC in association with Market Research Services Limited in May this year. Mr. Winston Bailey, Barbados' Honorary Consul in Jamaica also lent assistance to the efforts.

In recent years Barbados' exports to Jamaica had fallen off dramatically from a high point of \$18.4 million in 1983 to \$7.4 million last year. For the first five months this year domestic exports to Jamaica were \$1.9 million compared with the \$3.7 million in 1985.

/9274  
CSO: 3298/028

BAHAMAS

## TUC JOINS IN CALL FOR RESIGNATION OF DEPUTY PRIME MINISTER

Nassau THE TRIBUNE in English 24 Sep 86 p 1

[Text]

THE Bahamas Trade Union Congress has joined the growing list of concerned organisations calling for the resignation of Deputy Prime Minister Clement Maynard because of his statement that from now on he would only take care of the PLP.

In a release today, the Trade Union Congress (TUC) said it is its considered opinion that the statements made by Mr Maynard are "unChristian, undemocratic and discriminatory."

"As a Minister of the Government, the Deputy Prime Minister is bound to uphold the Constitution," said the TUC. "Since what Deputy Prime Minister Maynard proposes to do is unconstitutional, Deputy Prime Minister Maynard should either withdraw his statements or resign his office."

"The TUC therefore calls upon Deputy Prime Minister Maynard to either retract his statements forthwith, or resign as a Minister of the Government."

The TUC, at its Executive Board meeting on Saturday discussed at length Mr Maynard's statement at a recent political rally that from now on he would only take care of PLPs because he believed that "to the winner goes the spoils."

The TUC in its release said that it took note that despite the protests from many quarters, Mr Maynard has not withdrawn his statement, "and therefore the TUC concludes that the Deputy Prime Minister meant exactly what he said."

The TUC pointed out that the preamble to the Constitution proclaims that Bahamians

would have "an abiding respect for Christian values and the rule of law."

Article 26, sections 2 and 3, state in part "(2) subject to the provisions of paragraphs 6, 9 and 10 of this article, no person shall be treated in a discriminatory manner by any person acting by virtue of any written law or in the performance of the functions of any public authority."

And in Article 3, said the TUC, the expression "discriminatory" means affording different treatment to different persons attributable wholly or mainly to their respective descriptions by race, place of origin, political opinions, colour or creed.

"If Deputy Prime Minister Maynard carries out his threat, and there are many persons who would argue that what the Deputy Prime Minister said publicly has been this Government's private policy for many years, then Deputy Prime Minister Maynard would clearly be acting contrary to the letter and specifically of Article 26 of the Constitution," said the TUC.

The TUC said it is appalled that Mr Maynard would claim the inspiration for the application of "his policy of discrimination" comes from the now deceased UBP Minister, Sir Stafford Sands.

"The TUC wishes to remind Deputy Prime Minister Maynard that the Bahamian labour movement along with the Bahamian people fought long and hard to rid our country of the wicked and unfair policies of the UBP, and that it will not stand idly by to

see the reintroduction of UBP policies by a PLP Government," said the release.

The TUC said it finds "truly depressing" the fact that the PLP as a party and a Government "has not publicly disavowed its adoption of evil UBP policies which it has declared for 20 years were policies from the devil incarnate."

"The TUC also finds little material difference between the proposed policy of Deputy Prime Minister Maynard, and those being carried out by Prime Minister Botha of South Africa," said the release. "In South Africa, Prime Minister Botha discriminates against a section of the South African population on the basis of race, and in the Bahamas Deputy Prime Minister Maynard proposes to discriminate on the basis of political option."

The TUC said it is "disappointed but not surprised" that the Bahamas Christian Council has not addressed the issues raised by Mr Maynard's remarks.

"The see no evil, hear no evil, condemn no evil policy adopted by the Christian Council," said the TUC, "should be a matter of the gravest concern for all Christians in the Bahamas."

The TUC congratulated those ministers of the Gospel "who have pointed to the unChristian character of Deputy Prime Minister Maynard's statements, and we must seriously question the integrity of those ministers who attempt to explain away the statements, or who have remained absolutely silent on the issue."

BAHAMAS

BRIEFS

PLP CONVENTION--The Progressive Liberal Party announced Friday that their annual National General Convention--the last before the general elections--will be held October 26 to 30 at the Polaris Hall, Paradise Island. PLP Chairman Sean McWeeney said the convention be launched with a "mammoth parade" through the streets of New Providence. He said the parade would set "the tone and pace" for the elections. Mr McWeeney said the convention would be broadcast live over ZNS radio and TV-13. "Steady As She Goes" is the convention theme, which, he said characterizes the on-going voyage of the ship of state under Prime Minister Pindling. The PLP also announced plans for a banquet Saturday, November 1st. Mr McWeeney said many supporters are expected to arrive in Nassau from the Family Islands to attend the convention. [Text] [Nassau THE TRIBUNE in English 27 Sep 86 p 1] /9274

CSO: 3298/021

CHILE

WITNESSES CHALLENGED IN TRIAL OF VIOLENT INJURY CASE

Santiago EL MERCURIO in Spanish 24 Sep 86 p C-2

[Text] Attorney Carlos Cruz Coke, who is defending Army Lt Pedro Fernandez Dittus, said in statements to newsmen that the witnesses presented by the plaintiffs are "disqualified to serve as such." The lawyer said that "documentary background" had been submitted to the court.

"I believe that several others should be named as defendants. According to the documents, it seems that there are three witnesses. One is already being tried on charges, a second has fled, and the third has made absolutely contradictory statements," Cruz Coke added.

He then went on to say that "A defendant in a trial cannot serve as a witness, but is immediately and automatically disqualified by this status."

The trial involving the young burn victims, Rodrigo Rojas de Negri, who subsequently died, and Carmen Gloria Quintana, who recently went with her family to Canada, where she will undergo a full rehabilitation process, is being heard by the interim military prosecutor, Alberto Marquez Allison.

Cruz Coke, who has not been notified about the indictment, said that for the time being he will not petition for the release of his client on bail nor for the dismissal of his indictment. Fernandez Dittus was brought to trial on charges of responsibility for the unnecessary violence which resulted in the death of Rodrigo Rojas de Negri and the serious injuries suffered by Carmen Gloria Quintana.

This lawyer expressed the view that the investigation "went rather rapidly, and the indictment proceedings may end within a relatively short time, I would say a month from now, more or less."

Cruz Coke said that the military prosecutor is still taking statements from the members from the military patrol commanded by Lt Fernandez Dittus.

On the subject of an eventual reconstruction of the scene, he said that "I think that this is the last inquiry the prosecutor will make."

In conclusion, Cruz Coke said that he had petitioned to the court in writing to demand official documents from the Universities of Chile and Santiago "because they said that Rodrigo Rojas de Negri was a first-level student, enrolled in an educational plan, while he is not, and to certify that Carmen Gloria Quintana was a second-level student.

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CHILE

MERINO REFUSES TO SUPPORT PINOCHET IN 1989

Santiago APSI in Spanish 8-21 Sep 86 pp 4-8

[Article by Nibaldo Fabrizio Mosciatti]

[Text] The meeting the chief of state had on Tuesday, 26 August, with Adm Jose Toribio Merino was heated almost from beginning to end, although it was more so toward its conclusion. It all began with the theme of constitutional amendment, specifically that of Article 27, which would make it possible to hold free and direct presidential elections in 1989 instead of a plebiscite. The discussion reached its peak when the admiral told General Pinochet that he would oppose the idea of his nomination as a candidate for 1989, in the plebiscite. The rising inflections ended in shouting, with Pinochet insisting that if the Ruling Junta does not make it possible for him to be the single candidate in 1989, he will make arrangements with its members to allow this candidacy through other constitutional mechanisms, while Merino indicated that the armed forces cannot expose themselves to political defeat in a vote in which the possibility of a triumph for Pinochet is almost nonexistent. This discussion was the subject of comment in the corridors of La Moneda Palace. And the cause of concern was precisely the tone which characterized it.

Then, not even 24 hours later, the admiral reiterated his position, held by the majority in the Junta, in this instance publicly. Merino stated vehemently: "I have indeed said, I say again and I will say as often as I want that certain aspects of the Constitution must be changed." Adding that a plebiscite is needed for the purpose, he said: "I do not know what changes we (the Junta) will suggest. I do not know yet. They have not been written down, but we have them ready. They have not been made public."

In any case, what is known is that the change which the legislature has analyzed most fully, and that on which Merino, Stange and Matthei are said to agree, has to do with the presidential succession, although recently there has also been talk of establishing a dialogue with the opposition (National Accord) and the need to make Article 8, which declares those parties, movements and groups described as totalitarian unconstitutional, more specific, in order to reduce its application to the Communist Party alone. There is talk in circles close to the government of the possibility of a new "damnable law."

Constantly surrounded in his most intimate circle by diehards persuaded not only of their popularity, but that their mission--saving Chile from communism--has not been completed, and that it can only be brought to a proper end by him, this government leader is insisting on his claim to the right to continue. At the same time, it is known that this position is regarded, even in the corridors of La Moneda, as the least popular in the past 13 years where the government Junta is concerned. Because the differences which separate General Pinochet and the Junta, excluding General Canessa, his direct subordinate, all point in the end in one direction--the majority in the legislature is opposed to the extension of the present government leader's mandate beyond 1989.

Under these circumstances, there are three possibilities whereby Pinochet could remain in power.

--By taking advantage of the lack of opposition unity, if free elections are held (following a constitutional amendment), and winning the support of the right-wing forces and the moderate sectors in a possible second round with a leftist candidate.

--By making changes in the Ruling Junta and the high commands of the armed forces, such as to surround himself with military officers who would indeed support him and would nominate him as a candidate in 1989. This maneuver is described as a self-engineered coup.

--By convincing the present members of the Junta that they should nominate him as the single candidate for the 1989 plebiscite, using the argument that the country is on the verge of a civil war being promoted by the Marxists, and that the armed forces must therefore "save" the nation.

With regard to this last possibility, a government source has told APSI that General Pinochet has already informed some of his ministers that before presenting himself in this plebiscite, once the consent of the Junta has been obtained, he would ask that a survey be made. "If it showed that 70 percent of the people opposed him," this source said, "the president would not take the plunge, because he is much more cunning than the rest of us together, and he is by no means a madman."

Aware that any one of these alternatives would require the support of the armed forces, the chief of state has recently insisted, in his talks with high officials, on the subject of "loyalty" to the principles of the military coup and his government administration. The finding of arsenals in the northern part of the country and Santiago, with some basis in truth, the APSI has established, but magnified by the government, came just at the right time for these purposes. For as a high-ranking army officer said, "One must be an officer to understand that the military, faced with an armed enemy, close ranks, whatever differences may separate them at any given time." And proof of this was seen in the coinciding statements made by some high-ranking officers, which might well be summarized in what Maj Gen Alejandro Medina Lois, National Defense chief of staff, said on Thursday, 4 September. He stated on national television that "They (the weapons) were intended to create the conditions for civil war to overthrow our government."

Despite the lack of credibility for the regime which the episode of the weapons revealed (one lieutenant even telephoned some secondary schools, including Saint George and La Maisonette, to invite the upper classes to visit the arsenals found), the government was able to profit from it. By bringing the subject of subversion and terrorism to the foreground, it has achieved the desired cohesion in the armed forces and established the foundations for a publicity campaign designed by the presidential advisors to ensure Pinochet's continuation as head of the government.

The march the supporters of the regime are planning for Tuesday, 9 September, will be a key aspect of this campaign. And they have spared no effort. The people in the municipalities in the metropolitan area are being offered free transportation to the downtown area, in addition to other incentives. Lists have even been drafted: failure to attend a gathering might be taken into account in future housing assignments. Government employees have been warned that they should attend and ensure the participation of three other individuals. In Valparaiso and Rancagua, buses have already been chartered to take people to Santiago, and the mayor of Lampa has promised to transport the entire population of that commune to downtown Santiago.

#### The Stick and the Carrot

The trick to be pulled off has several targets--in particular, the armed forces themselves and the government of the United States. However, as in the story of the tiger, everything has its risks. When in the midst of the Falklands war, Galtieri sought, by organizing a gigantic demonstration of support, to impress a U.S. delegation which came to Buenos Aires to negotiate, the only result was that the U.S. officials commented: "With these crazy people, one can get nowhere."

And the Reagan administration, whose appeals to Chile to take concrete steps toward democracy have obtained no response, seems to be convinced that the obstacle, as the opposition in Chile has said, is General Pinochet. Its policy with regard to Chile is truly that of the stick and the carrot. Providing information to the government to enable it to break up extreme leftist groups (the arsenal episode would be proof), while simultaneously establishing unofficial contacts with military officers to inform them of the urgent need for them to assess the current situation (this is reported to have been the reason for General Galvin's visit)--this is the carrot. And bank credit, the harsher measure, is the stick. For despite the fact that on Friday, 5 September, EL MERCURIO carried a front-page report to the effect that Assistant Secretary of State for Inter-American Affairs Elliot Abrams, meeting with Minister of Economy Juan Carlos Delano, "stressed the development of the national economy," this same newspaper eventually carried the story sent by the international agencies from Miami, which said that Abrams told Delano that his country would probably oppose the World Bank loan to Chile coming up for a vote the next month. As early as July, Abrams himself had warned of this possibility if the Chilean government did not take steps to speed up the return to democracy. "I must say," Abrams said on Friday, 5 September, "that I see no reason to change what I said then. We are between 6 and 8 weeks away from the vote (on the credit), and no significant steps to accelerate the democratic process there have been seen." The credit in the

amount of \$250 million which was to be allocated in October was postponed until November. Despair spread at La Moneda Palace. To an even greater extent when it was learned that this high U.S. official had voiced his concern about the shutdown of the periodicals CAUCE and ANALISIS, indications of repression. A colleague close to the chief of state has told APSI that General Pinochet is contemplating "a firmer hand with the opposition, through legal mechanisms. The filing of charges, a harsh hand with the press, repression of protests, and searches will continue, but a state of emergency will not be declared." These are measures the government deems necessary, but which at the same time do it harm. Almost like the story of the man riding the tiger.

The subject of the arsenals is not fading, and its political effects were made most obvious on 4 September. Indeed the capital woke up to intensive vigilance at the points of greatest conflict (poor quarters, universities, downtown), and in Lo Hermita, for example, troops of the Carabineers, army and CNI swept the neighborhoods, making searches with lists of individuals and addresses in hand. And, from a very early hour, the university campuses were surrounded. But on that same day of the week, while the MDP made calls in protest, DC leaders insisted over the radio that this was a day of "contemplation," and that there should be no street demonstrations.

The tension in the opposition was more explicit in the Asamblea de la Civilidad. The Christian Democrats, mainly, tried to give the day a low profile, and they succeeded. "There should be no call for a strike," they said. And there was no strike.

After the finding of the arsenals, it was said in broad sectors of the National Accord that if the Communist Party does not separate itself from the Manuel Rodriguez Patriotic Front, it will be committing political suicide. And in one way or another, this coincidence of opinions was reflected in the isolation of the PC within the opposition itself. The communists, as Gabriel Valdes said in his private letter, see the situation otherwise. They say that the DC is "playing the game" of the government in giving credibility to the arsenals incidents and isolating them from the rest of the opposition. They also say that unity among the forces opposed to Pinochet is more necessary now than ever and they want to discuss these points with that party. According to the communists, the AD parties are giving priority to a center-rightist outcome negotiated with the military, in which they would not be included.

But while new alleged arsenals continued to appear, the debates within the PC also accelerated. And, according to what APSI has learned, a number of indications justify the statement that the FPMR has in fact taken action, independent of that party, even going so far as to force some of its middle-level leaders to meet with it in order to learn "what the thinking about the Front within the PC is."

MDP sources have said that the points being debated are being taken up directly by the representatives of the parties which make up this group.

In the balance of the opposition, the situation is one of adjustment, as well. In the Asamblea de la Civilidad, lacking its initial impetus (basically

because the centrist sectors fear that the social mobilization cannot be controlled), the efforts have been oriented toward the National Accord. With the completion of its first year of life on 25 August, the representatives of the signatory parties met with Cardinal Juan Francisco Fresno. On this occasion, Carmen Saenz, of the National Party and Jose Zabala, one of the coordinators, said that a new effort might be made to engage the government in a dialogue. This possibility was speedily dismissed by Hugo Zepeda, of the Republican Right, and when Gabriel Valdes and other Accord leaders sought to achieve the same thing, the discussion was diverted to other subjects.

And the fact is, after the Accord, without the MUN, decided to promote a movement in favor of free and direct elections, speedy work was undertaken within the so-called Governability Pact drafted to establish the foundations for a future democratic regime. This pact, which represents an extension of the Accord, provides more specific information about the constitutional amendments which should be made and sets forth definitions on economic and social issues. In the discussion of the Pact, which contains 15 pages, all of the parties which signed the AN participated, except for the MUN, and only one of its supporters, the MAPU.

On the weekend of 6 and 7 September, the document was to be submitted to the IC. The Christian Democrats regarded it as most important that this party sign it. However, when Luis Maira was asked about it, he said that they were not involved in its drafting, that they will assess it (but will voice their criticisms, if any) and that they will maintain their position to the effect that a political outcome is only useful if it includes all sectors of the country. The idea, in any case, is to submit the document, once it has been signed, to the armed forces (this subject was reportedly discussed at the meeting General Matthei had with the National Party leadership on Thursday, 4 September), since in the view of its sponsors, it represents an extension of the National Accord, a basis on which a solution in the direction of democracy could be achieved through negotiation with the armed forces.

According to MUN leader Andres Allamand, the tendency now is for the opposition to focus its efforts again on the Accord (of which his party is a signatory), producing "a realignment on the moderate side." The problem is that the MUN accepts the 1989 deadline, recognizes the Constitution and the mandate of General Pinochet, and these are points on which the rest of the signatories of the National Accord are not in agreement. However, the MUN has given an indication of a change in these positions with its opposition to the activities being planned by the government for Tuesday, 9 September, and further gestures to set itself apart from the government cannot be excluded.

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CHILE

VIEWS OF OPPOSITION LEADERS ON PCCH DETAILED

Santiago QUE PASA in Spanish 11-17 Sep 86 pp 12-14

[Interviews with Andres Zaldivar, Ricardo Nunez and Luis Maira by Mariana Grunefeld; date and place not given]

[Text] After the finding of weapons in Carrizal Bajo and the detection of Cuban ships in the metropolitan region, as well as the photographs and statements made out of court by the members of the FPMR arrested, Gabriel Valdes, president of the DC, came forth unexpectedly to demand "definitions" of the Communist Party (PC). (All of this preceded the attack on the president.) In view of this serious threat, and to save time, QUE PASA went in search of these definitions. Some "little examples" follow.

Corvalan, 1980: "The people will have no choice but to use all the means within their reach...including acute violence."

Corvalan, 1982: "The parties of the left regard it as entirely legitimate and an imperative duty for the mass movement to use the most varied forms of struggle--peaceful and violent, public and secret, leading to the overthrow of the dictatorship."

Editorial in EL SIGLO, 1985: "We are now exploding our bombs in the police stations themselves, in the installations which render the greatest service to the bourgeoisie, in the supermarkets where the opulent and sinister members of the oligarchy and the plutocracy glut themselves....we issue a warning that all of Chile will become a Stalingrad."

In the periodical PRINCIPIOS, 1982: "The need to have a system of strategically articulated antifascist armed struggle, with a view to the total military annihilation of the enemy, has become evident."

With regard to the FPMR, Corvalan added: "And another thing is that one can suddenly offer a hand to some of these young people... Who has not needed a helping hand in this life? We are proud of these young people, who have great respect and love for the party."

And still the opposition has doubts. The fact is that "too much" weaponry was found. If there had been fewer weapons, then perhaps they would have accepted

it, those in the opposition, as well as the statements from time to time in the PC periodicals PRINCIPIO and EL SIGLO, and the pamphlets of the FPMR. For this group, the finding of the weapons was a harsh blow, but not, in principle, because of the possibility of civil war. No, it was rather because the government resumed the initiative and immobilized them. As a result, they spent all of last week in meetings, and with aching heads, finally decided to dissociate themselves from the "strike" the MDP had called for September 4 and 5. The DC called for a day of contemplation, and the PS for a day of mobilization.

Has the attitude of the democratic opposition toward the PC changed? That depends. Obviously, everything depends on whether or not one believes in the famous arsenal discovery. Was this real? Everyone is "cold shouldering" the PC, from the DC to the Christian Left. But how can one be persuaded? The DC no longer has any doubt about the truth of the government "report" where Carrizal is concerned, while in its view, the searches in the metropolitan region were a farce. On the quiet, and unofficially, the PS "believes," because the fact is it knows a number of those arrested and is aware of their affiliation with the PC. The Christian Left has systematic doubts. To obtain direct statements, we interviewed the main leaders of each of these political parties. It should be remembered that these statements were made prior to the attack made upon President Pinochet.

#### The DC--A Time for Definition

The PC regards the DC people as so "inflated" that it simply calls them "the corpulent ones" (for which read more conservative). It all began when PC leader Sanfuentes stated in an interview granted to EL MERCURIO that secret talks had been held with the DC. Then came the betrayal at the University of Playa Ancha, in which the MDP presented itself alone and in silence in the elections (without the DC), and finally there were the arsenals. The DC exploded. Two of its top leaders went to talk with Stange, and in the end became convinced. They suspended formal relations with the PC and left purely "social agents," and not political ones, in the Asamblea de la Civilidad. The party entrusted Castillo, Ruiz Di Giorgio and Hamilton with a proposal to pass on to the MDP. No agreement was reached. In the National Council, two approaches were discussed. That of Prado, Huepe and Hormazabal, seeking a closer rapprochement with the PC, failed, and the moderate proposal won out. Today the desirability of ceasing to form electoral alliances with the MDP is a strengthening concept, as is the idea of avoiding calling for a strike with the MDP, despite the fact that Huepe and Di Giorgio risked their necks to achieve a consensus to the contrary. There are two ideas about the PC developing in the DC today--increasing emphasis on the risk represented by the actions of the PC (for more than 5 years now the PC has clearly favored armed struggle), and the conviction that the social base of the party (university students, for example) cannot function independent of the leadership. That is something. Therefore, one DC leader pounded on the table: "The time has come for definition by the DC. Not for consensus, but for decision."

Andres Zaldivar talked to QUE PASA.

[Question] What will the DC do with regard to the PC after the finding of weapons has been verified?

[Answer] It will notify the PC that to the extent that it maintains, sponsors or encourages violence, it will be isolated from the social sector.

And Zaldivar continued: "This must be reflected in concrete deeds in the coming days. For example, a separation must come about in the university electoral pacts." But he clarified (or obscured) the matter as follows: "I am not afraid of a DC-MDP pact in the universities, provided that the reason for it is explained to the country. If there are talks with the PC," he said, "they should now be with the knowledge of the public." And he said that "Everything will depend on the clear thinking of the party leadership." (Other sources said that Valdes finds himself in a difficult and ill-defined position. He knows that he won thanks to the support of the leftist faction of his party. Now he has moved to the right, but he cannot cut his ties with this faction which supported him, for as a DC "corpulent one" said: "He knows that he will never have our support.")

[Question] Is the time right for asking the PC for definitions now?

[Answer] "In its discussions, it has already come out in favor of violent, peaceful and long-term paths. Therefore the DC must address the PC, not demanding a definition of its line, but condemning it for its support and encouragement of violence, which only works in favor of the government."

Zaldivar clearly wants to place the PC in quarantine, to isolate it so it will not gain ground. "If we fail to make ourselves clear, we let ourselves become involved in their strategy. If we have not been able to get the PC truly to abandon its support of violence, using discussion and persuasion, other remedies must be sought--quarantine or notification of isolation." At the same time, he does not believe that the PC will change its strategy of violence, because this has been its "inveterate" policy, hard and clear. Other tasks are more difficult to achieve, for example that involving the young people in the DC itself. We talked with Tomas Jocelyn Holt. "The government has a great responsibility for the existence of these weapons. Either it put them there or it created the conditions for this to occur." He also addressed the left wing. "I appeal to all the opposition parties to put an end to the militarization of politics."

[Question] Is it not rather comical to demand that the PC define itself, when it has made itself so clear?

[Answer] "People develop. Everything depends on the political situation. It is the government which wants to increase the polarization now."

Our interlocutor still believes in persuasion.

[Question] Is it still possible to present a united front in the universities, despite the finding of the weapons?

[Answer] Electoral alliances are analyzed individually. As a member of the DC, I am very surprised at what happened in Valparaiso. Very surprised. My attention was drawn to the fact that those who ascribed almost overwhelming importance to unity acted immediately afterward as utilitarian pragmatists.

(Perhaps our interlocutor does not agree with Lenin: "Advantage must be taken of the slightest possibility of making the masses an ally, even if it is temporary, uncertain, unstable, unreliable, conditional. He who does not understand this understands nothing, does not understand Marxism.") Although the DC leadership did not call a strike on the 4th and 5th of the month, the student leaders did. And this leader added: "And to these, other activities have been added, in which I have the impression the DC is also involved. Let us be open and honest. We all know that the Day of Democracy, the summons to a strike or contemplation, are different means to the same end. It is the same individuals, the same sectors who will protest against this day, absolutely the same." Has this been made clear?

#### Why the Socialists Believe the Communists

The PS is not as categorical about the weapons. Its members do not know who could be responsible. They are confused and they do not believe the government. They want a commission to investigate, although they accept the possibility that the PC was responsible. We interviewed their secretary general, Ricardo Nunez.

[Question] If you were to become convinced that the reports about the arsenal are correct, how would this affect your relations with the PC?

[Answer] Substantially. It would lead to a search on our part for further real political clarification by the PC. Up until the present we have gone by the statements it has made through the MDP, and the statements of the PC itself in which it has said that it favors a democratic, peaceful outcome and is not seeking a confrontation.

[Question] Other statements say the contrary. Don't you believe that the PC is characterized by a violent line?

[Answer] We have said publicly that the PC has a policy with a double standard. On the one hand, it speaks of unity in the opposition, while on the other, it preaches the thesis of popular rebellion. It is not at all easy to reconcile these two theses in a formal logical system. We oppose the thesis of rebellion, but not the legitimate right of all Chilean citizens to mobilize actively, peacefully and effectively.

[Question] If the PC urges real violence and has the FPMP as its armed branch, and if you condemn its tactics, why don't you isolate it?

[Answer] Because while the PC is making these statements, the communists are being slaughtered. The members of this party are being persecuted, tortured, assassinated. For independent of the fact that we are really, concretely, tangibly and visibly in profound disagreement with the positions of the PC, the regime is using every repressive measure against the opposition as a

whole. Members of the Asamblea de la Civilidad and the trade unionists are being persecuted, when it is fully known that the majority are not members of the PC. And no one should be persecuted for his ideas. Genocide directed against the communists is reprehensible. The problem in this country is not between Pinochet and the PC. We fully believe that the problem is democracy or dictatorship.

[Question] If the choice is between democracy and dictatorship, would this not mean a greater conflict with the PC, which aspires to a "dictatorship of the proletariat"?

[Answer] Our people will resolve this problem. I am certain that the majority want a democracy with respect for freedom and the right of ownership of that which is basically oriented toward the common good, etc. We know of PC statements indicating that they favor a progressive democracy. We want to know that they desire to live in a democracy without attacking it at its base.

[Question] Why "should you believe" the PC? What evidence is there for believing it?

[Answer] What evidence is there to the contrary?

We replied that the experience in other countries is evidence, and Nunez pointed to the examples of France, Spain and Portugal, where the PC was included.

[Question] But when that party comes to power, democracy ends.

[Answer] This great concern has its safeguards in the National Accord. There is a very clear provision there which we will respect. No one will be persecuted for his ideas, only for actions which attack the minimal foundations of democracy.

The PC has challenged the principle of alternation in power. If it wants to survive, it will have to adapt. This is the policy.

[Question] One last doubt. Will you review your electoral alliances with the PC, and move closer to the DC?

[Answer] If it is true about the arsenal, we will revise our relations with the PC on all levels. Whether this will affect the elections in one place or another I cannot say. However, the facts about the weapons are one thing and the matter of the student centers is another.

However, the PC continues to be the same.

#### Christian Left Favors Penalizing Conduct

Luis Maira spoke as the representative of the Christian Left. Its members condemn the strategy of a military defeat of the regime "not for reasons of principle, but because the reality in Chile advises against it." They believe

that it would help the government to stay in office, favor unanimity within the armed forces, and put the confrontation in the territory where Pinochet is stronger than the opposition.

[Question] Do you agree that the PC is in favor of violence?

[Answer] I do not believe that. It does not urge armed confrontation or civil war, but "popular mass rebellion," which, excluding the military thesis, involves elements of strength on the part of civilian groups.

[Question] The PC speaks of acute violence, of making Chile another Stalingrad. What then, in your view, is the armed path?

[Answer] There are three ways of putting an end to the dictatorship. One is intrasystemic negotiation. Another is political defeat, with the government in an unyielding position, society organized and a sector of the armed forces reacting to resolve the crisis. The third is military defeat, with the organization of a parallel army.

[Question] Is the FPMR not precisely that?

[Answer] The FPMR urges political defeat, with more elements of force. This is still different from military defeat. It is still maneuverable, adjustable, and the PC can be told to control the FPMR and to put an end to the bombings and kidnappings of colonels.

[Question] Do you believe that the PC can abandon its line of violence, although this is reconfirmed at all of its plenary sessions?

[Answer] These documents always refer to the Pinochet period. The FPMR itself, to carry the reading further, has always stated that its task is to use violence against the Pinochet regime, and that it will be dissolved when the country regains democracy. The PC has never urged the strategic use of violence, but only for this regime.

[Question] However, throughout history and as a part of its doctrine, the PC has always favored both paths, and has maintained its ideal of dictatorship of the proletariat.

[Answer] Anyone who looks at politics knows that Utopian dreams are never realized. Moreover, popular sovereignty is the key. As long as the PC remains what it has been in Chile--12 to 15 percent--this possibility does not exist, and I do not care what they say. For 40 years they have not had an absolute majority, and they have adapted to the system. We do not favor penalizing ideas, but conduct. They will have to adapt to the norms the country adopts and which they have helped to forge, and as a function thereof, they will have a legal existence.

[Question] If you are persuaded that the PC was responsible for the weapons, and if it continues along its path of violence, what attitude will you adopt?

[Answer] We would begin to disagree. We would not participate in joint actions or in agreements.

[Question] Would you move away from the PC in the universities and move closer to the DC?

[Answer] We would have to see how the situation takes shape. If the DC were to decide to exclude the PC and work toward its isolation, we would not agree, but if the DC strengthened its mobilization and pursued a more antagonistic path in the struggle for democracy, this would facilitate a closer relationship.

And this is the country in which we live. The political scene now is shifting. Major changes are expected in the universities. However, many in the opposition are not talking about definitions but of "tricks." They threaten to move away from the PC, but in practice, everything continues the same. And the excuse? "Because of repression by the regime." They continue to go along with the PC so as not to play the game of the government. They continue with the PC, because after all, as Corvalan asked in speaking of the actions of the FPMR, who has not reached out to it some time in his life?

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CHILE

## ELECTORAL LAW ENACTED; REGISTRATION TO BEGIN

### Registry Moved to New Premises

Santiago EL MERCURIO in Spanish 2 Oct 86 p C-1

[Text] The Electoral Service, an agency responsible for citizens' registration, started operating yesterday at its headquarters at 615 Esmeralda Street, concurrently with the publication of Law No 18,556, of the Ministry of Interior, which created it, in the Official Gazette.

The entity's essential functions are to inspect the electoral organizations and to see to the fulfillment of the regulations, being required to report to the authorities anyone who violates them; as well as to formulate and maintain a bulletin known as the Electoral List, drawn up in computerized fashion, which will contain an alphabetical listing of the individuals qualified to exercise voting rights in the electoral processes and plebiscites, among other duties.

Simultaneously, the commander in chief of the Chilean Air Force and member of the Government Junta, Gen. Fernando Matthei, and the minister-secretary general of interior, Francisco Javier Cuadra, commented on the subject.

General Matthei declared that the community is prepared to receive the Organic Law on the Electoral Registration System; while Minister Cuadra noted that the aforementioned initiative is "a legal text of a political type that is very important for the institutional progress on which the government has worked during recent years."

### Move to New Headquarters

Starting early in the morning, the officials of the Electoral Registry (which will be replaced by the Electoral Service) undertook to move to the building on Esmeralda Street, located opposite Forest Park, the furnishings and equipment necessary for the normal execution of the agency's activities, so as to immediately implement the legal provisions, turning over specific responsibilities to the Electoral Service.

This work was supervised by the Electoral Registry's director, attorney Juan Ignacio Garcia, and the various administrative chiefs.

Initially, the entity will operate on the sixth and seventh floors, gradually occupying the rest of the offices in the building, which consists of seven stories, and which was purchased by the treasury for 95 million pesos.

Each floor has 12 offices.

A staff of approximately 40 persons will work in both offices, during a preliminary phase, as the Electoral Registry's finance chief, Rene Rivera, explained; and the administrative and computer staffs, as well as the legal offices for electoral registration, will be established there.

The premises, a beautiful building dating back to the 1930's, belonged to a pension fund administrator and an insurance consortium, which currently occupy part of the offices, including the main accesses, which will have to be vacated within a maximum period of time extending to 31 December of this year.

In a good state of preservation, the property was prepared in 36 hours to be fit for occupation by the Electoral Service, as was commented on the site. The work was concentrated on painting the premises and finishing the electrical system.

The move took place in two phases. Yesterday morning, the basic furnishings, such as bookcases, desks, and tables, were moved to the building; while, starting at 1600 hours, the personal effects of the officials from the old Electoral Registry were moved, ending with the arrangement of the offices, the placement of consultation books, and the installation of other work items.

The Electoral Registry headquarters was purchased by the treasury for 95 million pesos, 50 million of which was paid in cash at the time of the registration of the property, and the rest will be paid in September 1986, in its UF [Development Unit] value, with 7 percent annual interest.

The building also has shops, terraces, and other facilities.

#### Operation

Law No 18,566, made official yesterday, stipulates that the Electoral Service is an autonomous agency, with its own legal status and holdings; and that the assets of its holdings will be comprised of the funds annually appropriated for this purpose by the Budget Law, its own revenue, and the other assets that it may acquire based on any entitlement.

The pay of its personnel will be subject to the general system applied to the other public administration services.

#### Official Explains Terms of Law

Santiago EL MERCURIO in Spanish 2 Oct 86 p C-3

[Text] The Organic Law on Electoral Registration is a political-type legal text of great importance to institutional progress, on which the government

has worked during the past few years. This announcement was made yesterday by the minister-secretary general of interior, Francisco Javier Cuadra.

He remarked that the period of execution for the law specifies that, within 5 months, the electoral registries must be operating; noting that it is important to bear in mind that the term relates to the expression "within," which does not mean that the aforementioned registrations will begin in 5 months. "The period could be far shorter," he explained.

He said that the reason that this terminology was used in the legislation lies in the fact that the establishment of the Electoral Service demands various details throughout the entire country, and hence it was better to stipulate an "inevitable" deadline, and not a shorter one that might not be met.

He admitted that, in his opinion, the first registrations might be entered at the end of November or the beginning of December, and that every effort is being made to hasten the work more.

He noted that a series of administrative situations have to be settled, such as the hiring of the necessary personnel staff, the documentation system that must be subject to various controls, to avoid forging, and other security measures that will make it difficult for the system to start operating in 2 or 3 weeks.

#### Cabinet Meeting

Yesterday morning, the president of the republic, Gen Augusto Pinochet Ugarte, headed a cabinet meeting at which an analysis was made of the progress of the investigations being conducted to explain the existence of the subversive arsenals and the criminal attack upon His Excellency.

The information was provided by the minister-secretary general of interior, Francisco Javier Cuadra.

The cabinet meeting was the first activity carried out by the chief executive since his return from a short rest period taken at Vina del Mar.

He said that a detailed analysis had been made of the state of order and security in the country, as well as of the provisions adopted on the occasion of the state of siege ordered on 8 September. A review was also made of the investigations under way of the attack against the ruler which occurred on 7 September in Cajon del Maipo, and the case of the terrorist arsenals; a case that is being inspected by the ad hoc prosecutor, Fernando Torres Silva.

Minister Cuadra remarked that, in the area of foreign relations, there was a discussion of preliminary matters associated with the contacts made by the foreign minister, Jaime del Valle, in New York, in connection with the United Nations General Assembly. It should be noted that Minister Del Valle will return from the United States at 2030 hours tonight.

In addition to the report from the deputy foreign minister, Lt Gen Sergio Covarrubias, there were reports submitted by the ministers of interior, agriculture, and housing and urban development, on topics in their respective areas; which will be discussed at the proper time by the secretaries of state and the news media.

As for the state of siege prevailing in the country, Minister Cuadra compared that situation with the one experienced between November 1984 and June 1985, when a similar measure was also in effect. He noted that now there has been no prior censorship and that the restrictions on the press are still the same ones as during the state of emergency. He commented: "All that was ordered was the restriction of certain written publications."

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CSO: 3348/71

CHILE

#### POLITICIANS COMMENT ON VALDES' LETTER TO COMMUNIST PARTY

Santiago EL MERCURIO in Spanish 2 Oct 86 p C-2

[Text] Yesterday, political leaders from three movements analyzed the contents of the letter sent by the Christian Democratic Party [PDC] president, Gabriel Valdes, to the Communist Party, [PC] leadership.

In the message, Valdes harshly criticized the violent, terrorist strategy fostered by the military and paramilitary structures of PC, one of the groups comprising the Popular Democratic Movement [MDP].

#### Social Democratic Party

The vice president of the Social Democratic Party [PSD], Arturo Venegas, commented: "The public knows that, from the outset, we in AD [Democratic Alliance] have been categorical in rejecting political pacts with MDP, consisting of PC, MIR [Movement of the Revolutionary Left], and PS [Socialist Party]; because we have different, conflicting goals and policies. We have said that we want democracy achieved through peaceful means and agreement. They favor a Cuban-style regime, using revolutionary means. So, this statement from DC, rejecting pacts with PC on all levels, reaffirms this position which, in turn, explains the future strategies for attaining democracy, through realistic methods, consistent with this non-violent, non-revolutionary desire for democracy."

Venegas added: "In this same connection, it would be helpful if those parties in the Democratic Alliance which until recently were insisting on talking with MDP would submit a statement of their position in this regard; this would facilitate the path of understanding that we democrats and the military government must achieve to reestablish democracy, the only system that will attain the unity of Chileans and put an end to the political polarization and violence which only benefit the very revolutionary sectors that neither the military government nor the democratic opposition wants to see coming to power."

#### National Party

Yesterday, the secretary general of the National Party, Pedro Correa, expressed an opinion concerning Gabriel Valdes' letter to the Communist Party, remarking:

"The progress shown by the opposition political sectors, in achieving consensus regarding the treatment that should be given to the non-democratic sectors has enormously facilitated the civic understanding that will make it possible to create a government alternative, backed by the recently signed Bases of the Democratic Regime."

He said: "The position taken by DC, for which the National Party has been pressuring for 3 years, is united with that of the Democratic Alliance, the Socialist Party, the Social Democratic Party, and the Radical Party, which agree on precluding the possibility of pacts or alliances with sectors that uphold anti-democratic positions. The path is now open for devising a political pact that will make it possible to hold dialogue with the Armed Forces on solid, concrete bases, that will enable the latter to back a democratic regime, because it is certain to be based on firm foundations that will ensure progress and development in peace and liberty."

#### Socialist Party

The member of the (Nunez) Socialist Party's Political Commission, Luis Alvarado, said that it appears to his party that the terms of the letter issued by Gabriel Valdes are a repetition of views which both DC and other parties have made public on previous occasions. He pointed out that they agree on the fact that the Communist Party "supports an erroneous strategy, has become separated from its political tradition, and has hampered understanding with the rest of the opposition forces."

He remarked that they were not in favor "of creating an anti-communist crusade in the country, and that the Socialist Party does not think that this is the intention of the Christian Democratic Party or of Gabriel Valdes, but that it is the government's intention."

Alvarado declared: "It appears important to indicate that the Communist Party should not be confused with the Manuel Rodriguez Front"; adding that, "There are outstanding persons in the Communist Party who do not share PC's current line."

#### National Union

The president of National Union, Andres Allamand, observed that this group hopes "that the forceful response and the condemning opinions that the president of the Christian Democratic Party has expressed regarding the Communist Party (which we share and consider positive) will be reflected in that group's future political action."

"We attach special importance to the fact that the decision has been adopted not to accept any agreements with the Communists 'on any level,' which warrants the assumption that they will end the electoral alliances and pacts in the university areas and those of the social and trade union organizations."

He added: "In any event, it is important that this position assumed not be the result of cyclical situations or of the rejection of the terrorist acts that PC has intensified recently; but rather that it arise from the conviction that this group is by definition anti-democratic and violent."

Allamand concluded by saying: "The maintenance of that policy over a period of time, duly confirmed by deeds, could constitute a very important element for the necessary understanding among the sectors which aspire to an orderly transition toward democracy."

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CHILE

#### REACTION TO BRUNNER'S DOCUMENT POSITIVE

Santiago EL MERCURIO in Spanish 29 Sep 86 p C-3

[Text] The document entitled "Notes for Discussion," in which the Socialist Party representative, Jose Joaquín Brunner, made an analysis of the mistakes committed by the democratic opposition during this year, evoked varied reactions among representatives of various political groups.

The Christian Democratic Party leader, Andres Zaldivar, claimed to be in complete agreement that the democratic opposition should isolate itself from the Popular Democratic Movement [MDP] and from all the violent extremists, of the right and left; but that this did not mean a persecution of ideas.

Zaldivar noted that Brunner's document was quite objective and serious, and a good contribution to the political discussion. He said: "I share many of his assessments."

The leader expressed agreement on the need for seeking a procedure to achieve a constitutional reform that will afford an agreed-upon solution, and the necessity of a plebiscite to approve it, "for the fundamental purpose of restoring the people's sovereignty, isolating the extremists, and rising above the problems of time periods, legitimacy, and other types of obstacles, without this meaning that the parties would give up their legitimate positions" as he remarked.

He stressed that the important thing is that, without failing to acknowledge what has been accomplished previously, the democratic opposition must propose a consistent political plan for itself, which "is none other than demanding a return to democracy, of the type known to all the nations of the Western world."

Zaldivar admitted that, recently, several actions taken by the democratic opposition have been discredited, because the more radicalized sectors have imposed their style, causing it to lose its identity. Nevertheless, he declared that this is due not only to its own desires, but also to the government's refusal for openness, as occurred with respect to the formation of the National Accord.

The Christian Democratic leader claimed that the bases exist for a major opposition political plan, which "must be structured as a great political mobilization

campaign that will speak for the vast majorities in the country, in an effort to demand a plebiscite to amend the Constitution, so as to have elections for the president of the republic in the country in a free, pluralistic manner, and congressional elections based on the people's desires."

He specified that the bases for this have been provided through the National Accord, the Governability Pact, and the political proposals for amending the Constitution and holding free elections in the country.

#### 'It Does Not Mean Giving Up Peaceful Mobilization'

According to the Christian Democratic leader, Luis Pareto, the Brunner document constitutes "a very special way of viewing situations," because, although it is correct in that the strategies that the opposition has used have not brought results, this has occurred "owing to the government's intransigent response toward holding a dialogue with the various political sectors."

He added: "In any event, that does not mean that the political parties must give up the strategies of peaceful social mobilization."

Pareto noted that, in his view, much of the responsibility for the present situation lay with the extreme leftist sectors, "which have managed to damage the transition, by insisting on the violent route, entailing a setback in the progress that the democratic sectors had achieved; a progress that was evident particularly in the establishment of the National Accord," he commented.

As for a possible negotiation with the Armed Forces, he said that the Christian Democrats had always favored it, because "it is the only way of arriving at democracy, since to seek a confrontation is absurd."

#### 'Intelligent Proposal'

According to the political analyst, Federico Willoughby, the position proposed by Brunner is an intelligent, pragmatic, proposal: "Those are two elements that have not been incorporated into the political dynamics of the Chilean left. It is intelligent, because he has conceived of it as the ability to adapt to the real circumstances; and pragmatic, because it is a view that rises above the ideological limitations, to solve specific problems."

He noted that, if that perspective is accepted, "the democratic left has a space for understanding with the country's democratic forces, to negotiate with the Armed Forces on the democratic projection of Chile."

He added: "On the one hand, the Communist Party, with its violence, has excluded itself, and, on the other, there are sectors which also want to combat it using violent means. These two minority groups are attempting to polarize the country."

Finally, he remarked that it was optimistic for the projections of socialism to observe a reaction of this type, "because it means that this movement has

undergone a democratic evolution in Chile, which is what has been occurring in the world."

#### 'Negotiation Is the Only Solution'

The Social Democratic representative, Rene Abeliuk, said that Brunner's text relates to a proposal for work and analysis submitted by the Socialist Party, but, "for our part, we have made an analysis of recent events which only confirms our theory regarding the impossibility of reaching agreement with those who have different goals and strategies."

He added that this "does not by any means signify acceptance of the government's institutionality, because it is not democratic; but rather it consists of a permanent institutionalization of the dictatorship. We shall continue to insist that the only solution for this country is negotiations between the Armed Forces regime and the democratic opposition, based on the principles of the National Accord, without this being any kind of imposition, but rather a basis for negotiation."

Abeliuk said that, in the view of his party, for a long time negotiation has had to be directed toward an amendment of the Constitution of 1980, from the standpoint of making it really democratic.

He commented: "We also think that new types of social pressure must be sought, because those that have been used appear to be depleted, and are used by both kinds of extremists (that of the opposition and that of the government), to lead the country into a climate of war and violence which, in the long run, will only contribute to the perpetuation of the dictatorship."

The leader asserted that the challenge of the opposition is to confront the government politically with the National Accord and pressure which by no means may head toward violence.

#### 'Social Mobilization for Free Elections'

According to the political scientist, Genaro Arriagada, what has been proposed by Brunner, whatever its content may be, "is based on an irrevokable obligation of the democratic, humanist opposition, namely, to criticize and debate its strategies and tactics. Having democratic convictions means having confidence in the necessity for criticism. Not criticizing the opposition within its own confines means dooming it to inefficiency and failure," he stressed.

Arriagada claimed to agree with Brunner in that "social mobilization is not a dogma, nor is it a concept that has only one meaning."

In this regard, he said: "For some time, many of us in the opposition have been claiming that, if we want to preserve social mobilization as a tool, we must confront and denounce those radicalized groups who are making it impossible, by turning it into mere agitation, confining it to an extremist, pamphleteering rhetoric, and confusing it with types of violence."

In Arriagada's opinion, the MDP's responsibility in this respect is inescapable. "I agree absolutely with the criticism that Brunner makes which is the one that we Christian Democrats, Socialists, and other political groups within the social organizations have systematically made."

He noted that the history of social struggles has proven that they progress amid two equally serious threats: one, that of the forces of repression, and the other, "that of those for whom the people's struggles are a mere exercise in agitation."

Arriagada said that he shared Brunner's views regarding the need for channeling the opposition in free elections, "as he puts it, whenever they may take place between now and 1989. A peaceful social mobilization, which does not accept the use of all types of struggle, is necessarily blended with the demand for free elections, generating, as in Brazil, Argentina, Uruguay, or the Philippines, a degree of mobilization and political unity that no other demand has made it possible to achieve. It is not just a matter of a statement from the parties in favor of honest, competitive elections, but also of the organization of a 'social movement for free elections,' that will make fraud and manipulation absolutely impossible, even in the most remote corners of the country," he remarked.

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CHILE

EXCESSIVE FOREIGN TRADE DEFICIT PREDICTED FOR 1986

Santiago EL MERCURIO in Spanish 24 Sep 86 p B-3

[Text] Economist Clemente Torres of the Faculty of Economics at the University of Chile has said that "If the economy continues along the course which the development in the first half of the year suggests, 1986 will end with the goals established for the year for the foreign deficit and the increase in the PGB having been surpassed. These are crucial aspects in the short run.

"If this should come about," this expert said in a report published in the review of the Faculty of Economics at the University of Chile, "it would create a factor favoring Chile's position in the negotiation of new foreign financing beginning in 1987, a process which should start now, in the second half of this year."

In Torres' opinion, it should nonetheless be borne in mind that because of the development of international prices and interest rates, the positive development in question has been more the result of reductions in the current debt service and imports than of increases in the value of the goods exported. Increasing exports thus emerges as the difficult aspect of the program.

"To a certain extent," Torres said, "this is natural. The expansion of the export sector, the keystone of the 'structural adjustment' chosen as a strategy for overcoming the problem of excessive indebtedness, with economic growth at the same time, is in itself a medium- and long-term task. Above all if we realize that this expansion, in order to be truly significant and dynamic, must sooner or later cease to be focused on the primary sectors and must be oriented toward manufacturing.

"In other words," he went on to say, "the 'expansion' of exports to the extent required is to some extent synonymous with a 'transformation' in the productive apparatus, and therefore, it cannot be carried out in the short run."

He added that the difficulties go beyond the mere question of time periods, however. The policy tools available for economic management are notoriously less efficient for this purpose than for adjusting expenditures, especially when, as is the case here, the bulk of the effort must come from the private sector.

"Stability in the rules of the game for private agents, which it appears has now been laboriously achieved," he added, "is indispensable, but may not be enough. Depending, then, on the results seen in the future, it is possible that it will, in the final analysis, prove necessary to supplement the general strategy being pursued with specific additional measures to support the development of exports and the corresponding investments."

According to the estimates provided by this economist, the country is likely to end this year with a negative current account balance of \$970 million, below the planned \$1.3 billion.

This result would be produced by exports totaling \$4.145 billion, imports totaling \$3.04 billion and a trade surplus of \$1.105 billion.

Nonfinancial services, therefore, would cost a total of \$291 million, while the total expenditure on financial services would be \$1.845 billion. Therefore, in transfers, the country would receive \$61 million, all of this producing a negative current account balance of \$970 million.

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CSO: 3348/49

CHILE

TAX EXEMPTION FOR DEBT REFINANCING EXTENDED

Santiago EL MERCURIO in Spanish 1 Oct 86 pp A-1, A-10

[Text] A draft law extending the tax exemption for the refinancing of debts on a "case by case" basis to 31 March 1987 has been submitted by Minister of Economy Juan Carlos Delano to the Economic and Social Council (CES).

The period in which debtors owing less than 10 million pesos could take advantage of this measure ended yesterday, 30 September, and the extension had been recommended by the CES.

The meeting yesterday was attended by Superintendent of Banks and Financial Institutions Guillermo Ramirez; CES President Beltran Urenda; Jorge Fontaine and Ivonne Betdever, president and vice president, respectively, of the financial commission of the advisory body; and its executive secretary, Ignacio Perez.

The draft law, which will shortly be handed on for legislative debate, renews the effective period of Article 51 of Law No 18482 as of 1 October 1986 and until 31 March 1987.

The legislative draft says that this renewal will also be applicable to "the documents and contracts pertaining to the extension, renegotiation and rescheduling of credit which the Production Development Corporation may grant its debtors under the terms of Article 3 of Law 18507."

The tax exemption for which Article 51 of Law 18482 provides is applicable to all documents and contracts issued in connection with the rescheduling by banks and financial companies of credit agreed upon with their debtors, provided the total amount of the debt owed did not exceed 10 million pesos as of 30 October 1985, thus including all the documents pertinent to said agreements and contracts, whether they be promissory notes, bills of exchange, public or private documents. The specific purpose of this legal provision is therefore to allow a change in the documents without need to pay the tax required by the stamp and seals law again.

The technical report accompanying the draft law and signed by Minister of Finance Hernan Buchi and Minister of Economy Juan Carlos Delano says that the extension of the period "is justified in terms of the goal established for the

rescheduling, which is to enable the debtors to repay the credit for which they owe, which in turn will result in strengthening the quality of the loan portfolios of the financial bodies."

The document also says that the effective period for the tax legislation under discussion, which ended yesterday, 30 September, "was not long enough, because of the large number of debtors involved and the complexity of the negotiations required with each of them, as a result of which the agreements between the parties on the new credit conditions could not be completed as quickly as was desired."

It is also noted that, in accordance with the background information accumulated to date, more than 50 percent of the debtors have rescheduled their loans, and it is expected that with the new period for which approval is being sought, a larger number of them can benefit from this measure.

Finally, the report said that the renegotiations undertaken by the Agricultural Development Institute with its debtors are not covered by the norms set forth in the draft law, since they have their own effective period, which ends on 30 April 1987.

#### Chamber of Commerce

The president of the Chamber of Commerce, Dario Vial, said for his part that this body recently asked Minister Delano for an improvement in the conditions for rescheduling debts and a 180-day extension of the tax exemption on renegotiations.

This official said that, according to the official figures, 50 percent of the small and average debtors have rescheduled their debts. Thus another 50,000 debtors, who, with their family members and workers, represent a million individuals, have yet to undertake renegotiation.

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CSO:3348/69

CHILE

#### NEW BANKING LAW OUTLINED

Santiago EL MERCURIO in Spanish 24 Sep 86 pp A-1, C-8

[Text] Yesterday, after almost a year of study, the Ruling Junta approved a proposal introducing changes in banking legislation and defining the preventive authority of the Superintendency of Banks and Financial Institutions.

The legal text consists of five permanent and six provisional articles running to 41 pages. One of the most controversial points, pertaining to the incompatibility of the post of bank director and the post of director, manager or administrator of a commercial, agricultural or mining company, underwent a last minute change in plenary session. The final change provides that the post of bank director is incompatible with the post of director, manager or administrator of more than six companies, instead of the two proposed in the original text.

The first article of the law alone runs to 31 pages. It deals with the changes introduced in the General Banking Law as set forth in DFL 252 of 1960. The second article governs the authority of the Superintendency, and the third authorizes the Central Bank to promulgate the norms which will govern enterprises issuing credit cards for multiple use and coming under the supervisory authority of the Superintendency. The fourth article abrogates a number of legal provisions, while the fifth establishes the effective dates for one article and a paragraph in the General Banking Law.

Minister of Finance Hernan Buchi, who attended the session as an invited guest, explained the main aspects of the legislative undertaking to the press.

He emphasized that the law should be viewed within the context of a series of measures adopted to normalize the financial system, to make it solvent again, and to reestablish and clarify the assets of the financial institutions. Within this framework, he added, the proposal approved is outstanding in terms of its preventive aspects and others which require the average and large depositor to make a conscious choice as to how his investments will be used. Also, it establishes mechanisms making it possible to deal with the problems of an entity experiencing serious problems, covering the whole range from indications of conflict to enterprise bankruptcy.

He said that these provisions begin with an official decision as to which banks are unable to function without an increase in their capital, some of them not subject to intervention, and the requirement that they gradually begin to reflect in their statements of assets those losses resulting from portfolios which it is difficult or impossible to collect, a process which overall is scheduled for completion toward the end of this year.

He said that the official assumption is that by that date, the majority of the banks will have reestablished their capital and their solvency.

#### Main Purposes of the Changes

Buchi said that the proposal was subjected to a very detailed analysis by the legislature, including a consideration of the opinions and viewpoints of various sectors, ranging from the stockholders to the consumers.

He explained that the legal text should be contemplated from two points of view--the preventive aspect and that pertaining to the resolution of conflicts.

"The preventive mechanism is designed to prevent problems from continuing in financial administration, which on some level we have seen happen in Chile and in other countries. But no one can guarantee the future 100 percent. We must be clear about this," he said.

"However," he added, "the legislation contains sufficient alternatives for prevention and for subsequent action once problems begin to be seen. This should ensure development very different from that we have seen in the past, safer development which will avoid the level of risk we have seen in the past."

He explained that the preventive portion includes the authority given to the Superintendency of Banks, as well as certain regulations and restrictions on the handling of funds held by banks. "Within the authority and restriction provisions there are those, for example, related to credit granted to businesses or individuals who in turn are involved in the management or ownership of a financial institution," he said.

He revealed that plans call for control not just by the Superintendency, but also by the average and large depositors themselves, which he described as a "public which is well informed" on the matter.

"What is wanted is for these depositors who have larger sums in the financial institutions to become interested and committed to the proper management of these institutions, as well. In this connection, those who have larger deposits would also see some marginal loss on their deposits if the banks were to have a problem," he said.

He also emphasized that an effort is being made hereby to provide an incentive for choosing institutions with better management and less risk, which will result in the offer of a safer and less risky product by the system as a whole.

Other goals of the proposal, with a view to dealing with conflicts when they develop despite the preventive steps taken, include the following.

--Deposit insurance is established. This will be permanent and will provide 90-percent coverage for depositors up to 120 development units. There will be another decreasing insurance on deposits of more than this amount effective between 1 January 1987 and the end of 1988. It will begin at 90 percent in the first half of next year, ending with 60 percent in the last half of 1988.

--A series of mechanisms is contemplated to create a need for the stockholders and bank directors to increase an institution's capital when it has suffered losses resulting in a reduction in this capital.

--Mechanisms are established to safeguard another type of depositors in the event that a bank goes into liquidation, for example a speedy formula for this process, in order to avoid affecting "those who have funds committed to the financial institution any more than necessary," he explained.

On being asked about the allegedly greater authority the proposal gives the supervisory body, Buchi said that there is already a series of authorizations in this regard in the existing law, which have been implemented as the crisis in the financial system has developed.

"What this legislation does is to put this authority into more organic order, and furthermore, it establishes limits and allows appeals in so far as is feasible," he said.

Finally, he expressed his confidence that the financial system, "insofar as it has been reestablishing solvency and the rules according to which it should develop have been defined and clarified, will continue to be increasingly effective in its role, which is to serve as an intermediary between public savings and the investments the enterprises need to make."

Concerning the role of the bank managers in connection with the new law, he said that they can now begin to play their role in contributing to the future development of the country more forcefully.

#### Other Norms

The proposal which has been approved guarantees bank confidentiality on deposits and income of all sorts. Despite this, the Superintendency must provide information on the bodies supervised to the Ministry of Finance, the Monetary Council and the Executive Committee of the Central Bank of Chile.

Other changes in the General Banking Law include the following.

The banks must inform the Superintendency whenever they grant credit in excess of 5 percent of their paid up capital and reserves to any natural or juridical person. Also, and "because the national interest so requires," no individual can acquire shares in a bank, either directly or through third persons, which alone or added to those already in his possession represent more than 10 percent of its capital, without prior authorization from the Superintendency.

The banks may not distribute provisional dividends.

Current account deposits and other demand documents and deposits received by a bank, as well as the sums which must be allocated for the payment of demand liabilities contracted as a part of their financial transactions, to the extent that they exceed two and one half times the paid up capital and reserves, must be maintained in a fund or a technical reserve consisting of deposits at the Central Bank of Chile, or documents issued by that institution or the Treasury Department with due dates in 90 days or less. The law contains numerous provisions concerning this article. In addition, temporary Article No 2 adds that during the first 3 years this norm is in effect, the Central Bank of Chile will grant loans consistent with the obligation established therein.

The investment made by banks established in Chile in the shares of banks established abroad will require the authorization of the Superintendency and the Central Bank of Chile, and will be subject to various specified norms.

The limitations on banks include the provision that they may not grant credit to a given natural or juridical person in an amount exceeding 5 percent of their capital and reserves. This limit will be increased to 10 percent if the excess is in credit granted in foreign currency for export. There are other cases in which such credit can be granted up to 25 percent.

Nor may any bank grant credit to natural or juridical persons directly or indirectly involved in the ownership or administration of the bank under terms which are more favorable as to time period, interest rate or guarantees than those offered to third persons for similar operations. Along the same lines, no bank may grant credit for the purpose of enabling an individual to pay the bank in shares it has issued itself.

The total amount of the credit which a bank can grant its workers may not exceed 1.5 percent of the paid up capital and reserves of the enterprise, nor individually, 10 percent of that limit.

Banks may not purchase any assets other than those expressly authorized by this law, with some exceptions being specified.

The draft sets forth a series of measures for the regularization of the situation of bank bodies and their forced liquidation. It will be presumed that events have occurred at a bank putting its financial situation in danger when its deposits and liabilities exceed 20 times its paid up capital and reserves as of the first of January of the year in question, plus the pertinent monetary correction for the period elapsed, after deducting the unforeseeable losses shown on a financial statement.

Banks can only be put into receivership when they go into voluntary liquidation.

When a bank has solvency problems which put the timely payment of its obligations at risk, the board of directors must offer agreements to its creditors, with certain exceptions. Another of the changes provides that the

agreements offered may involve the total or partial capitalization of the credit, waiver of a part of the debt, or any other legal provision pertaining to the payment of the debt.

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CSO:3348/69

CHILE

## MORATORIUM ON HOME OWNERS' PAYMENTS DISCUSSED

Santiago CAUCE in Spanish 8-14 Sep 86 p 16

[Text] The indefinite moratorium on the payment of dividends decreed for homeowners beginning in September may cause a total collapse of the mortgage holdings of the financial system and shake the ASP Pension Fund, which by law must invest part of its income in these mortgage bonds, to its very foundations.

This extreme measure was approved at the last National Plenum of the Housing Debtors' Federation of Chile (FEDHACH), made up of 120,000 out of the 650,000 families throughout the country, who have accumulated a debt of approximately \$750 million and who are today threatened with losing their homes because they cannot meet the commitments imposed on them by the usurious Development Unit (UF) system.

The majority of the victims of this economic and social drama are owners of very modest housing, with only 25 square meters of area or bathroom or emergency facilities, who have undergone all kinds of sacrifice to keep up payments, with interest in excess of 12 percent per year plus the inexorable increases which have occurred in the amount of the UF they committed themselves to paying.

According to the president of the FEDHACH, Luis Sanchez, the debts of these individuals have tripled in 5 years. "An owner who owed 1 million pesos in UF in 1981 and who is current in his dividend payments owes more than 4 million in 1986. With this system, the hardships increase in a geometric progression and can never be eliminated."

The case of the residents at the Controller's Office Housing Complex at stop No 20 in La Florida is worthy of Ripley's "Believe It or Not." All of the residents are employees of that institution who purchased homes with a current commercial value of 2 million pesos. Now each of them owes 12 million pesos and has been in arrears since 1981, and their properties are on the point of being auctioned off by the ANAP. The most curious thing, according to lawyer Luis Sanchez, is that as the ANAP cannot get rid of them, it has offered to resell their homes to them for 780 UF, with a 20-year mortgage at 8 percent.

No one, not even the citizen in uniform, escapes this inhuman method established for those struggling to have their own premises. The inhabitants in at least 15 of the police force, air force and army housing complexes have joined the FEDHACH, and their representatives are celebrating the indefinite moratorium, approved after a national plebiscite, music festivals, pilgrimages to the Virgin of San Cristobal, and all kinds of useless petitions to the authorities.

The situation has become intolerable. There are at least 4,000 attachment or auction proceedings filed against some of the 150,000 ANAP debtors pending in the civil courts. To these must be added the debtors of the SERVIU (300,000), 90,000 for the private banking system, and an equal number for the welfare funds.

Since the FEDHACH approved a 2-month suspension of payments, the delinquency index for the 40 percent still making payments, Sanchez said, has risen to 60 percent recently. It is now expected that these percentages will continue to rise until the government decides:

1. To authorize the debtors to pay 20 percent of their income as amortization for 6 months.
2. In the interim, all of the auction proceedings filed or about to be filed must be suspended.
3. A tripartite commission made up of representatives of the government, the creditors and the debtors must be established in order to seek a definitive solution, in order to substitute for the unjust present system another which will take the social and human aspects of the right to housing into account.

From the point of view of the FEDHACH, "The moratorium constitutes an example of social mobilization which is peaceful and difficult to halt, whereby hundreds of thousands of the citizens affected are showing their desire to defend their right to housing and to the forms of payment to which they are, in justice, entitled."

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CSO:3348/812a

CHILE

DRAFT LAW TO ALLOW PRIVATE POLICE TO UNIONIZE

Santiago EL MERCURIO in Spanish 24 Sep 86 p C-7

[Text] Yesterday the Ruling Junta approved a draft law which would allow private police forces to unionize and negotiate contracts with their enterprises collectively, Minister of Labor Alfonso Marquez de la Plata announced at a press conference.

This is the first time private police have been authorized to negotiate collectively, and this measure will benefit about 20,000 workers.

This official said that the first decree pertaining to these workers, allowing private firms to employ guards carrying weapons, was promulgated in December 1973, prior to which there was no activity of the present sort.

Later, in 1979, the Labor Plan enabled such employees to unionize, but not to negotiate. Finally, a decree last year prohibited them from unionizing.

The resolution recently approved also includes a temporary article authorizing the Ministry of Defense, Labor and Economy to promulgate a decree within a period of 30 days from its publication in the DIARIO OFICIAL establishing the list of enterprises in which the employees are forbidden to strike.

The minister explained that in those establishments where private police agents do not have a legal right to strike, there will be compulsory recourse to arbitration to resolve conflicts between the workers and the enterprises.

The legal provision, which will go into effect when it is published in the DIARIO OFICIAL within the next few days, serves to amend Decree Laws Nos 2758 of 1979 and 3607 of 1981.

Marquez de la Plata explained that "None of these amendments represents any change in the labor legislation line," and that the only goal being sought is to correct some omissions found, as time went on.

Later on the secretary of state announced that the Ministry of Finance has approved the draft law governing journalists', widows' and orphans' funds.

5157

CSO: 3348/49

CHILE

JAPANESE PRIVATE SECTOR SAID INTERESTED IN FISHING INVESTMENT

Santiago EL MERCURIO in Spanish 4 Oct 86 pp B-1, B-20

[Text] Osaka--Great interest in investment in the Chilean fishing sector has been evidenced by the Japanese private sector, Pedro Cabezon, executive secretary of the Foreign Investments Committee, said yesterday. He is visiting this city at the invitation of Jetro, the government body responsible for developing Japanese trade relations.

Cabezon said that he has met with industrialists and businessmen who provide services to the fishing sector. He mentioned in particular producers of fishing equipment and nets and also fish canning and packaging enterprises. "They are aware of our vast fishing zone and the facilities provided by our laws and our domestic manpower. They know that we represent an interesting center for supplying the South American market."

In talking with ECONOMIA Y NEGOCIOS, this official said that he has participated in two seminars. One was in Osaka, on "Investing in Chile," and the other in Tokyo. They were attended by about 100 businessmen. He added that in general there is great interest in learning about the Chilean economic reality.

This official said he had talked with executives at Itoh and Sumitomo, among other enterprises. "There were very interesting questions about our legislation. I believe it is important to provide more information to this market on our economy. Little is known about Chile. The effort devoted to Japan will be very profitable," he said.

The trip being made by the executive secretary of the Chilean Foreign Investments Committee precedes and is "preparatory to" the visit which Minister of Economy Juan Carlos Delano will pay to Japan in December.

On the other hand, Cabezon also spoke of the major press coverage the Japanese media have been giving his visit, adding that he has had two press conferences with leading media representatives in Tokyo and Osaka. On Monday, he will hold his last press conference. He said that "The excellent results of this trip are due to a great extent to the support of Jetro."

## Activities Planned

With regard to his future schedule, he said that he will meet on Monday with the executives of Mitsubishi, a major Japanese company, and with the leading business body in Japan, Keidanren, the counterpart of the Chilean Production and Trade Federation.

Asked about the Japanese perception of recent political events in the country and whether they might affect potential investments in our markets, he said that the reports have been distorted, "but we explained the real situation in the country, convincing many people. This type of campaign affects some businessmen, but a continuous educational effort, relying on real facts, will bear fruit in the end."

In conclusion he said that "This continuous business effort we are making is producing interesting results. First it is important to make contact."

Pedro Cabezon will leave Japan next Tuesday for China, where he has been officially invited to visit.

5157

CSO:3348/69

CHILE

#### 7.5 PERCENT ENERGY CONSUMPTION INCREASE REPORTED

Santiago EL MERCURIO in Spanish 2 Oct 86 p B-12

[Text] National energy consumption showed an increase of 7.5 percent last July as compared to the levels reported during the same month last year, reaching the 7,354 teracalorie level.

This information was provided in the last official report of the National Energy Commission, which added that during that month, consumption exceeded that for June by 2 percent.

The index drafted by this official body shows the final energy consumption in the country. In drafting it, the main forms of commercial energy, that is to say electricity, coal and oil products, are taken into account through the study of a sampling which includes approximately 90 percent of the consumption of these energy products.

So that the indices will allow a better visualization of the short-term trend in consumption, and to correct for temporary fluctuations which do not represent trends, seasonal variations have been eliminated from the report and the monthly indices are then calculated as a mobile 3-month average focused on the month in question.

The partial indices correspond, where electricity is concerned, to the gross energy consumption by public services in the Central Interlink System (SIC); where coal is concerned, the sales of the ENACAR, Schwager, Cocar and Valparaiso Coal, after deducting sales for the purpose of generating electricity at the SIC, and the consumption of coal imported by Huachipato and Pacific Mining; and for oil, the sales of the distributing companies, the sales of the ENAP to final consumers, and direct imports by consumers.

Where the consumption of liquid fuels is concerned, the report of the government body shows that in July, an increase of 2.6 percent over June was seen, or 7.1 percent in a comparison with the level for July 1985.

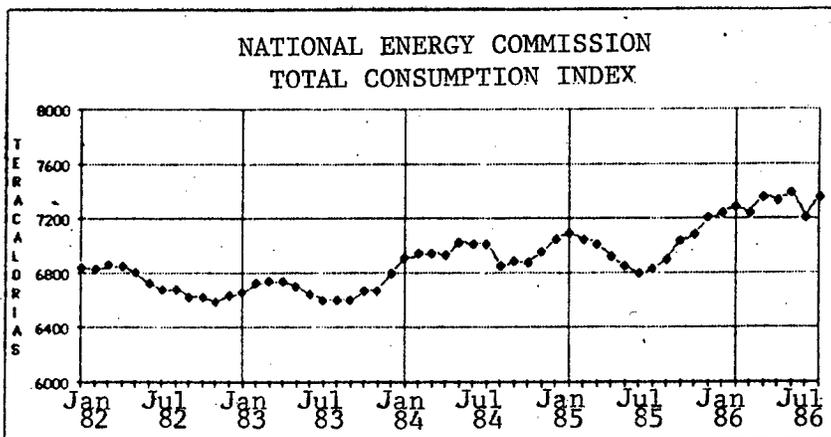
The commission figures indicate that consumption of this type of energy showed a decline beginning in May of this year, when the lowest level (4,052 teracalories) was reached, with the process of decline continuing in the following 2 months.

In any case, liquid fuels continued to rank first in total energy consumption, with 54 percent.

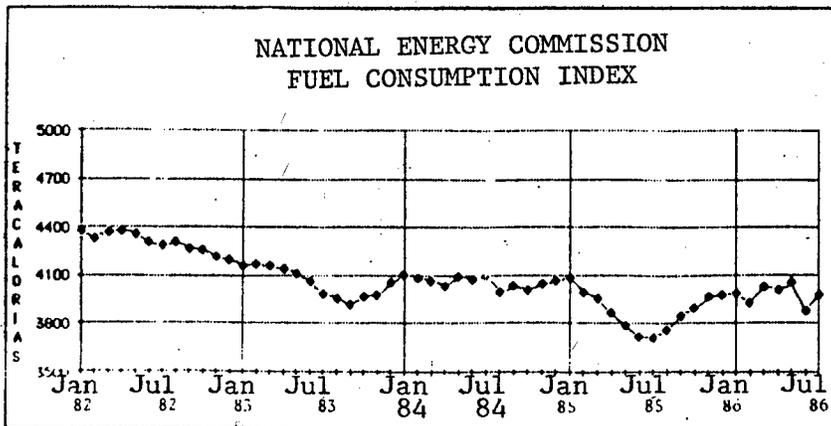
Where the consumption of electricity is concerned, the total reached in July was 2,564 teracalories, showing an increase of 1.2 percent over June and 8 percent over July of 1985. The contribution of this sector to national energy consumption comes to 34.8 percent.

Finally, national coal consumption came to 812 teracalories, showing an increase of 1.3 percent over June and 8.5 percent over July of last year.

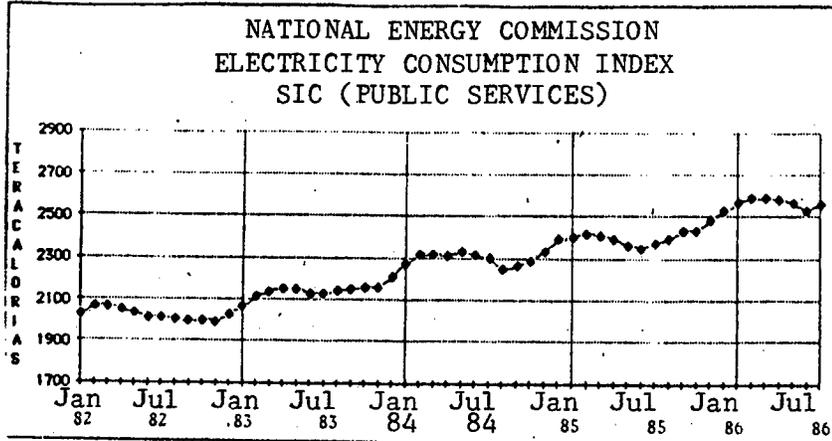
Graphic 1



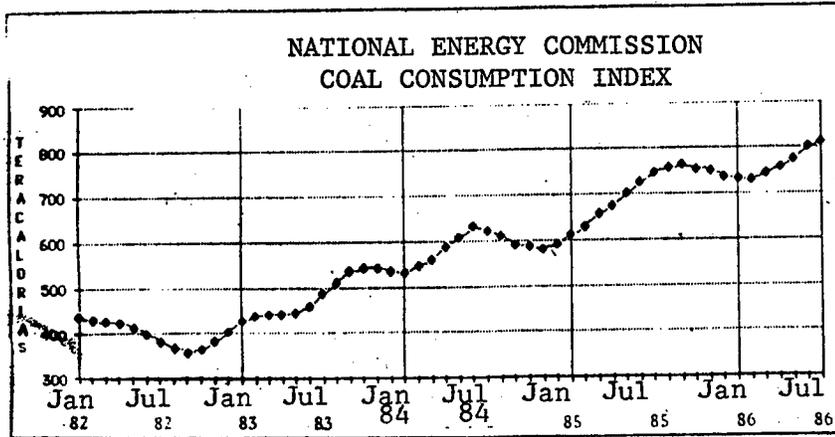
Graphic 2



Graphic 3



Graphic 4



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CSO:3348/69

CHILE

### STEEL PRODUCTION INCREASES 3.6 PERCENT

Santiago EL MERCURIO in Spanish 24 Sep 86 p C-1

[Excerpt] Chilean steel production reached a total of 469,900 tons between January and August of this year. This represents an increase of 3.6 percent over the 453,400 tons produced in the comparable period in 1985.

This announcement was made at a press conference yesterday by the secretary general of the Latin American Iron and Steel Institute (ILAFA), Anibal Gomez, who emphasized that Latin American metallurgical production reached a total of 240,467,100 tons during this period, showing an increase of 6 percent over the first 8 months of last year.

This executive said that the increase in Chilean metallurgical production, after several years of decline, was due basically to the reduced costs and greater efficiency.

He commented that imports of steel products with specifications which cannot be met by Chilean producers and needed for the manufacture of special parts also played a part in this development.

These foreign purchases came to a total of 57,000 tons in the first half of this year, representing a substantial increase. Gomez attributed this situation to factors involved in the more favorable prices on the foreign market and the fact that this sector has no special protection in Chile, since there is a free import policy.

He said that in the majority of the Latin American countries, the government establishes the domestic price of steel because of the effect this product has on inflation, which is not done in our country.

On the other hand, he explained that the steel purchases made by the state in other countries in this region have declined as a result of the adjustment policies adopted in recent years.

In order to deal with this lower level of consumption, Gomez said, the enterprises are beginning to promote the use of steel in the construction industry, where this material has demonstrated its capacity to resist earthquakes, as those which occurred in Mexico and Chile have demonstrated.

They are also promoting its use in the oil sector, through the manufacture of seamless steel pipe, which has had considerable success in the countries which have used it, he added.

Gomez said that metallurgical production in excess of 37 million tons throughout the region is anticipated for 1986, as compared to 35.7 million tons of steel produced in 1985 and 28,900 tons in 1980.

The figures showing steel production in the countries in the region as reported for the period between January and August of this year and the respective variations from the same period last year are as follows: Argentina--2,031,600 tons (12.4 percent), Brazil--13,751,100 tons (3.8 percent), Central America--93,000 tons (35.8 percent), Colombia--392,200 tons (20.9%), Chile--469,900 tons (3.6 percent), Ecuador--9,600 tons (-37.3 percent), Mexico--5,019,200 tons (7.1 percent), Peru--308,400 tons (22.4 percent), Trinidad and Tobago--210,000 tons (105.1 percent), Uruguay--21,400 tons (-18.3 percent), and Venezuela--2,160,700 tons (2.8 percent)

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CSO: 3348/49

CHILE

BRIEFS

INTERNATIONAL LABOR UNION ACCORD--At a press conference, the president of the FRENAO and the General Labor Confederation (CGT), Manuel Contreras Loyola, introduced Spanish labor lawyer Jaime Alonso, 33, who is president of the Falangist National Labor Force (FNT) in Spain. The Spanish trade unionist is visiting Chile to sign an agreement reached by the FNT, the FRENAO and the Chilean CGT in Madrid last 10 July on the establishment of a world federation of national trade unions with legal status, for which ILO recognition would be sought. This organization "would include the national trade union movements existing throughout the world, under a common ideal and joint program, with respect for the peculiarities and idiosyncrasies of each nation." In addition, it was agreed to hold the first world congress in Santiago de Chile, possibly in March of 1987. At this press conference, Alonso confirmed that "Our experience of 40 years of nationalist trade unionism under the government of Francisco Franco can be very useful to Chile and the other sister nations in Latin America." Manuel Contreras, for his part, said that the idea is to have representation in the ILO, as the CIO (of a social democratic inclination), CMT (Christian), FSM (Marxist) and North American AFL-CIO (capitalist) do, while the nationalist trade union movement has no voice therein. The groups in the Latin American countries which have been invited to send representatives to the first world congress include trade union organizations in Argentina, Paraguay, Ecuador, Colombia and the Caribbean nations, and Latin trade unions in Miami (United States). [Text] [Santiago TERCERA DE LA HORA in Spanish 24 Sep 86 p C-11] 5157

COPEC STOCK ISSUE EXPLAINED--The Chilean Oil Company (COPEC) informed the Securities Superintendency yesterday that a stockholders' meeting for the purpose of obtaining approval for a major increase in capital has been announced for 23 October. The increase involves 600 million stocks, which at a free value of about \$1.51 each, represents a total amount slightly in excess of \$150 million. The increase will be provided by the Angelini group in association with a New Zealand company, Carter Holt Harvey Limited, and thus represents the definitive realization of an announcement made some time ago, with a period of 180 days for completion. According to the COPEC announcement yesterday, the capital increase is designed to prepay the company's foreign debt, "thus eliminating the credit agreement in foreign currency now in existence with foreign banks, which will make it possible to win back full management of the company and to bring about its profitable development." The text of the announcement signed by the president of the COPEC, Felipe Lamarca,

and the general manager, Guillermo Feliu, said the following in its most important sections: "By agreement of the board of directors, a special general stockholders' meeting has been convoked for 11 am on 23 October 1986 in the ballroom on the 15th floor of the Hotel Carrera, at No 180 Teatinos Street, commune of Santiago, to deal with the following matters. The board of directors deems it necessary to propose an increase in the company capital to the stockholders, for the purpose of obtaining sufficient resources to consolidate the financial situation of the enterprise, and, in particular, to prepay the company's foreign debt, thus eliminating the credit agreement in foreign currency now in existence with foreign banks, which will make it possible to win back full management of the company and to ensure its profitable development. To this end, it is proposed that permanent Article 5 of the Bylaws be amended to provide that stocks will not have a nominal value and to approve an increase in capital which will be effected by means of the issuance of up to a total of 600 million new stocks, without nominal value, that is to say one new stock for each share existing in the company at the present time. These new shares will be issued in one or several phases and on the date or dates established by the board of directors, giving preference for their subscription to those who are stockholders as of the fifth working day prior to the day of publication of the stock option notice, in the same proportion as the shares they hold as of that date." [Text] [Santiago EL MERCURIO in Spanish 4 Oct 86 pp B-1, B-20] 5157

PHYSICS PHD SCHOLARSHIPS OFFERED--For the first time, this country has been offered a system of scholarships for doctorates in sciences from the FRG. This measure is pursuant to a cultural agreement between the Department of Academic Exchange in that country and the Department of Physics of the Faculty of Sciences at the University of Chile. The main goal is to establish or intensify contacts between Chilean and German university and scientific institutions. From what has been learned, the scholarships will cover the travel expenses of the candidates to Germany and those of the trips made by the thesis directors in both countries for the purpose of determining the subjects and research procedures necessary, based on national and regional needs, as well as the priorities for the practical application of the studies involved. Also, scholarship holders, once the work period has been completed, will return to this country to receive their doctorates at the Chilean University. On the basis of this plan, Professor Helmut Brandt, a physicist at the Max Planck German Institute in Nepal, recently visited the Faculty of Sciences at the University of Chile to advise on the thesis preparations of Carlos Esparza. The Chilean candidate will pursue the study of amorphous metals, a research field which has recently aroused considerable interest because of its great technological importance. It deals with metal alloys structured in "disorderly" form, as compared to other known metals or solid substances, which makes it possible to optimize their properties. [Text] [Santiago EL MERCURIO in Spanish 24 Sep 86 p C-7] 5157

CSO: 3348/49

DOMINICAN REPUBLIC

BRIEFS

HAITIAN BORDER, TRADE DISCUSSIONS--Santo Domingo, 29 Oct, CANA-REUTER--  
President Joaquin Balaguer of the Dominican Republic said today he hoped his  
country and neighbouring Haiti, which share the Caribbean island of Hispaniola,  
would soon be able to reopen their land border. Balaguer told reporters during  
a visit to the town of San Cristobal that his foreign minister, Donald Reid  
Cabral, would visit the Haitian capital, Port-au-Prince, within the next few  
days to discuss this and other questions, including trade. He was responding  
to remarks by Haitian leader General Henri Namphy in an interview in the  
Dominican daily HOY in which he said Haiti would like to see the border re-  
opened. Balaguer said today: We must organise trade between the two countries,  
open the frontiers to guarantee the rights of both Haitians and citizens of the  
Dominican Republic, and to help boost economic growth in the two countries.  
[Excerpts] [Bridgetown CANA in English 1757 GMT 29 Oct 86 FL] /7358

CSO: 3200/5

GRENADA

BLAIZE LOOKS FOR DIVERSIFICATION OF AID SOURCES

FL131525 Bridgetown CANA in English 1915 GMT 11 Oct 86

[Text] St Georges, 11 Oct (CANA)--Prime Minister Herbert Blaize told Grenadians last night that his government wanted to diversify its sources of aid.

Blaize said in a radio broadcast that he used the opportunity of a recent visit to Washington to attend the annual meeting of the International Monetary Fund (IMF) and World Bank to seek alternative sources of finance for the island.

He said that the Grenada Government did not want its traditional friends to feel that the island was too dependent on them.

I examined various sources while in the American capital. I have had in-depth discussions with other credit sources and we are looking at the possibility of tapping those in addition to the regular donors that we are accustomed to, he told the nation.

He identified the United States, Britain, Canada, and the European Community as traditional providers of aid to Grenada.

Blaize's government has prepared a document showing that the island is in need of close to EC270 million dollars to implement badly needed capital projects and to put its infrastructure in place.

The Grenadian leader also made reference to meetings he had in the United States with potential investors.

He said that there were positive indications from a team of White House-sponsored businessmen who recently visited the island to look at its investment potential. I have investigated their position and found that they are all interested in developing the possibility of setting up business in Grenada, and I have given them every encouragement, he added.

/9274  
CSO: 3298/031

GRENADA

UTILITIES MINISTER MITCHELL PLEDGES LOYALTY TO BLAIZE

Kingston THE DAILY GLEANER in English 5 Oct 86 p B9

[Text]

St George's, Grenada, Oct 4, Cana: a radio interview.

Public Utilities Minister Dr Keith Mitchell has pledged loyalty to ailing Prime Minister Herbert Blaize who, informed sources say, will be challenged for the leadership of Grenada's governing party at its convention in December.

"We have a leader who is doing a great job in attempting to heal wounds and bring back peace and economic stability and I don't understand any need for any talk about any other leader at this particular time in our history," Mitchell said in

Blaize's leadership has been under attack in recent weeks from Labour Minister Dr Francis Alexis and Agriculture Minister George Brizan in the face of an apparent slump in the popularity of the New National Party (NNP).

The two senior government ministers have joined together in what is being called the 'Brizan-Alexis' initiative aimed at restoring confidence in the party.

Mitchell who is the General Secretary of the NNP said that anyone who gets out of NNP, a three-party merger, can only be "digging their political grave."

/9274  
CSO: 3298/031

GRENADA

NEW PARTY, CRACKS IN NNP COULD REVIVE GAIRY ROLE

DLC-Gairy 'Accommodation'

St Georges THE GRENADIAN VOICE in English 6 Sep 86 p 1

[Text]

One of the main figures behind the formation of the new Democratic Labour Congress has said that the party may seek an accommodation with Gairy's Grenada United Labour Party.

In an exclusive interview with the GRENADIAN VOICE the man described (by one of the party organisers) as "the man really behind the party", Linus Walker, was asked:

"What effect do you see the establishment of any other political organisation, that is likely to gain any strength, what effect do you see it having on the next General Election, given the voting pattern in Grenada over the last several years?"

Walker replied: "Well to be quite candid with you, I think that in order to gain the inroads that is going to produce the effect that is being hinted at, there has to be some sort of accommodation, with probably the most deadly group of all - that is the Grenada United Labour Party. I think that at some point in time down the road, we ourselves would have built up sufficient strength of our own from the internal organisation. We will have to sit down and plan a course of strategy that will eventually lead to discussions with the GULP with a view to determining how we can accommo-

date each other in order to gain a political advantage. Given the voting pattern that you have referred to, it is not an easy chore for a new organisation without a certain type of affiliation to be able to capture the majority of the votes in this country. We, of course, believe that we have embodied in our statement of principles, which are currently being developed into a manifesto, sufficient positive principles that we hope to sell the nation on and much as we would like to think that they would be sufficient to impress the nation and persuade them to switch their allegiance,

commonsense would dictate that one should have a back-up plan by way of anticipating some sort of accommodation."

VOICE: "So, in thinking, even at this point in time about possible discussions down the road with the GULP you are saying that the GULP is more akin to the philosophy of the Democratic Labour Congress than any other political group we now have existing."

WALKER: "I think it is not an unfair assumption. No, it is not an unfair assumption."

A Lawyer, whose career and practice in Toronto came to an end recently, Walker was the

chairman at the Press Conference held at Horse Shoe Beach Hotel last week Friday to launch the party. With him were four members of the organising committee who answered questions. These were Kenny Lalsingh, Michael Pitt, Neville Rennie and Terrence Griffith. He disclosed in the interview that other members of the committee are Winston Whyte, Irvin Walker William Otway and Dr. Jensen Otway.

At the press conference Kenny Lalsingh was named Leader of the Prty, because of his presence in the House of Representatives. The question of the

future leadership of the party was discussed in the interview the rest of which will appear in the next issue of this paper. Meanwhile, discussions are being held with other opposition members in parliament with a view to having the new party recognised as the opposition party in parliament.

Contrary to an earlier statement made to the VOICE by a member of the organising committee, Mr. Stanley Charles is not a member of the party. This was also confirmed by Charles in a telephone conversation with the VOICE from London.

#### Divisions in NNP

Port-of-Spain DAILY EXPRESS in English 20 Oct 86 p 8

[Commentary by Rickey Singh]

[Text]

I CAN imagine the foxy Eric Matthew Gairy chuckling, if not exactly rubbing his hands in glee, with every new report about the declining popular support of Grenada's ruling New National Party (NNP), and of an internal dissension within the party that threatens the leadership of Prime Minister Herbert Blaize himself.

Ever since Dr Francis Alexis, the former UWI law lecturer and current Labour Minister of the NNP regime in St George's, found it expedient to go public with the news that all's far from well within the leadership structure of the party; there have been growing reports that the 68-year-old Blaize may soon be faced with a serious challenge to his leadership of both the NNP and the government.

Coalition parties the world over have their problems. It was, however, evident from the very beginning of its birth on Union Island that the NNP, as a merger of three right and centre right parties, was a marriage of convenience that all the political footwork and rhetoric of its American and Caribbean promoters could not conceal.

Within months of the invasion

of Grenada, it was on Union Island that Blaize's Grenada National Party (GNP), Alexis' Grenada Democratic Movement (GDM) and George Brizan's National Democratic Party (NDP) tied the nuptial knot with the enthusiastic witnesses being some of the very collaborators of US military intervention in the Spice Island.

One year after its landslide electoral victory in December 1984, Alexis, who has never made any secret of his desire to become Prime Minister of Grenada, was manoeuvring with Blaize to put a brake on the influence of Brizan.

With the help of Public Utilities Minister, Dr Keith Mitchell, currently the general secretary of the NNP and, like Foreign Minister, Ben Jones, a Blaize loyalist, Brizan was out-manoeuvred for the post of deputy leader at the party's last convention, with Alexis being the winner.

Now, having already threatened to resign over the government's failure to honour a 1984 election pledge to hold Local Government elections this year, Alexis is shouting from platforms in various parts of Grenada that he and Brizan were "united".

"Brizan and Alexis," he has stated, "are not going to allow anybody to divide us again. We are standing firm, and we announce this to the whole country ..."

Actually, he seems to be telegraphing a message to Mr Blaize and to other colleagues within the NNP like Ben Jones and Keith Mitchell, that he is ready to do battle with them, publicly if necessary — unless he gets his way.

Brizan, lacking the dynamism of Alexis and always more cautious — cautious to the point that Grenadians now have a joke to tell on him — seems quite satisfied to have Alexis do whatever talking needs to be done.

While no one is confirming that Blaize will most likely face a leadership challenge at the NNP's December convention, an event that will coincide with the party's second anniversary in power, secretary Keith Mitchell has considered it necessary to do his own

thing by publicly pledging loyalty to the aging and ailing NNP leader.

He did more than this. He sounded a warning that anyone who gets out of the NNP would only be digging his own political grave.

Mitchell's own position in the party's leadership is being threatened by the new-found sweetness between Alexis and Brizan — a development that is causing the American backers of the NNP and its government much concern.

In a country where the entire leadership of the NNP is said to be subjected to US influence, the final outcome of the party's December convention may be more to the liking of its eternal sponsor than to what an Alexis or a Brizan may desire.

Even so, should a showdown for the leadership of the party and, ultimately the government itself, become inevitable, it is safe to predict that the US will more readily back Alexis than Brizan, and is not expected to waste too much sleep over the fate of either Keith Mitchell or Ben Jones.

Such a development itself would merely be a holding operation as the US diplomatic mission in St George's advises the Reagan administration on strategy for the future, as the country approaches the next general elections in 1989.

That's where Gairy comes in.

Virtually out of the headlines but effectively working in the fields, mobilising support for his Grenada United Labour Party (GULP), Gairy's confidence has grown to the point that some key business figures, I have been told, are once again providing him with cash and checking him out on his plans for the future.

Neither his buffoonery nor political thugery should blur the reality that Eric Gairy may yet have the last laugh on those Caribbean Community (Caricom) political leaders who figured that they had seen the last of him after his defeat at the 1984 elections and the return of Blaize to power. I have said before, and I say again, if Gairy, after all that have happened in Grenada since his government's overthrow by Maurice Bishop's New Jewel Movement in

March 1979, was still popular enough at the December 1984 elections to capture some thirty eight per cent of the eligible popular votes, only political babes would write him off.

Blaize's NNP rode to power with US dollars, from various US sources, and with the American military presence very much in evidence. We are still a long way yet from new elections but I am beginning to feel that Blaize himself is worried about the possibility of Gairy's return to power.

Will Alexis and Brizan be able to stop Gairy? Or will we be facing the possibility of some strange electoral alliances to keep Gairy out of power? The recently formed Democratic Labour Congress (DLC), led by breakaway elements from the NNP, has ruled out any "alliance" with Gairy and his GULP. The most silent of all the parties, the Maurice Bishop Patriotic Movement (MBPM) is, understandably working quietly and keeping out of the political hullabaloo centring around the NNP's leadership.

Only in Guyana, of all the Caricom member states, is it very easy to predict the outcome of elections, for the simple reason that the ruling party determines the results long before they are finally made known — a development guaranteed by highly undemocratic electoral process. No government in Caricom is interested. But enough to impartially examine the electoral laws and machinery.

However, in Grenada Mr Gairy is closely monitoring the inner-party conflicts of the NNP, keeping his options open with his old and trusted ally, Uncle Sam, and manoeuvring with certain business and religious elements as he mobilises for the next elections which he feels he can win.

Right now it is Blaize who is facing the growing woes, the latest being the threat that comes from the unions representing public sector workers for pay hikes and opposition to proposed large-scale retrenchment from a public service deemed too bloated and which consumes about sixty per cent of the government's recurrent budget.

/9274

CSO: 3298/031

GRENADA

MBPM LEADER RADIX WARNS: PREPARE FOR SECOND REVOLUTION

Port-of-Spain TRINIDAD GUARDIAN in English 21 Oct 86 p 5

[Text]

**ST. GEORGE'S, Oct. 20, Cana—LEADER** of Grenada's tiny left-wing Maurice Bishop Patriotic Movement (MBPM), Kendrick Radix, has called on supporters to get ready for the second revolution on the island.

Addressing a public meeting in St. George's Market Square, last night, Radix said the MBPM—an outgrowth of the New Jewel Movement (NJM) which staged the Commonwealth Caribbean's first armed revolution in 1979—would be the "political vehicle" to lead the fight for the national liberation of Grenada:

"We are the coming power in this land," he told about 500 supporters assembled to mark the third anniversary of the killing of Prime Minister Maurice Bishop, after whom the MBPM is named.

"The MBPM will grow from strength to strength, and it will rise up and take power in this land and place it back into the hands of the organised people," he said.

The MBPM emerged after Bishop was gunned down with several close colleagues at Army Headquarters, following a leadership feud within the NJM. The incident triggered a US-led invasion of the island, which culminated in a fresh general election and a new centrist Government.

### No Backing Down

Radix was a member of Bishop's Government, which ruled the island in a 1979-'83 Marxist experiment.

He charged that the MBPM would not back away from a confrontation with the present leaders, who, he said, had signalled their intention "to control those leftists again."

"What we want to tell them tonight is...: 'We go stand up and we go fight right here in Grenada. We go fight it

out left, right and centre, because we have no where to hide,'" Radix declared.

He urged his supporters to begin the task, once again, of organising themselves for state power, since the present rulers were not expected to remain in power much longer, because of political and economic problems.

"We have to prepare ourselves for power, because it is only by pursuing power and achieving it can power be put into the hands of the organised people again," he said.

Radix, for the first time, said publicly that Bishop's Government was actually toppled by a cell group within the then ruling party—the Organisation of Revolutionary and Educational Liberation (OREL), many of whose members were on trial for the slaying of Bishop and ten others.

Radix alleged that some OREL supporters who were involved in the Army massacre at Fort Rupert were free today in Grenada.

He repeated a call for Grenada's international airport, at Point Saline, to be renamed after Bishop, whose Government started the project in 1980.

He stressed that an MBPM regime would tear down a plaque which the Government intended to unveil at the airport on Saturday, to honour US troops which spear-headed the 1983 military intervention.

Radix criticised the Government for failing to provide employment for several Grenadians, including ten doctors, who returned home recently from studying in Communist Cuba.

Last night also, Radix announced a \$500 (EC) donation to the banned African National Congress (ANC), to help its fight against apartheid in South Africa.

Radix said his party felt that the money, although small in sum, would go a long way toward helping the fight. "If it (the money) could buy 100 bullets, it would mean that they are going to have 100 fewer oppressors in South Africa."

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CSO: 3298/031

GRENADA

TUC CALLS FOR FAIR PLAY IN GOVERNMENT, BUSINESS HIRING

St Georges THE GRENADIAN VOICE in English 4 Oct 86 pp 1, 16

[Text]

The Grenada Trades Union Council has called on the Government to immediately revoke the work permits of all non-nationals doing jobs unemployed Grenadians are qualified and willing to do.

This was one of a number of resolutions the T.U.C passed at its second regular convention and the Public Workers Union Centre in Tanteen last Saturday.

In the same resolution, the T.U.C called on all employers to discontinue the practice of discrimination in employment based upon political consideration.

This resolution came in the light of the return of a number of people from studies in Socialist bloc countries. The

people had received scholarships under the former leftist People's Revolutionary Government, and most have been facing difficulty getting employment since returning.

The Ministry of Education had said previously that some of the certificates obtained had to be evaluated by the University of the West Indies.

The T.U.C contends that many Grenadians are returning home "highly qualified in areas vital to our human development" but are not being employed, while outsiders are being employed. The T.U.C also feels that "many of these highly trained and skilled Grenadians are not employed for political reasons."

The unions say all these facts are in direct contradiction to the Grenada

constitution.

The T.U.C has also chided the New National Party government for its "anti-worker/anti-union stance". It says the N.N.P administration is attempting to frustrate and undermine the process of free collective bargaining.

"The present labour climate in Grenada is characterised by sharpening differences between organised labour and the employer class, leading to a crisis in industrial relations," the T.U.C says.

Three unions have been trying to negotiate with government on matters related to wage increases for its members for 1985 and 1986. Government has been accused of stalling the negotiations.

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CSO: 3298/031

GRENADA

PAPER SCORES GOVERNMENT FOR ISOLATION FROM PEOPLE

St Georges THE GRENADIAN VOICE in English 27 Sep 86 pp 1, 4

[Editorial: "Remedy the Situation"]

[Text]

We have hesitated to express this view before but it has become increasingly apparent that, if certain members of the present government had their "druthers" (preferences), to quote the L'il Abner comic strip, they would close down the free press and probably lock up some of its practitioners - instead of simply "muzzling" it as they are, in effect, doing. We have stated before, that we place ourselves at the service of government to disseminate information to the people.

The other side of that coin is our responsibility to our readers to bring them as much information as possible on matters of public interest. Both these aims are being constantly frustrated by some members of the government. In nearly two years in office, the Prime Minister, together with members of his cabinet, has held only two unsatisfactory conferences and while all sorts of other people have access to him the PM has continued to maintain a closed door policy to the press - at least certainly to this newspaper - and he appears to think that he discharges his responsibility, to supply the public with information, by going on radio with a fatherly-type chat every Friday - out of reach of searching questions from the press who, he feels, could "go to hell"!

On his return from an official visit to Britain recently, the Minister of Works - who has normally been frequently available to the press - chose to follow in the footsteps of his leader by talking over the government-owned radio station, then GIS, about his trip instead of organising a press briefing - a thing which is quite common with governments which recognise their duty to keep the people informed and understand that, usually, the free and independent press can be their greatest ally - even servant - in this regard without compromising its independence. If the Prime Minister believes that his weekly radio chats, in isolation and insulation, satisfactorily discharges that duty, more power to him. Our position on that, however, is that it amounts to an insult to the press

and the readers it serves as well as a kind of muzzling.

A very notable example of the attitude is the fact that, despite consistent calling on the telephone from Monday morning to Wednesday afternoon, in an effort to see the Minister of Foreign Affairs on the subject of Grenada's abstention on a vote in the United Nations last week, the Honourable gentleman could see no need to grant audience to a medium he has little use for and would not see it as a useful opportunity to explain the position to the people who voted his government into office. Like his Prime Minister, he felt that a GIS statement was enough even though - perhaps deliberately - it explained nothing.

The regrettable thing is that Mr Jones has sometimes made himself available to the press even if it takes several telephone calls to achieve this each time. We cannot understand why on this important matter he should treat the press and the people with such utter

contempt.

From as early as Sunday morning, people have been badgering representatives of this newspaper for information and a commentary on what was reported as Grenada's abstention on a vote calling for sanctions against South Africa while every other Caribbean country present voted in favour.

To get some information on the matter, we were obliged to call our U.N. Ambassador Dr Lamuel Stanislaus, at great expense.

We condemn the Minister of Foreign Affairs for his churlish treatment in that he did not even deign to tell the Secretary to say that he was too busy - although he should not have been too busy for this important matter.

We strongly protest, on behalf of the rest of the media and the people, the attitude of this government towards the dissemination of information and we call for a remedy to this most unsatisfactory situation.

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CSO: 3298/031

JAMAICA

SEAGA VOICES INTENTION TO STEP DOWN IN 10 MONTHS

JLP Statement

FL131058 Bridgetown CANA in English 0339 GMT 13 Oct 86

[By Paget de Freitas]

[Text] Kingston, 12 Oct (CANA)--Jamaica's Prime Minister Edward Seaga, under severe pressure over his handling of the island's beleaguered economy, tonight announced his intention to step down in 10 months' time, all but setting the date for fresh general elections--12 months ahead of schedule. Seaga told the close of a two-day retreat of his ruling Jamaica Labour Party (JLP) that he would not seek re-election as party leader at the annual conference next month. Party members had earlier rejected his offer to resign, the JLP said.

Yesterday, he had told party officials of a planned cabinet reshuffle this week, the JLP also disclosed. A series of top-level meetings and discussions with the prime minister have been scheduled to deal with the matter and to ensure his continuation as party leader and prime minister, a JLP statement said. If the efforts to dissuade Seaga fail, then he will step down on 12 August next year. Seaga has been under opposition pressure to call general elections following his party's heavy defeat by the socialist People's National Party (PNP) in municipal polls on 29 July.

However, some skeptics were already wondering whether Seaga's offer to step down was not a ploy to rally party support behind him at a time when he is under internal pressure.

In 1977, having a year earlier lost a general election and contending with dissent in the party he had been leading for four years, Seaga resigned but was called back triumphantly. That power play led to the resignation of then party chairman Frank Phipps.

However, the pressures are greater now that he holds the reins of government.

Seaga came to power in 1980 promising a heavy dose of free enterprise medicine for quick turn-around of the economy, which had declined sharply during the PNP administration of the 1970's.

However, Jamaica has had to contend with a sluggish global economy, recession in its key bauxite-alumina export sector, plus sweltering austerity mandated by the International Monetary Fund (IMF) and the World Bank for their economic support programmes.

The economy after nearly six years has remained in trouble, and the heavy political price Seaga has had to pay was his defeat in the municipal elections, the first real contest between the parties since the 1980 national poll.

Seaga did hold general elections in December 1983, but the poll was boycotted by the opposition on the grounds that outdated voters' registers were used and that agreed electoral reforms were not introduced.

Since then Seaga's moral legitimacy to govern has come into question from several corners, but the prime minister had constantly insisted on his intention to stay in office until at least his constitutional term expires near the end of 1988.

In conceding defeat after the July municipal poll, Seaga had spoken of a need to reassess party leadership and government policies. He has since been contending that the 36 percent of the electorate who stayed away from the polls were JLP supporters.

He also expected that the party could turn around a negative vote in two years' time.

However, tonight's JLP statement said that it was in the context of the pledge to reexamine the leadership that at yesterday's opening of the retreat Seaga had announced that 17 members of the current Parliament would not run in the next general election, including some who indicated their intention to step down. The planned cabinet reshuffle was also in the same vein.

Nonetheless, the party had unanimously supported the policies and programmes of the government.

#### PNP Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 20 Oct 86 p 5

[Text]

**KINGSTON, Oct 19, Cana—**JAMAICA's opposition People's National Party (PNP) yesterday dismissed Friday night's Cabinet reshuffle by Prime Minister Edward Seaga as an act of "political cynicism and desperation" that failed to enhance the credibility of the Government.

"Mr Seaga, his policies and supporting team have been rejected by the electorate," PNP chairman P.J. Patterson told journalists.

"At the same time, there is no indication of a shift in policy," he added.

Mr Patterson reiterated his party's demand for general elections as a follow up to the July municipal poll that was overwhelmingly won by the PNP.

The major casualty of the reshuffle, which becomes effective October 24, was National Security and Justice Minister Winston Spaulding, who was fired.

### **New Ministry**

Mr Spaulding's portfolios were shared by Errol Anderson, the Public Service Minister who will take over at National Security and Oswald Harding, a former Minister without Portfolio in the the Foreign Ministry who will be the new Minister of Justice and Attorney General.

Douglas Vaz, formerly the Minister of Industry and Commerce, has been demoted to a Minister without Portfolio in a new ministry headed by Deputy Prime Minister Hugh Shearer, covering Mr Shearer's old Foreign Affairs and Foreign Trade plus Mr Vaz's previous portfolios.

In his radio and television broadcast, Mr Seaga did not mention his pending resignations as head of the party and the Government and Mr Patterson said uncertainty "continues to haunt the administration".

"We regard the reshuffle as irrelevant in the current political situation" the PNP chairman said.

Mr Seaga had suggested that his existing team could continue, but that he had to satisfy the perception of the country.

But said Mr Patterson: "The perception of the world and the entire nation is that he has lost control of within the country and his entire party."

An obvious play on part of the Prime Minister, he said, had backfired, and "hollow pledges of support from the cabinet avails him nothing".

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CSO: 3298/032

JAMAICA

CARL STONE WEIGHS SEAGA RECORD, HITS IMF POLICIES

Kingston THE DAILY GLEANER in English 6 Oct 86 p 8

[Column by Carl Stone]

[Text]

**T**HE NEWS THAT Mr. Seaga has concluded arrangements with the World Bank for the receipt of that long-awaited World Bank loan is indeed a very positive sign.

The World Bank and the IMF act together in countries like Jamaica. The clearing of the World Bank loan suggests that Mr. Seaga is well on the way to clearing up his disagreements with the IMF.

Politically Mr. Seaga cannot face a devaluation now. If his disagreements with the IMF are settled it means that he has got his requested 1987 postponement of the devaluation decision by which time he hopes that changed economic situation will strengthen his case against any further devaluation.

Any time now Mr. Seaga should be announcing a new agreement with the IMF.

Mr. Manley had insisted at his party's annual conference that he would demand immediate elections in the event that Mr. Seaga was unable to negotiate a new IMF agreement.

Mr. Seaga's apparent successful conclusion of the IMF agreement, therefore, blunts entirely Mr. Manley's call for fresh elections to settle the course of the new non-IMF path.

### A little puzzled

I must confess that I was more than a little puzzled by the PNP leader's link of an IMF and accord to the Seaga government's legitimacy to continue governing. It left me with the feeling that perhaps Mr. Manley now accepts the Seaga position that the JLP should stay in power for a while longer.

Of course, Mr. Seaga will probably pay a dear price politically for the IMF compromise. It may well be that his plans to use the oil price windfall to increase capital spending and to rebuild and repair those badly neglected roads, water supplies, schools, public buildings etc., will be dismantled by the IMF's insistence on budgetary stringency.

Any such IMF austerity posture will cramp Seaga politically, unless his friend Ronald Reagan is willing an able to bankroll his plans to create jobs and increase public spending to win back some popular support. The increasing criticisms of Mr. Seaga in Washington for not genuinely following the free enterprise development model, might make it difficult for even Ronald to give Eddie the golden handshake he needs to soften up the hard political wicket he is bowling on.

The receipt of a copy of the 1986 Inter-American Development Bank report led me to examine how far the performance of our economy under Mr. Seaga's leadership compares with the trends in other countries in the region that are faced with

similar problems. The opportunity to do so is timely in view of the fact that the right wing think tanks in Washington are tarnishing Mr. Seaga with the image of failure.

A full comparison is not possible in this short column but a few trends can be discerned by looking at investment, growth, unemployment, management of public spending, imports and exports, agricultural trade, and social expenditure over the 1980 to 1985 period.

Jamaica's per capita GDP growth under Mr. Seaga is about average when compared to the majority of Caribbean and Latin American countries. Negative growth has been the norm and our three years of negative growth over the period is similar to the regional average. Indeed, not one developing country in the entire region has a decent track record of economic growth since 1980. Austerity has superceded regionwide.

Our open employment levels continue to be twice as high as the regional average, in spite of above average levels of outward migration. Many jobs have been created but just as many have been lost.

With respect to investment levels (as measured by gross domestic investment over GDP), Jamaica's investment level over the 1981-85 period is about 30% lower than the level for the Latin American and Caribbean region and less than half of the level of the leading country, Barbados.

In the area of reducing public spending, Mr. Seaga is the region's leading achiever having cut central government spending from 4.4% in 1980 to 3.4% in 1985. This level of reduction is unmatched in the region.

The region experienced a significant increase in export volumes as the fruits of concerted efforts to implement structural adjustment programmes, although substantially reduced world commodity prices ne-

gated its impact on increased earnings. This large increase in export volume was, however, limited to the big countries like Argentina, Mexico and Brazil which have a more well endowed and developed production base. We were among the weak performers due mainly to what happened to bauxite and alumina exports. But our situation was somewhat below average as we were among the bottom five countries with the largest declines in exports of goods and services.

### The only one

Our trade balance situation comes out even more negatively in that while most other countries have been able to reduce imports quite substantially over the 1980 to 1985 period, we have just been able to hold it at 1980 levels. Except for Paraguay, we are in fact the only other country which has failed to reduce imports over the 1980-85 period. Some countries managed to cut imports by 25% to 50% over the period.

In the area of central government reductions in social expenditure, Mr. Seaga's government has cut expenditure more than any other democratic government in the region and on a level comparable to the reductions in the right wing conservative countries. Also, although regional educational expenditure is down, we are the only country to cut higher education.

In the area of food trade we fall far behind most countries with respect to our large food import bill compared to our exports of food. We are among the agriculturally backward minority of countries which import more food than what they export, indicating a clear failure to move fast and aggressively enough towards self-sufficiency in food production.

Overall, the performance levels of the economies in the region (South and Central America and the Caribbean) have been consistently poor since 1980.

Our situation here reflects this general weak production and export profile regionwide, although Mr. Seaga was tougher than most governments in cutting public spending. In the areas of investment and the trade balance, we fell considerably behind the rest of the region and we are even further behind in terms of the goal of reaching our huge deficit in food trade and our failure to approach food self-sufficiency.

The performance of our economy under Mr. Seaga's policy leadership has not been impressive but neither has the region as a whole performed well. But in some crucial areas that matter, our performance since 1980 has been behind that of the region.

There is nothing to brag about here but it's an exaggeration to regard Mr. Seaga as being a failure, having regard to the negative performance trends regionwide and having regard to the fact that after the collapse of bauxite he has done a reasonable job holding the economy together under conditions of severe stress.

Of course, what is also clear is that in most countries in the region and except for minor variations here and there, it is the policy prescriptions of the IMF and the World Bank that are in place. As borrowing from these institutions has increased it is the lending agencies rather than the governments that determine policy directions.

Defining Mr. Seaga's policies as having failed, requires that we also admit that IMF-World Bank policies have failed throughout the region.

Mr. Manley therefore needs to tell us more precisely than he has to date how his policies are going to depart from those failed IMF-World Bank policies that hold sway in the region and clarify more as to what real political leverage he is likely to have to enable him to depart from that failed course.

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CSO: 3298/032

JAMAICA

POLICE CONDEMN AMERICAS WATCH ACCUSATIONS ON RIGHTS

Kingston THE DAILY GLEANER in English 9 Oct 86 pp 1, 3

[Text]

ALLEGATIONS made by Americas Watch against the Jamaican police force, accusing them of "summary executions", have been condemned by the police as "sweeping and irresponsible".

A statement issued yesterday by the Jamaica Police Federation joined with the Minister of National Security, the Hon. Winston Spaulding, and the Commissioner of Police, Mr. Herman Ricketts, in denying the allegations.

"We completely dissociate ourselves from this report and hasten to reassure the public that we are unaware of any systematic practice of summary executions carried out by our members against the public, as reported by Americas Watch," the Federation said.

*Following is the text of the Federation's statement:*

"Our attention has been drawn to an article headlined "Police Force Under Attack", in the *Daily Gleaner* of Wednesday, September 24.

Having carefully read the full text of the 64 page Report compiled by Americas Watch, the Jamaica Police Federation is dumbfounded as to how responsible persons could produce such a damaging and inaccurate document in the name and pursuit of human rights.

The Police Federation joins with the Minister of National Security and Justice and the Commissioner of Police in denying the allegations made by Americas Watch.

The Police Federation was mentioned in the Americas Watch Report as having cried out against Police excesses in 1984. Whilst we acknowledge the fact that we have denounced, and will continue to denounce incidents of police excesses, we completely dissociate ourselves from this Report and hasten to reassure the public that we are unaware of any systematic practice of summary executions carried out by our members against the public as reported by Americas Watch.

We condemn this Report and its authors for making such irresponsible and sweeping allegations without allowing the persons named a chance to respond to these allegations. Americas Watch should be reminded that policemen are human beings and have rights like everybody else. Throughout the world police forces experience excesses, and Jamaica does not claim to be a unique jurisdiction in this sense. What is important is that any unlawful action by the police is dealt with according to law.

We also note with concern the manipulation of statistics in this

report which serves to nullify the tragic impact and serious implication of the ruthless slaying of policemen in the line of duty and under other circumstances attributed to their functions as policemen.

### NEW YORK STYLE

Americas Watch failed to highlight the number of policemen who have been wantonly and viciously slain in their beds, for no other reasons than their being members of the Jamaica Constabulary Force. The impression drawn from Americas Watch Report is that it is better to kill policemen rather than criminals. The report ignores the fact that there are well organized gangs in New York which have launched campaigns attacking policemen and that the pattern of crime in Jamaica is one which involves the police in situations comparable with New York. The public must understand that the Police Force is defending them against these gunmen.

Crime in Jamaica is not ordinary, as many criminals belong to gangs which are targeting the police, and as such, for the protection of the public it is necessary for the police to be more organized than the gunmen. Where, however, police excesses are committed, then there are strong constitutional mechanisms in place to deal with the matter.

We call upon all well thinking Jamaicans to denounce this attack upon the Constabulary and system of justice and urge our members not to be daunted by this attack on their valiant efforts to enforce and maintain the Rule of Law. We exhort them to continue to discharge their law enforcement responsibilities without fear or favour and assure them of our unfailing support as long as they operate within the confines of the law of the land.

The Police Federation is satisfied that there are strong initiatives being taken by the authorities to minimize instances of police excesses.

Members of the Force of and below the rank of Inspector are required to be re-enlisted every five (5) years for a further term of service, and the present policy of the Force is that only members whose conduct and job performance are satisfactory are allowed to re-enlist. In this way the force is able to weed out indisciplined members. Where members of the Force commit themselves they are charged departmentally and they are dealt with in the same manner as in a court of law. Top priority is being given to recruiting and training in the Force including new screening techniques, psychiatric and attitudinal checks on all applicants before final selection.

### PSYCHOLOGY

Vast improvement is being made in police training which has led to the establishment of a Police Staff College with training programmes geared primarily to the attitudinal and behavioural attributes of police officers. Additional training objectives include: leadership, management skills, communication skills and theories of human behaviour. Training of recruits and at in-service levels now include such subjects as sociology, psychology, history, human rights and criminology. We now have a high calibre of civilian instructors from various disciplines.

Measures are also in place for the strengthening of the Force's disciplinary machinery, in order to eliminate corruption and other abuses, and efforts are also being made to streamline our complaints procedures and to safeguard human rights. These, the Police Federation considers as bold efforts on the part of the Constitutional Authorities to minimize and indeed correct whatever deficiencies there are, so that in the end we will achieve high standards of discipline and morality in the Force.

We would implore Americas Watch to channel some of their energy and resources in instituting programmes of rehabilitation for victims of vicious crimes committed against them by ruthless criminal offenders."

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CSO: 3298/032

JAMAICA

UNION WARNS AGAINST WAGE FREEZE, PRICE DECONTROL

Kingston THE DAILY GLEANER in English 9 Oct 86 p 1

[Text]

THE National Workers Union, in a statement yesterday, said that any agreement between the Government and the International Monetary Fund (IMF) which would include a wage freeze and removal of price controls, would be met with "the strongest protest and opposition".

The union said it was "deeply concerned" over the report in yesterday's Gleaner of a possible agreement between the Government and the IMF, including a wage freeze and the removal of price controls.

"If this report proves true, such an agreement will inevitably lead to greater disruptions and confrontations in the society," the NWU said.

It said that the union was currently engaged in "very important wage negotiations" at this time, and such a report could only prejudice those discussions and provide an excuse for

Managements to employ delay tactics:

"The union is making it abundantly clear that if any such agreement is reached between the Government and the IMF, it will be met with the strongest protest and opposition from the National Workers Union.

"We would urge that good sense and reason prevail and that any agreement should remove the untold hardships that have been imposed on the workers through wage guidelines and other incomes policy, and have eroded the standard of living of every worker in the society.

"The NWU recognises that any further hardship at this time would be heartless and unjust and the Government must hold itself responsible for any disruption that such an agreement will bring".

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CSO: 3298/032

MEXICO

MEXICO CITY METROPOLITAN AREA COST OF LIVING DATA

[Editorial Report] Mexico City UNOMASUNO in Spanish of 20 Oct 86 on page 14 includes in its weekly "Guide for Consumers" the following cost of living data for the Mexico City metropolitan area. Prices are expressed in pesos and the unit of measure is kilograms, unless otherwise specified.

<u>Foods on sale:</u>	<u>at the Federal District</u> <u>Central Food Supply center</u>		<u>at self-service</u> <u>stores surveyed</u>	
	<u>Week: 7 Oct</u> <u>(retail price; smallest size</u> <u>and/or lowest quality)</u>	<u>Week: 14 Oct</u>	<u>Week: 8 Oct</u>	<u>Week: 15 Oct</u> <u>(average retail price)</u>
1. Bananas	130-150	130-180	171	172
2. Oranges	67-117	67-100	129	113
3. Starking apples	300	--	562	672
4. Hass avocados	250-300	280-350	315	287
5. Tomatoes	100-150	100-150	239	239
6. Green tomatoes	250	250	319	381
7. Red potatoes	150-160	120-150	238	248
8. Carrots	70-90	60-80	106	115
9. Italian squash	250-280	250	344	445
10. Peas	300	320	445	484
11. Green beans	180-200	200	344	391
12. Serrano chiles	270	260	494	420
13. Poblano chiles	140-160	160	266	470
14. Romaine lettuce	150 ea.	150-250 ea.	192 ea.	231 ea.
15. Lettuce	150 ea.	150-250 ea.	233 ea.	233 ea.
16. Spinefree nopal cactus leaves	100/10 pcs.	100/7 pcs.	163/7 pcs.	177/7pcs.
17. Lemons	130-150	130-180	207	175
18. Medium-sized onions	120-170	110-170	255	310
19. Garlic	1000	880-1000	1456	1440
20. Beans	--	--	312	312
21. Rice	--	--	276	276
22. Whole chickens	--	--	945	920
23. High-quality chicken parts	--	--	1446	1373
24. Pork loin	--	--	1350	1382
25. Steak	--	--	1418	1458
26. Beef stew meat	--	--	677	652

Sausage products for sale at combination department-grocery stores surveyed

	<u>Cheapest Price Found</u>	<u>Highest Price Found</u>
1. Parma mortadella	1739	2905
2. Zwan mortadella	--	--
3. Fud chicken coldcuts	--	--
4. Chicken coldcuts	--	--
5. Iberomex headcheese	--	--
6. Fud sausage	--	--
7. Fud Vienna sausage	1649	1999
8. Zwan Vienna sausage	1715	2000
9. Iberomex Vienna sausage	--	--
10. Fud mortadella	1463	2134
11. San Rafael headcheese	1339	2060
12. San Rafael sausage	1241	1789
13. Iberomex sausage	1462	1647

Milk products and groceries for sale at combination department-grocery stores surveyed

	<u>Cheapest Price Found</u>	<u>Highest Price Found</u>
1. Chalco "panela" cheese	--	--
2. La Mesa "panela" cheese	--	--
3. Kristal aged cheese	--	--
4. La Mesa aged cheese	--	--
5. La Mansion aged cheese	--	--
6. Safflower oil	585/liter	785/liter
7. Corn oil	658/liter	850/liter

Meats for sale at combination-department-grocery stores surveyed

	<u>Cheapest price found</u>	<u>Highest price found</u>
1. Whole chickens	--	--
2. High-grade pork stew meat	--	--
3. Ground pork	--	--
4. Cracklings	--	--
5. Ground beef	--	--

UNOMASUNO also reports the following food prices generally for October: pasteurized milk, 210 pesos/liter; eggs, 575; sugar, 160.

Mexico City EXCELSIOR in Spanish 3 Oct 86 STATES section p 3 reports that in many parts of the State of Mexico eggs are being sold for 500 pesos; moreover, a check of the State of Mexico towns of Nezahualcoyotl, Tlalnepantla, Naucalpan, and Los Reyes la Paz revealed that besides violation of the official egg price of 460, some sales are being made conditional on the purchase of other goods.

CSO: 3248/42

NICARAGUA

COUNTERINSURGENCY CAPABILITY, AIR FORCE READINESS ASSESSED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 30 Aug 86 p 5

[Article by Willy Otten Philippengracht: "We will Smash the Counterrevolutionary Gangs--Managua Bolsters Defense Force/ The Situation of the Anti-Sandinistas"]

[Text] Miami, 29 August--Since the granting of new American assistance for the anti-Sandinista rebels, both sides in the Nicaraguan civil war are preparing for an expansion of the conflict. The Marxist-Leninist regime of the Sandinistas is determined to forestall the imminent offensive of the rebels with the accelerated expansion of its armed forces, the formation of new anti-guerrilla units, the acquisition of additional Soviet weapons, and increased use of specialized troops. Despite the American aid package of \$100 million for the Contras, Managua is hoping that it will at least be able to maintain its superiority. It is relying on the greater mobility and combat capability of its troops, trained by Cuban and East European advisors. "We will smash the counterrevolutionary gangs" is the official word in Managua.

The Sandinistas refer repeatedly to the "imminent American invasion." "Imperialist troops," however, would likewise suffer a devastating defeat, said Defense Minister Humberto Ortega, who was given the rank of general last week. He is the brother of State President Daniel Ortega and responsible for the strategic planning of the war against the rebels. The president is currently vying for the position of chairman of the group of non-aligned nations in Zimbabwe; but his plan to host the next meeting of this group--held every 3 years--in Managua in 1989 is viewed as wishful thinking by the Contra leaders: "By then Managua will long since have become the capital of a free and democratic country aligned with the West," assures Adolfo Calero, the supreme commander of the FDN resistance forces.

Already in April, in anticipation of the resumption of American military aid for the Contras following an interruption of 2 years, Managua had begun to reinforce its air force with Soviet aircraft at an accelerated pace. It currently has available approximately 30 transport helicopters of types Mi-8 and Mi-17, 6 heavily armed Mi-24/HIND D attack helicopters, a minimum of 8 twin-engined combat aircraft of type An-2, and 3 bombers of type An-26. Additional Soviet deliveries are expected in the coming weeks. In the past several years, the air force has been used only sporadically, albeit very effectively, against the rebels. It apparently has only two crews of its own capable of flying the modern Mi-24 helicopters. For this purpose, continued use must be made of Cuban

pilots. Approximately a third of the Nicaraguan combat aircraft is normally undergoing repair at all times, allegedly. With more rapid training of its pilots, improved maintenance of aircraft, and the acquisition of additional aircraft, the Sandinistas are preparing themselves for countering an increased combat activity by the rebels with the rapid transport of good-sized units of specialized troops into the combat areas.

What still puzzles them is the extent to which the rebels will be equipped with surface-to-air missiles in the near future. Last year the rebels had 40 missiles of Soviet type SAM-7, the quality of which is viewed as inadequate. By their own account, the rebels shot down an Mi-8 helicopter with one of these missiles. Members of the Sandinista government have termed the intention of the American government to make better surface-to-air missiles available to the rebels as the first step of an uncontrollable escalation of the conflict, which would make their acquisition of new weapons systems necessary. It seems questionable, however, that the Soviet Union will turn over the desired MiG-21 combat aircraft to the Sandinistas. Washington has repeatedly stressed that it would not tolerate any MiG-21 aircraft in Nicaragua. While the Sandinistas doubt that the rebel leaders could manage to increase the strength of their army from 20,000 to 30,000 men in the near future, Managua has again called up several thousand conscripts during the past few days. The standing Sandinista army numbers approximately 60,000 men, of whom 25,000 are usually in action. Added to these are more than 100,000 reservists and members of the militia.

The armed forces of the regime thus fall short of the strength ratio of 10:1 which is viewed as optimal for classical anti-guerrilla warfare. "Already in the near future we will significantly change this ratio in our favor," says Calero. In addition, the resistance fighters would in the future be appreciably better trained "at a secret location," presumably in the United States. A first increment of \$40 million will be made available to the rebels in September, to be followed by \$20 million on 15 October and another \$40 million on 15 February of next year. The money is predominantly intended for the purchase of weapons and ammunition, combat clothing, medicaments and food, communications facilities and propaganda, as well as military training and political education. "With sufficient weapons, intensive training of our fighters, and growing acceptance by the Nicaraguan population, we will create a situation in 12 to 18 months which will enable us to bring about a change," says Calero. However, the possibility of a collapse of the Sandinista regime sooner than that could not be ruled out. The decision in Nicaragua would in any case be forthcoming in the foreseeable future, "and, what is more, in favor of freedom and democracy."

Arturo Cruz, the opposition leader working together with Calero in Uno (Unidad Nicaragüense Opositora), also expects an "auspicious decisive phase" in the civil war following the granting of the American aid. One could not, to be sure, expect the rebels to score a quick military victory over the Sandinista army, but nevertheless the anti-Sandinista resistance would in the next 12 to 18 months make great progress in all sectors, says Cruz. The objective, Cruz continues, is "to unite all Nicaraguan opposition forces at home and abroad, to subject the Sandinista regime to strong military pressure, and with military efficiency to lend emphasis to the freedom-oriented

democratic aims of the opposition." According to him, these objectives are realistic.

Cruz does, however, concede that many Western governments still needed to be convinced that there was in Nicaragua a "real democratic alternative to the Sandinista-communist regime." This alternative would now have to be fought for by force of arms. Cruz stated that he would welcome it if the Sandinistas were still to declare their willingness to negotiate with the opposition. However, the Sandinistas continue to reject a dialogue aimed at ending the expanding war and permitting the introduction of democratic conditions. They are bent on scoring a military victory over their negotiation-ready challenger. Cruz and Calero hope that the democratic change in Nicaragua, which they term as inexorable, can be brought about without the direct intervention of American ground troops. "The strategic interests of Washington do, to be sure, coincide with our efforts toward establishing a democracy in Nicaragua, but we are not tools of Washington," they emphasize. On the other hand, they do not rule out military support by Washington during a final "phase of the war of liberation"--such as a naval blockade or the employment of combat aircraft, for example. Washington could "not remain aloof" at the end, says Cruz. Conceivable, but not desirable, would of course also be an intervention by American expeditionary forces as a result of provocation by the Sandinistas.

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TRINIDAD AND TOBAGO

PNM, NAR NAME CANDIDATES TO VIE IN NEXT ELECTION

Mahabir, Francis for PNM

Port-of-Spain TRINIDAD GUARDIAN in English 16 Oct 86 p 1

[Article by Clevon Raphael]

[Text] There was much jubilation in San Fernando West constituency last night as External Affairs Minister Errol Hahabir finally broke his silence, gave his consent, and was formally approved as the PNM's candidate for the constituency for the fifth consecutive time. He first won the seat in 1966.

Like Mr Mahabir, Works Minister Hugh Francis also got the party's green light to contest again the Diego Martin West seat under the PNM's banner.

They were given the green light in "quick time" at yesterday's screening exercise at the Balisier House headquarters of the People's National Movement (PNM).

Whether they were returning to the election scenario was a source of intense speculation as both men, considered to be heavyweights in the political arena, kept their political future a secret by not signing the consent form.

Under 30 Seconds

Francis, who has the unanimous support of his constituency (Diego Martin West), drove up to Balisier House in his sleek sports car at 6 p.m. in casual dress and chatted with members of his constituency executive before being called to appear before the screening committee headed by Prime Minister George Chambers.

According to reports Mr Francis was not asked a single question.

As one party official said:

"Not a drum was heard, not a note was sounded. Mr Chambers asked the constituency if they had any questions of Mr Francis and they said no.

"No member of the screening committee asked any questions either. In fact Mr Francis got through in less than 30 seconds and that is a record--and you can write that."

Minister Francis, it was learnt, signed the consent form and his constituency executive members expressed delight that he did agree to get back into the fray.

Newsmen were not allowed into Balisier House but the intermittent applause for Minister Mahabir was quite audible downstairs.

He too was not asked any questions. The PNM source added:

"There was no way we could face the electorate without Mr Mahabair in San Fernando West. Not only is the constituency executive happy that he has decided to return but the entire constituency is elated.

Secretary of Mr Mahabair's constituency Bryon Carrington withdrew after Minister Mahabir accepted nomination.

The Guardian was told that Carrington, a member of the Board of the Central Bank, accepted nomination only in the event that Mahabir should decide to end his political career.

#### Emotional Meeting

In contrast to the run-up of the 1981 General Election when Mr Mahabir declared his nomination, on this occasion he remained completely silent on the issue almost to the tape.

On Monday night Mr Mahabir met his party constituency. And, according to one member, it was a very emotional meeting. Mr Mahabir, he said, read for them a letter he had written in 1981, and assured them that the fact he had not signed any consent form was not intended to show that he had no interest in remaining the constituency's representative. Only this week, he recalled, Mr Mahabir had received a letter from the United Nations Secretary-General praising him for the forthright manner in which he addressed the UN General Assembly on September 29 last.

Up to Press time nominees for the constituencies of Siparia, Changuanas and Couva North were milling around the compound of Balisier House.

Some of them faced the committee last week but they were asked to return and some new faces were heard being called before the Chambers team.

#### Latest NAR Contestants

Port-of-Spain TRINIDAD GUARDIAN in English 16 Oct 86 p 1

[Article by Gail Alexander]

[Text] The National Alliance for Reconstruction has selected Senator Lincoln Myers as its candidate to contest the St Ann's East constituency against Prime Minister George Chambers of the ruling People's National Movement.

The party's Screening Committee, which confirmed ten candidates on Tuesday night, has also shifted current Member of Parliament for Naparima, Dr Emmanuel Hosein, to contest the Tunapuna constituency.

The NAR's latest selections were named following a meeting of its National Executive at party headquarters, Albion Street, Port-of-Spain.

Senator Myers, 40, received overwhelming support earlier this year when he staged a silent protest against corruption on the steps of the Hall of Justice, Port-of-Spain. He is also Chairman of the Committee for Public Accountability.

Also receiving the nod was Tabaquite N. P. Nizam Mohammed (Opposition Chief Whip) who the Screening Committee has returned to defend his seat, quashing rumours that this would not transpire. Mr Mohammed dismissed accusations that the issue of his renomination had caused a rift in the Tabaquite constituency.

#### The Other Candidates

Other candidates who were given the all-clear by the party's Screening Committee are:

Merle Stephen (San Fernando, East), Margaret Hector (Diego Martin West), Jennifer Johnson (Princes Town), Oswald Hem Lee (Pointe-a-Pierre), Raymond Palackdharrsingh (Naparima), Ken Butcher (San Juan/Barataria) and Mervyn Pierre (Port-of-Spain East).

Mrs Hector is chairperson of the NAR women's branch, the National Organisation of Women, of which Mrs Stephen is also a member. Mrs Johnson is Executive Director of Junior Achievement in San Fernando.

Ken Butcher has served as a St George East County Councillor since 1983, while Raymond Palackdharrsingh is a Presbyterian minister. The Point-a-Pierre candidate Oswald Hem Lee is an insurance executive and Mervyn Pierre, who was elected for Port-of-Spain East, an accountant.

Both Mr Mohammed and Dr Hosein, who spoke to the Press on Tuesday night, agreed that the ruling People's National Movement appeared to be delaying announcement of an election date. Dr Hosein added:

"Any suggestion of this stumping the NAR is just wishful thinking on the part of the PNM; our campaign machinery is in order and has already started to operate. The fact that the date hasn't been announced yet doesn't hamper us in the least."

Representatives of the ten NAR Constituency councils who came to NAR headquarters to monitor proceedings, were notified of the Committee's decision as soon as each candidate was confirmed.

However, NAR Chairman Herbert Atwell, a member of the Screening Committee, said that the selection process had been completed "without undue acrimony."

The NAR has now selected candidates for 31 constituencies. Its Screening Committee is still to finalise choices for the five remaining seats-- Ortoire/Mayaro, Port-of-Spain North and South, Point Fortin and Diego Martin Central. And, according to party officials, the announcement of those candidates "will bring some surprises."

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CSO: 3298/033

TRINIDAD AND TOBAGO

PNM YOUTH LEAGUE UNHAPPY WITH PARTY'S NOMINEES

Port-of-Spain TRINIDAD GUARDIAN in English 21 Oct 86 p 1

[Article by Clevon Raphael]

[Text] Youth league of the People's National Movement (PNM) is kicking up a fuss over most of the nominees screened as possible candidates to contest the forthcoming general elections under the PNM banner.

An official of the League of which Prime Minister George Chambers has said would be playing a major role in the party's efforts to retain power, said yesterday:

"We are definitely not pleased with most of the persons who were screened and we feel something must be done about that.

"The PNM will be in serious trouble if we should face the electorate with some of those who were put through the screening exercise by the team headed by Mr Chambers.

"The League cannot nominate persons to be screened but it is the feeling that least we should be allowed to make recommendations in this regard."

The source added it should not be taken that the front line officers of the League should be chosen as candidates.

"We don't want it to be felt that the officers are jockeying for a seat but we should be allowed to recommend young talent in the party for selection as candidates.

Not Young People

"A look at the list of nominees shows that the majority are not young people in the true sense of the word and it would be a tragedy if the party allows itself to go into this most important battle with some of the old and tired faces."

This development has been viewed as very interesting in the party, the most significant being that it could strengthen Mr Chambers's hands in the final selection of the 36 PNM gladiators.

He has on more than one occasion said that he would be the most unpopular man after the final 36 were chosen.

And emphasising the importance attached to the League, Mr Chambers said on January 25 at the Malick Senior Comprehensive School where he met the San Juan constituency of the PNM:

"I have, since I assumed the position of Political Leader, called on the Youth League to assert itself, to live an independent existence and I must confess that my call has been heeded.

"I have seen positive signs of a revitalised youth arm of the party.

"It is one of the arms of the party which has a clear appreciation and knowledge of the issues facing the country today and I promise you that the Youth League will have a lot to do in the next general elections campaign.

"The national Youth League is one of the principal crutches on which I personally will rely to carry you through 1986 and 1987."

He also chose the League's special conference at the Pleasantville Senior Comprehensive School on July 13 to reiterate his "most unpopular man in the PNM" statement at which he also made his famous "I shoot you from behind" warning.

Rushing to his defence after the criticisms poured in for his remarks was the Youth League.

Meanwhile an unconfirmed report yesterday was that the PNM's special convention at which it is expected the date of the elections will be held, is carded for November 2 at the Chaguaramas Convention Centre.

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TRINIDAD AND TOBAGO

NJAC OFFICIAL CHARGES IMF RUNS NATION'S ECONOMY

Port-of-Spain DAILY EXPRESS in English 20 Oct 86 p 1

[Article by Wesley Gibbings]

[Text]

**THE GOVERNMENT of Trinidad and Tobago is controlled by the International Monetary Fund (IMF).**

This was the view of Kasala Kamara, National Joint Action Committee (NJAC) Minister of Caribbean Affairs and International Relations, as he addressed the party's First People's Convention at Mucurapo Senior Comprehensive School yesterday.

Kamara said the sovereignty of the nation was threatened by the presence of IMF measures which had been introduced into national policy since 1983. According to Kamara, the People's National Movement (PNM) government had expressed "typical IMF policies" in the 1983 budget and had continued to do so to the present time.

He pointed to measures such as the removal of subsidies and its corresponding impact on the cost of living; tighter controls on credit, which he said was a typical IMF policy and the introduction of measures which led to increases in public utility rates.

"This has proven that the IMF is directly involved in the economic affairs of Trinidad and Tobago," he said.

The NJAC shadow minister said that while the country had not reached the stage of direct external financing from the IMF, the conditions were appropriate for such a move.

He referred to "the rapid decline" in the accumulation of foreign exchange, saying that by next year the country would have reached "zero exchange reserves" and would require the assistance of some external

lending agency.

He said that Trinidad and Tobago was "the most important geo-political unit in the Caribbean" and, as a result must, resist the efforts of the IMF to jeopardise the independence of the country. "What happens to us could decide what will happen to the rest of the Caribbean," he declared.

Kamara added that the IMF was "committed to the destruction of the labour movement." This, he said would ensure that the country was going along the path of "non-independence." According to him, not only labour would be affected but also the industrialists whom, he said, were always the objects of an IMF tendency to weaken local industry so that multi-national corporations could step in.

He predicted a significant decline in the standard of living of "the ordinary man" saying that there would be an increase in retrenchment resulting from cutbacks in public expenditure. This, he said, was another feature of the IMF presence.

The NJAC executive member said that the IMF was a threat to national planning and he referred to the abandonment of five-year planning by the late Prime Minister, Dr Eric Williams. He suggested that such an act was indicative of the presence of the IMF.

"However, all hope is not lost," he said. He pointed to the existence of international groups which had embarked on a campaign to deal with the IMF.

He warned that if the efforts of the Fund were not thwarted, there would be a "heightening of the social crisis" and all the conditions for social upheaval would be present.

TRINIDAD AND TOBAGO

PAPER REPORTS 'LEFTIST' PLOT TO CONTROL TEACHERS UNION

CLS Actions

Curepe THE BOMB in English 19 Sep 86 p 13

[Text]

A PLOT by the Committee for Labour Solidarity (CLS) to take control of the Trinidad and Tobago Unified Teachers' Association, has been uncovered.

For some time now, the CLS has been making moves to infiltrate the teachers union with the implantation of its members in the executive of TTUTA.

However, with the forthcoming elections of the national executive, the leftist organisation intensified this move.

Few people will deny the involvement of the CLS from the inception of TTUTA.

Teachers had been constantly warned to steer clear of the likes of Teddy Belgrave, Michael Adams, Keith Look Loy, Nestor Sullivan and Trevor Oliver.

However, these

have we achieved over the past seven years?"

Later on, when this newspaper exposed Look Loy and his gang of trying to expel God from schools, a Press conference was called to give their side of the story.

This conference was held at the Communications Workers Union hall, a union whose leaders have strong CLS connections.

The plan was intensified when a certain weekly newspaper launched a vicious attack in almost every issue on President Garcia.

That weekly has as its editor, a member of the CLS.

The efforts of Look Loy and Belgrave to bully the executive into having Look Loy attend a FISE conference in

Bulgaria last year was yet another example.

It is to be noted that FISE is the group that represents teachers in the Eastern Socialist Bloc.

Now, as elections in TTUTA approach, the CLS has made sure some of its members are in the fray.

Michael Adams now challenges Garcia for the Presidency.

Lance Heath contests the position of 2nd Vice-President, Burey George, General Secretary, Savitri Pargass, 1st Vice President and Anthony Jefferson, the token southern representative, 3rd Vice President.

But this is not all.

The team has as its non-playing captain, Teddy Belgrave and its campaign manager Keith Look Loy.

These people have

people ensured that they got a foot into the union through the Port-of-Spain and St. George East districts.

From that time onwards, it was constant jamming for the more conservative officers.

As the elections approach, the plan started to unfurl.

In January this year, a document, printed by a well-known south based Trade Union, with strong CLS connections, appeared in schools.

This document, entitled, "The entrenchment Plot Must Fail", was signed by CLS activist Keith Look Loy and Austin Almarales.

Another such document, printed by the same union, signed by the same twosome, appeared in March.

This was "What

been moving around the country spreading tales about the officers in their effort to woo teachers on their side.

But teachers will reject them as they did

in 1980 — with respect to Trevor Oliver, Patricia Adams (wife of Michael Adams) and Camillus Ventor.

The Port-of-Spain district executive has come out in open

attack on the officers, via paid ads in the dailies, while asking teachers to support their CLS cronies.

Where is the money coming from?

#### Aims of 'Radicals'

Curepe THE BOMB in English 3 Oct 86 p 7

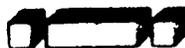
[Text]

HOURS AFTER the BOMB carried the article about improper accounting by the District Officers of Port-of-Spain, TTUTA's office staff has been under constant fire from these extremists.

Shortly after the BOMB story, Trevor Oliver and his bad-johns from Port-of-Spain marched into the office and created havoc.

Don Reymo was the main target because he was more concerned about teachers' money than Almarales.

Trevor Oliver allegedly hurled abuses, used obscenities and pounded the tables like a mad man.



His bad-john partners joined him and

the girls had to scamper for safety.

The situation got so bad that the Office Supervisor closed down the computers for fear they would be interfered with and marched out of the office with her staff.

One of the girls went into shock and was hospitalised.

For fear his immediate supervisor Almarales would recommend his dismissal, Reymo wrote a letter apologising for his factual report. But to date, the accounts have not been settled. In fact, the situation gets worse.

An examination of this account shows that \$20,000 was collected in ticket sales. At \$20 per person this will work out to 1,000 attending the fete.

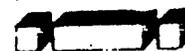
The bar made

\$4,000 profit and food sales brought in \$265.

It is well known in Trinidad that Carnival fetes make over \$20,000 in bar sales. Even the doubles man makes over \$200 in sales for one night.

Trevor Oliver also known as DJ RMC-paid himself \$2,000 and Nestor Sullivan paid his steelband, Pamberi, \$5,000.

Can Almarales tell the teachers whether he investigated this and whether he informed the Finance Committee about it?

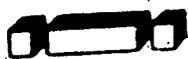


The Port-of-Spain accounts show that \$12,000 was spent on fetes, parties and fete matches. They also bullied their way to get about \$18,000 for Gregory Fernandez.

A total of \$45,000 was squeezed out of

the union by Port-of-Spain in one year. These are the same people who are calling people to make sacrifices by having a non-residential conference.

These radicals want to control the union because they know it is very difficult for teachers from Mayaro, Cedros and outlying districts to attend.



Belgrave and his cronies want to deny equal opportunity to all delegates.

The extremists want to keep out teachers from South-Rio Claro, Penal, Siparia, Victoria and Caroni and Grande.

Belgrave knows if equal opportunity is given to all delegates to attend the residential conference, he and his extremists will find it difficult to have their way. . . to control TTUTA by Port-of-Spain and St. George.

The plan of the extremists is clear: Belgrave made sure there are five candidates from north in his team Adans, Savitri Pargass, Lance Heath, Bruery George and Vander-

pool.

Jefferson from St. Patrick was thrown in as white-wash. All these are also known supporters of CLS.

If the B Team wins, then they will appoint Belgrave as Industrial Relations Officer, T. Oliver as an additional IRO and Gregory Fernandez as assistant ERO to Look Loy.

All four will then be entrenched for life by the General Council as in the days of Gopaul.

TTUTA's money will then be jumping up in fetes and mas and for the CLS.

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END