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# **Latin America**

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LATIN AMERICA

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POLITICAL LINKS TO STUDENT MOVEMENT REVIEWED

Buenos Aires LA PRENSA in Spanish 4, 5, 6, 7 May 87

[Four-part article by Alejandro Nunez: "FUA's Political Links"]

[4 May 87, p 7]

[Text] During March of this year, the 15th National Congress of the Argentine University Federation (FUA) was held in the city of Santa Fe. Despite the extensive press coverage, many readers and analysts have been unable to understand the phenomena, negotiations, and electoral agreements which occurred during the congress.

It is for this reason that we decided to make a thorough analysis of the political interests "moving" behind the congress members, and the link between the different political parties and the student movement; thereby showing the importance, often ignored, that FUA has had and will continue to have as a source and a school for political leaders of the various organizations and parties in Argentina.

The article consists of four parts: In the first, Franja Morada will be subjected to an analysis of its two movements; the second part will cover the National Reformist Movement (a university version of Estevez Boero's Popular Socialism), and the Peronist University Youth (JUP); the third part will deal with Intransigent University Youth (JUI), and Communist University Youth; and the fourth and final part will analyze the liberal group, Union for University Openness (UPAU), and will include a final observation.

Franja Morada

The student group Franja Morada is the Radical Party's movement in the universities. At present, it is divided into two branches which are clearly differentiated, based on the varying positions and alliances promoted by these two sectors at the last congress, held in the city of Santa Fe. Each of the Radical Party's university youth branches has a name: On the one hand, there is Franja Morada National Coordinating Board; and, on the other, National Liberation Movement. Only the former has recognition from the Radical Party's National Convention.

## Franja Morada-National Coordinating Board

During the FUA congress, this faction attempted to conceal the internal differences, so as to display a solid, unified image which is far removed from reality.

There are three sectors clearly established in this group's "internal body": On the one hand, there are those who relate to Mr "Changui" Caceres; while on the other, there are the followers of Mr "Freddy" Storani; and, finally, there is the group of the well-known "Coti" Nosiglia.

During the FUA congress, the "Changui Caceres group" with the support of Storani's adherents displaced the followers of "Coti" Nosiglia; something which, moreover, had happened at the previous congress, in the city of Tucuman, although it was FUBA (Buenos Aires University Federation) which contributed the most votes when it was time to devise the lists and vote.

Marcelo Garcia, from Santa Fe, the last president of FUA, presided over the congress and took charge of the organization. Claudio Diaz, from Rosario, headed the Radical list and was finally elected FUA president, with the aid of the National Reformist Movement (Popular Socialism). We should recall that Claudio Diaz comes from the Rosario federation, the only one that the Radical Party lost, now in the hands of the Popular Socialists.

The Radical who unquestionably played a decisive role in the negotiations among the different student forces, particularly in connection with the Peronists and MNR [National Reformist Movement], was the present secretary general of Franja Morada's National Board, Abel de Manuele from Santa Fe.

The three aforementioned students belong to "Changui" Caceres' sector.

Abel de Manuele was the one who met with the Peronist national deputy, Jose Manzano, to have the latter intercede with the Peronist university bloc and convince it not to become allied with the Communist Party and enter the congress premises (at one point, the Peronists, Intransigent Youth, and the Communists threatened not to participate in it); because, in the view of the Radicals, the mere presence of Franja Morada, MNR, and UPAU would not suffice as a demonstration to the popular majorities.

The Franja Morada-JCN leaders from the capital procured a seat in the leadership for the students Alejandro Sanchez (UBA [Buenos Aires University]-Law School), Daniel Bravo, Javier Concepcion, and Rogelio Reye Leyes (future president of FUBA), who participated in the organization of the congress only when it was time for the final voting.

## National Liberation Movement (CNL)

Displeased with what they consider a shift to the "right" by President Alfonsin, or, as other stories claim, "because he reads Karl Marx too much," the division

of the Radical group became official. This division has as its background the "Reflection Seminar" organized by Radical Youth in the town of Jesús Maria, in Cordoba Province, during September 1986. There, the most leftist sectors questioned the human rights policy, the agreements with the International Monetary Fund, the friendly relations with the United States, and the white-washing of capital ordered by President Alfonsín's government.

The Cordoba Franja members, headed by Jose Serra, president of the Cordoba University Federation, have broken off relations with the Franja Morada national leadership, and proclaimed the establishment of a new group at a meeting held at Buenos Aires University's School of Engineering. That group is known as National Liberation Movement (CNL) and, at the meeting to launch it, it had the support of the Communist Party and the inspector general, Ricardo Molinas.

Jose Serra participated in the FUA Congress, leading the Cordoba delegation of congress members which the Radical Party had procured in 1985. The latter, which seems odd, was due to the fact that, during 1986, no elections were held by the Cordoba Federation. Jose Serra knew that the Franja sectors of the National Coordinating Board in Cordoba had made the decision to introduce a different group in 1986, thereby attempting to exclude Serra from the Cordoba delegation, or "corner" it and neutralize its negotiations and agreements with the representatives of the extreme left. To avoid being displaced, Serra used the argument that "there are not sufficient guarantees for calling for elections" in the federation headed by him.

Using this rather undemocratic measure, Jose Serra managed to reach the FUA Congress, representing a Radical sector which, when he had been elected, became answerable to the National Coordinating Board.

During the congress, Serra was publicly accused of being the cause of the break in the Broad Front of the Left, which had been formed with the Communist Party, the Peronists, and the Intransigents. Daniel Altamirano, university leader of Renewal Peronism in the city of Santa Fe, argued in his "speech" that Serra had not yielded in his ambitions to head the electoral front list, and that, for this reason the latter was not prepared. He concluded by saying: "He is to blame for the fact that the popular camp is not united to oust the Coordinating Board."

Behind Serra is Carlos Vicente, who is still a member of the Radical Party, and a former member of MRC (the name under which the Radical National Coordinating Board operates in Cordoba, headed by Becerra y Negri), who was saved from expulsion from the party by the governor of Cordoba, Eduardo Angeloz. Vicente is engaged in the construction of a political front which will be introduced in the 6 September elections, along with the Communist Party, the Montoneros, and a line of the Intransigent Party known as "Intransigents for the Front," associated with Nestor Vicente. In the event that this PI [Intransigent Party] line prevails in the party's internal elections, the electoral front would include the entire Intransigent Party.

In the federal capital, CNL has its stronghold in the UBA Engineering School. The head of the Student Center is Roberto Pittaluga, who participated in the Santa Fe congress as a representative of the sector from the federal capital, and who delivered one of the most leftist-oriented speeches at the meeting.

Pittaluga is linked with Hernan Lombardi, former head of the Engineering School's Student Center, and a current member of the Radical Youth National Committee, a position which he assumed as a member of the Renewal and Change Movement (MRyC). In opposition to the Coordinating Board, and contrary to all predictions, he snatched the minority from the present council member, Roberto Vazquez.

Lombardi, Pittaluga, and Pablo Batalla are the CNL's young mainstream in the federal capital, and have as their "alma mater" the present secretary of industry of the municipality of Buenos Aires, engineer Miguel Ponce, also a former head of the Engineering School's Student Center, and an enemy of JCN since 1971 (at the UBA Medical School, in 1972, he had a confrontation with his current chief, superintendent Suarez Lastra, which ended in physical attacks). At that time, there were two factions in the Radical Youth: on the one hand, Nosiglia's JCN, and, on the other, the Revolutionary Radical Youth of Ponce, Arana, and Pascual.

Miguel Ponce headed the CNL negotiations to support "Pacho" O'Donnell as a candidate for national deputy, contrary to the requests from President Raul Alfonsin to prevent internal elections in the large districts; and he succeeded in making Lombardi head the list of council members from O'Donnell's sector.

Here, the question arises as to whether the Communist Party will also back "Pacho" O'Donnell against Nosiglia, as occurred at the FUA Congress, postponing Patricio Echegaray's aspirations to occupy first place on the list, or whether the latter will join the list with O'Donnell, now that the Radical Party admits those outside the party.

Finally, CNL participated in the ceremony marking May Day, organized by FREPU in Atlanta Stadium, where there was speculation over the presence of "Pacho" O'Donnell.

This year, elections will have to be held for student centers and academic councils, and the delayed replacement of authorities must be made for the Buenos Aires University Federation. There is no doubt that, in this dynamic game of political forces, the two Radical Party sectors will have to gauge forces and capacity, with the resultant intensification of the present split. The battle would appear to have started at the meetings of the brand new FUA board of directors; because CNL, the Intransigents, and a Peronist sector have not yet attended, and it is not known whether they will do so in the future.

[5 May 87, p 7]

[Text] The National Reformist Movement (MNR) has no objections to being identified as the university branch of the Popular Socialist Party headed by Guillermo Estevez Boero (a Socialist and rancher, as the groups opposed to MNR shout at him).

Estevez Boero was a university leader during the 1950's, and became president of the Argentine University Federation. At present, he is forming his own political party, with a clearly university base. The headquarters for his activities is in Santa Fe Province, where his followers control the powerful Rosario Federation, and are the second-ranking force in the Santa Fe Federation.

In 1985, he needed only 5,000 votes to become a national deputy, a position for which he is running again, and which all predictions indicate that he will attain.

Currently, Mr Estevez Boero is a member of the "Council for the Consolidation of Democracy."

In MNR, two brothers hold the two most important positions that the group has gained to date: Daniel Pavicich is the brand new secretary general of the Argentine University Federation, and his brother, Pedro Pavicich, is the current president of the Rosario University Federation. The National Reformist Movement has attained the FUA Secretary General's Office through an electoral agreement with Franja Morada-JCN. This type of agreement between Popular Socialists and Radicals is nothing new. During the 1970's the presidency of FUA and the Secretary General's Office were alternated. When the Radical, Storani, held the FUA presidency, MNR occupied the Secretary's Office; and later, when Marcelo Stubrin, representing the Radical Party, held the Secretary General's Office, MNR had the presidency of the university organization.

There is every indication that this type of agreement will be repeated in the future, given the cooperation that the leader, Estevez Boero, is providing to President Raul Alfonsin's current government. On the recent visit to the state of Zimbabwe, Boero was a member of the official delegation accompanying the president of the republic.

Prominent during the congress was the work done by the students Pirota and Gustinoni, both members of FUA's outgoing leadership, representing MNR, who made headway with the clout from the organization of the FUA Congress and the negotiations with Franja Morada-JCN, finally making it possible for a Popular Socialist to attain the FUA Secretary General's Office.

MNR received three seats on the FUA Board of Directors, and its representatives are the appointees Daniel Pavicich, Carlos Alvarez from La Plata, and Marcelo Moro, from the Cordoba regional organization.

## Peronist University Youth

Apart from the number of initials used by those seeking to appear as General Peron's heirs, or the absence of one name in common, something unlikely to be achieved, at least for the present at the universities until the Justicialist internal issue is settled, the Peronist group was the most heterogeneous of those attending the FUA Congress in the city of Santa Fe.

The Peronist Party is experiencing a confused period, marked by the lack of a university leadership capable of restoring to the party the control that it had over the student union organizations.

It might be said that the last university leader that the Peronist Party has created in recent years is the current first candidate for council member from the federal capital, Mr Jorge Arguello. He was a candidate for head of the UBA Law School's Student Center and, under his leadership, the Peronist Party reached second place rank at the center. In 1985, he was elected head of the No 15 local, winning over Deputy Santos Casares. In 1987, he ran as a candidate in the internal elections for council member precandidates, representing Renewal Peronism, and won with a complete list.

It is important to note an interesting fact regarding the position that he occupies on the list for council members. While Arguello heads the Peronist list in the federal capital, virtually the same situation is repeated on the Radical and UCeDe [Democratic Center Union] lists. Hernand Lombardi, former head of the UBA Engineering School Student Center, heads the list of precandidates for council members from "Pacho" O'Donnell's sector of the Radical Party. Carlos Maslaton, current secretary general of UCeDe Youth, and founding leader of the liberal group, Union for University Openness (the second-ranking force at UBA), after attaining the position of secretary general at the UBA Law School's Student Center in 1985, left university activity to engage in party politics. At present, he is a precandidate in first place for the position of council member in his party's internal elections.

Three university students, leaders in their respective parties, they have reached a coinciding point, heading the lists for council members.

The "divorce" that exists between the rank and file and the leaders is noteworthy, because the latter use the term "Renewers" and, ideologically, they are far to the left of those who really belong to this Peronist sector. This partially explains the fact that the discourse of the Peronists in FUA retrieves the most extremist positions of the JP [Peronist Youth] Montoneros of 1973, although they are not directly associated with the former.

The rank and file, in other words, those who, without militating in the party, feel that they are Peronists, are convinced of it, and vote for the groups which run with that name. Perhaps they may never realize that the groups voted for by them later assume positions or make alliances (as occurred at

the FUA Congress) which are inspired by the ideas and program bases of those "mistaken youths" whom Peron drove from the Plaza de Mayo and, what is even more remarkable, with the participation of the Communist Party and other extreme leftist groups, such as MAS (Movement Toward Socialism).

One curious occurrence in the Peronist sector was the presence of various prominent national political figures during the Santa Fe congress. National Deputy Jose Manzano, apparently at the request of his friend, Deputy Cesar Jaroslavsky, was present, and tried to convince the university students to enter the congress because they were refusing to participate in it. Also in attendance was Dante Gullo (an avowed former Montonero, who was even placed at the disposal of the executive branch in 1975 by General Peron). Miguel Talento was another one present at Santa Fe. In his political background, we might mention that he was president of the University Federation for National Liberation of Buenos Aires (FULNBA), a Montonero university federation dissolved in 1975.

It may be claimed that the only student figure from the Peronist Party at FUA was Daniel Altamirano. He is a member of the Renewal Peronist Party in the city of Santa Fe, and is currently head of the Student Center at the city's School of Agrarian Sciences. During the FUA Congress, he was proposed as chairman for the election of authorities, heading the Leftist Front that it was being attempted to form with the opposition to the National Coordinating Board.

Contrary to all predictions, in a brief, impromptu speech, Altamirano discredited Jose Serra's dissident Radicals (CNL), going so far as to claim that the electoral agreement was being thwarted because Serra did not want to "drop" from the head of the list, to allow a third person (in this case, the Intransigent, Ambroggi) to head the "popular camp" list.

Finally, the Peronists were divided into two sectors. One made alliances with the Communists, CNL, and a sector of PI, and received backing from MAS. This Peronist-Montonero sector procured, after the election, a seat on the FUA board of directors for Emilio Roldan, who was a candidate for provincial constituent deputy in Cordoba, in sixth place on the FREPU list, in 1986.

The other Peronist sector, headed by Daniel Altamirano, made an alliance with the rest of PI and procured two seats for the group on the board of directors.

The Peronist Party sorely needs to improve its university cadres, in order to achieve greater success in the universities. Its state of immobility is due to the division existing within the party, wherein the internal lines are constantly multiplying.

It is impossible to say who governs the Peronist university youth, and the results warrant the conclusion that we are far removed from knowing who will govern it.

[6 May 87, p 9]

[Text] At the Congress of the Argentine University Federation held in the city of Santa Fe during March, the group which encountered the largest number of problems in forming a united, clearcut front, was the Intransigent University Youth (JUI).

Despite the efforts, JUI appeared for the final voting divided into three different groups: "Intransigents for the Front," "The Organics," and "The Abstentionists."

#### 'Intransigents for the Front'

Totally influenced by the erratic former metropolitan council member from FREJULI, Nestor Vicente, the PI youth who adhere to him established an electoral front with the Communist Party, the dissident Radicals from the National Liberation Movement, MAS, and the Montoneros.

It could be claimed that Nestor Vicente holds the record for leaving political parties, at least since 1983. He was a running mate of Conte MacDonnel in 1983 with the Christian Democrats; then he moved to fourth place on the PI list for deputies together with Rabanaque Caballero. In 1986, he was expelled from the Intransigent Party, and decided to found another party called Democratic Left (IDEPO), along with the military from CEMIDA.

Nestor Vicente's followers want the party to adopt the political line that the Revolutionary Popular Alliance had in 1973 which, with the Allende-Sueldo ticket, won 7 percent of the vote that year. In this alliance, the Communist Party, then banned, succeeded in having two of its members enter Congress, Mira and Dominguez. It is noteworthy that the Intransigent members have been influenced by Vicente to adopt that line, whereas in 1973 he chose to be right of the Christian Democrats (Cerro, Allende, and Bussaca) and to comfortably join the FREJULI list for council members, rather than take the risk on the Sueldo list.

Eugenio Reatti, of the Cordoba PI, was the member of the "Intransigents for the Front" running for the FUA positions. He eventually occupied third place on the list, and is now a member of the federation's board of directors. The most important thing is that Reatti and his friends will attempt to repeat the FUA alliance in the Cordoba elections on 6 September. Moreover, if they win the victory in PI's next internal elections, everything has been arranged and discussed so that the entire party can join the electoral front.

The "Intransigents for the Front" joined the ceremony held by FREPU at the Atlanta Stadium on May Day, opposing the position adopted by the Intransigent party's National Committee.

#### The PI Organics

The Intransigent Party youth at the universities decided not to make an electoral front with the extreme left, giving priority to its relations with the Renewal Peronists, perhaps dreaming of exerting pressure in their party with a Cafiero-Allende alliance. Several Intransigent youth members expressed to

us their hope that this front will materialize, although not for ideological reasons, as "Bisonte" likes to claim, but rather because they consider it an excellent electoral deal, since they presume that, if PI were to run alone in Buenos Aires Province, it would be a disaster.

The subjects of our interview feel close to the old Radical roots in Buenos Aires Province and to the so-called "La Banda" in the federal capital, headed by Vesentini, Rabanaque Caballero's future opponent in the 10 May internal elections, together with Niceforo Castellanos, and with the collaboration of Larry Torres, former FUBA secretary general between 1984 and 1985. Alejandro Ambroggi, president of the Rio Cuarto Federation, is, precisely, considered the La Banda candidate, and was the one who ranked second on the Peronist Intransigent Front list in FUA. Juan Pablo Buleisman, from Rosario, accompanies him on the FUA's board of directors, because as a result of the election PI procured two seats, and the Peronist Party another two.

#### PI's Absentionists

During the final voting for the FUA positions, a sizable sector of Intransigents abstained from voting. It is impossible to determine the exact number, because although the number of abstentions totaled 91, it must be considered that many independent groups assumed this same position. Nevertheless, we can say that there were obviously regional areas which abstained from voting, such as Mar del Plata, Tucuman, Jujuy, and Comahue.

We are left with the question of finding out whether the intention prompting these youth groups was one of not backing PI alliances so that the latter would be alone in the FUA framework, or, on the contrary, they had the notion of the coming national internal election of the party headed by Oscar Alende, in which they would be associated with the group known as "National Militant Opinion Movement" (COM), which is headed by the chairman of the national committee and candidate for governor of Buenos Aires Province, Lorences, and by the national deputy from the same province, Monserrat, and that they harbor the idea of running in the elections without establishing any electoral front.

#### Communist Party

The once powerful university group of the Communist Party (PC) which operated for years under the name Reformist Orientation Movement (MOR), and which during the last congress of the Buenos Aires University Federation (FUBA), had to dissolve in view of the electoral disasters which prompted its disappearance to be expected, changed its name and has now shown up with the title MULNBA (University Movement for National Liberation of Buenos Aires). In order to be able to have at least one delegate in the organs of university student authority, they have had to form alliances with the most varied sectors of the so-called "university Bolshifauna." The efforts did not succeed and, out of 3,000 FUA delegates, PC had only 68, who did not succeed in convincing their "friends." We could explain that, despite the small number of PC delegates, over 1,000 Communist militants arrived in Santa Fe, many displaying weapons and clubs, as shown in photographs taken on the site of the events, and displayed them without any problems, showing the clear intention of intimidating and

threatening the other students. It is the old Communist custom of trying to procure through violence what they cannot achieve through votes.

Obviously prominent in the Communist group was the chairman of the federal capital committee, Patricio Echegaray, who was smiling very broadly, surely because he had returned 20 days earlier from Russia, where he met for hours with the president of the Soviet Union.

Echegaray may be claimed to be the ideological mentor of several recent changes in PC, namely: the displacement of the Old Guard, represented by Ruben Iscaro; the exhumation of Che Guevara on the Communist Youth Federation flags, as a means of lending Argentine Communism greater aggressiveness, particularly in view of the fact that the Chilean PC has now become a guerrilla group known as the "Manuel Rodriguez Patriotic Front," which its Argentine comrades ardently support; and also, a break from a Communist tradition of many years, becoming allied with the Trotskiyites from the Movement Toward Socialism, at least in the national elections.

Alejandro Hurtado, the university heir of Echegaray and Sigal (head of Communist Youth), was PC's representative in the FUA. Hurtado was a member of the FUBA board of directors, and joined the first Argentine Communist Party brigade which, on the pretense of picking coffee, went to Nicaragua with 150 Argentine youths during the summer of 1985.

Hurtado led the Communist negotiations with the various pro-front sectors, read a speech in support of the FUA Congress originating with members of the People's Revolutionary Army (ERP) imprisoned in Villa Devoto, and participated in the electoral board, culminating in the appointment of the new FUA board of directors. He gave preference to the alliances with Jose Serra's dissident Radicals and the Intransigents associated with Vicente. He yielded his place on the list to his Cordoban comrade, Carlos Danilo Gallo, so that the first four places on the extreme left list, when finally elected, would go to the Cordoba regional organization, because he considered it the most aggressive federation, although it contributed only 99 votes, less than 20 percent of the votes finally won by the electoral front. The Communist Party obviously favored the "centrism" created in the Radical Party through Jose Serra.

Claudia Korol, the only PC representative on FUA's previous board of directors, a former third candidate for national deputy, and an alternate on the FREPU list from the federal capital in 1985, had minimal participation insofar as the congress per se was concerned, but not so in the organization of the camp that the PC set up on the shores of Lake Setubal, in the best style of the Tucuman guerrilla movements.

[7 May 87, p 9]

[Text] The Union for University Openness (UPAU) is the last group that we shall analyze in this series of four articles which concludes today.

Representing liberalism in the university area, UPAU was created at the UBA Law School in 1983. Progressing with a constant growth, it attended the 1984

FUA Congress with two delegates. In 1987, converted into the second-ranking political force in the Buenos Aires University Federation, the largest in the country, it procured 147 delegates to the FUA Congress held in the city of Santa Fe.

During the weeks preceding the congress, there was speculation on the need for Franja Morada to have the votes of the liberals, in order to ensure itself of victory in the final voting. The UPAU position was firm, and it submitted a separate list, headed by Juan Cura (UBA-Engineering School). The agreement for running Cura did not prove easy. Sectors from the interior, using the argument that Juan Cura is a precandidate for council member representing the Liberal Renewal Movement line, tried to prevent him from running in the elections. Finally, at a meeting held by all the UPAU representatives in the country, a few days before the congress, it was decided that the fact of being a candidate to hold a political office in a party did not imply immediate incompatibility with holding positions in the group's structure. The unanimity with which the aforementioned decision was made definitively buried the provincial sectors' attempts to prevent a member of UCeDe from having access to the most important position of the liberals and UPAU at present.

It should be explained that the decision of the provincial congress members to support Juan Cura was not due to negotiations nor agreements between the capital and provincial delegates, but rather resulted from a change of position among the latter who, faced with the evidence that the arguments used to disqualify Cura concealed personal or divisive desires on the part of certain sectors, did not hesitate to correct the course of action taken previously.

Carlos Maslaton, current precandidate for council member representing Adelina de Viola's line in UCeDe, and Oscar Jimenez Pena, who was the first liberal to hold a position in the Buenos Aires University Federation, and who is currently also a precandidate for council member, turned into UPAU's negotiating chiefs at the FUA Congress in Santa Fe. The position assumed by these two youth leaders was a determining factor when UPAU remained on the congress premises and provided the necessary quorum to hold a session. Jimenez Pena was proxy and negotiator for the group with the various forces.

Juan Curutchet, brand new president of UPAU in the federal capital, and a UBA law student, together with Jose Maraggi, comprised the group's speakers at the congress. Curutchet is head of the Youth Conventional Bloc of UCeDe's Metropolitan Convention.

UPAU's activity during the congress was virtually nil, because the Radical incompetence, combined with the Peronists' initial divisive position, precluded the operation of the working commissions, in which the liberals intended to submit their different university plans. Nevertheless, the inactivity at the congress did not suffice to conceal one historic political event. Juan Cura attained a seat on FUA's current board of directors, thereby becoming the first liberal in our country's history to attain the leadership of a university federation as a representative of a clearly liberal group.

## Final Observation

For decades, and most particularly since the political openness of 1982-83, in political circles and among observers of government affairs, the question has arisen as to whether or not it is proper to engage in politics in the universities; and, at the same time, there has been posed the problem as to whether the university youth in the unions should have continuity or not in their political parties upon completing their respective periods of politics at the universities.

Politics in the universities has been condemned with special emphasis by the traditional right wing and right of center sectors, as well as the youth's right to continue their political careers in a party. In this regard, we know that the UPAU broke with the prejudice, and gave the liberal movement a presence for the first time in the university councils.

Among Radicals, Intransigents, Justicialists, or Popular Socialists, however, there has been far greater understanding about the activity of their university cadres, which they even ardently support.

Apart from the degree of acceptance that university political activity has had and still has in partisan circles, it has been proven with the passage of time that all the young people who engage in politics in the universities later have or wish to have continuity in their parties, so as thereby to channel their future aspirations.

## Need for the 'Link'

What is called a "link" between university groups and a particular political party is a necessity. How could an independent group pay the living expenses of 2,000 persons at a congress lasting 4 days, including transportation, lodging and food? Could the national political leadership afford to waste the experience of hundreds of youths who for years have been engaged in politics at the universities, being trained intellectually for it? Which Argentine party would not want to have a top-flight cadre such as the one with these young people? The main leaders of the National Coordinating Board have a university origin. The four articles published are intended to show that the activity of this university youth does not end in the "sign painting," the "pamphlets," or the "mobilization." There is much, and "many things" involving them. We should not forget that virtually all the aforementioned leaders will unquestionably attain major positions in the leadership cadres of the Argentine political class in the coming years.

The Radical university members belong to the National Coordinating Board, "chaperone" of the Radical Party. Estevez Boero's Popular Socialist university youth intend to lend the Argentine left a new image. The Communists operating at the universities, loyal to Echegaray, defeated the party's old guard. The Peronists, who claim to be Renewers of Cafiero, Menem, and La Sota, prevail in all the internal areas. Finally, as engineer Alvaro Alsogaray remarked in an interview held at the River Plate party function some time ago, "the great revolutions, and great changes, have always been started by the universities."

2909

CSO: 3348/298

BANKERS VOICE APPREHENSION OVER TREATY WITH WASHINGTON

Nassau THE TRIBUNE in English 16 Apr 87 pp 1, 4

[Article by Athena Damianos]

[Text] The distribution by Prime Minister Lynden Pindling of copies of the Mutual Legal Assistance Treaty has sparked fear in the banking community.

Although the United States and Bahamas agreed to the text of MLAT in an exchange of diplomatic notes March 7, Sir Lynden waited for three weeks before circulating 25 copies of the final draft.

Several leading investor bankers are of the opinion that the Bahamas is being pressured into accepting the Treaty because Washington has had it "up to their necks" with the Pindling administration.

US Government sources have strongly denied this, pointing out that the Treaty is an important plank in the drug war and that negotiations have, in fact, been taking place since 1985.

Nevertheless, there is now growing concern that the treaty aimed at snaring drug traffickers and other criminals is open to abuse and could be used to get at tax evaders. One lawyer has predicted an exodus of banks, should the treaty be signed.

One large off-shore banker says he is already losing clients.

Another private bank which last year had a \$300,000 telephone bill, has given its lawyer instructions to close out, the lawyer said.

On March 30, Prime Minister Lynden Pindling met with a group of bankers to discuss the treaty.

Sir Lynden informed the bankers that the document was the final one and that their comments were only for Government to ascertain the banker's feelings. He also advised them that the Bank and Trust Companies Act would have to be amended to give effect to the Treaty.

"Why in God's name he waited until it was a fait accompli!" complained one banker.

Sir Lynden's belated interest in the bankers' feelings has led to the following questions being raised:

--Is Sir Lynden having second thoughts about signing the treaty?

--If so, is he acting with the sincerest of purpose and not just "playing games"?

--Is he looking to find justification for not signing the treaty through the bankers?

--Is there fear that the treaty will make certain Bahamians vulnerable?

The US Government thought the treaty had been agreed to in principle in August 1985. It was not discovered until 15 months later that the Bahamas had made changes to the Treaty without notifying the US.

Attorney General Paul Adderley had placed a whole new interpretation on some areas of the treaty, sources said.

Mr Adderley said that the Bahamas was ready to sign the treaty on March 6 but that the US Government was only prepared to initial it. Mr Adderley said he suggested that the matter be taken a step further and that the text be agreed to by an exchange of diplomatic notes. This happened March 6.

Mr Adderley said that the Bahamas Government is now waiting to hear from the US about a signature.

However, deputy assistant Secretary of State Richard Holwill said that before the US signs the treaty, the Bahamas Cabinet has been asked to draft legislation that would make the Treaty a workable one. He said that his Government is now waiting to hear from the Bahamas on the matter.

MLAT is designed to facilitate both the Bahamas and the US in the prosecution of criminal offences such as drug trafficking, theft, murders, embezzlement etc, which for the most part are formally recognized as criminal by the laws of both countries.

It is one of the criteria that a country is supposed to meet to get US assistance in the drug trafficking war.

Reputable Bahamian financial institutions subscribe to a Code of Conduct that was voluntarily adopted by the Association of Banks and Trust Companies on January 17, 1985. Most of the offences listed in the Treaty are specifically mentioned in the Code which requires the rejection of customers who are involved in such activities.

Some Bahamian lawyers feel that if the banks are accepting clean deposits, they need not fear the Treaty.

"US tax evasion crimes are not included in this Treaty," the American Embassy said.

It said that the treaty further assists each country in assuring that its banking system is not exploited for the benefit of criminal elements.

Mr Adderley said: "There's nothing in the treaty that relates to pure taxations offences. It specifically excludes pure taxation offences."

Similar treaties are in force with Switzerland, Netherlands, Turkey and Italy and others await final ratification with Caymans, Canada, Colombia, Morocco and Thailand. In addition, the American Embassy said that treaties are in negotiation with several other countries.

However, some bankers and their lawyers feel that the treaty is open to interpretation and abuse.

"It's just a gradual erosion of the banking secrecy," an official at one of major offshore banks said. He said the precedent was set with the Bank of Nova Scotia affair followed by the Bank Leu scandal.

"Let's face it, the Americans can do whatever they want to as long as they feel 'we've got Pindling where we want him,'" the banker said.

Pointing to the US's frustration over getting a Bahamian to answer to criminal charges, he said, "You've only got yourselves to blame because of that man. I'm not surprised that they're upset."

Another respected investor banker was of the opinion that Washington "has had it up to their necks" with the Bahamas on the drug corruption issue. He fears that the US is so fed up it might do something that would be detrimental, such as making it difficult for Bahamians to travel there.

One of the areas of concern in the treaty is article 8 which provides that information or evidence made public in the requesting state in a trial may be used for the collection of tax or enforcement of tax penalties resulting from "the knowing receipt of the unlawful proceeds of an offence" within the meaning of paragraph one and two of the treaty.

However, this would only occur after such information had been made public in a criminal trial.

Tax evasion is not an offence under Bahamian law.

Of the approximately 370 banks and trust companies that are incorporated in the Bahamas, there are about 50 major ones. Many of these, it is understood, are unhappy about the proposed Treaty.

The Treaty provides for the exchange of information on fraud or the use of fraud, "including conduct which has the effect of defrauding the government." Fraud could be interpreted to mean tax evasion, one lawyer said.

Some frauds, such as wire fraud, are not crimes in the Bahamas. But the question has been asked: Why should the Bahamas give protection to white collar criminals?

Also, the treaty provides for exchange of information relating to "financial transactions" which, the lawyer said, violate Bahamian laws. This section would also cover insider trading, The Tribune confirmed.

"This takes us back to the Bank Leu issue when that bank released information relating to a client's account without his consent. At the time the Government made a feigned effort to dispel fears in the banking sector, but as no effective action was taken against Bank Leu this was of no use," the lawyer said.

Mr Adderley issued a letter to Bank Leu stating that dealing in securities is "not normal banking business."

"I have seen a copy of that letter and ascertained that it is complete nonsense from both a legal standpoint and a practical standpoint. With these things in mind, it is not surprising that the banks are extremely worried," the lawyer said.

He said that the drafting of the treaty is unworthy in at least three respects:

--It is vague and ambiguous in essential areas "and the style is defective."

--It seems to try and hide the critical aspect of the treaty (i.e. taxes, lending assistance in relation to Securities and Exchange Commission and other offences, giving US authorities access to confidential records.

--Other offences covered in the treaty (illegal drug activity, theft and violent crime) are provided for in Bahamian law already.

"The potential damage to our economy as a direct result of this Treaty is incalculable having regard to the fact that the banks are the third largest employers in the Bahamas, in many instances the greatest consumer of local service," the lawyer said.

"One bank I represent has already given us instructions to close down completely and another with a large presence has advised that in the event Government attempts to give lawful effect to this Treaty there will be a mass exodus of banks from the Bahamas."

But another lawyer argued that the original concept behind banking secrecy was to attract people who want to avoid paying taxes.

"It is not a place where you want to harbour criminals. Why wouldn't the Bahamas want to make this criminal activity subject to extradition? We have always been opposed to people in the US who are criminals. We offered protection to people who legitimately avoided paying taxes," the lawyer said.

"If someone commits crimes in the US like wire fraud and insider trading, why do we want to provide such a person protection in the Bahamas? Our system was never intended to provide protection for criminals."

Said another investment banker: "There is a fear that any open-ended treaty will work against the Bahamas and there is a strong desire that if they were to sign a treaty, they would do so very carefully. You have to work out who loses and who gains."

For instance, in Panama bank deposits rose dramatically after Cayman signed its treaty with the US.

The majority of that was probably "dirty" money which Cayman would have wanted to weed out anyway, the banker admitted.

But he said that the day of "suitcase" deposits are gone and that the larger banks are extremely careful about who they deal with.

"I think we have weeded out all of the wrong accounts," he said. He said that the banks are adhering strictly to the code of conduct adopted in 1985.

"If there are one or two who do not adhere to it, I'm certainly not familiar with it."

The banker did not think that a treaty would be helpful.

"The damage that was done by the Levine (Bank Leu) situation was colossal. The letter saying that security dealing had nothing to do with normal banking business is just nonsense. That is just totally, totally an incorrect statement to make. Banks deal with it on a daily basis. It was always intended to be part of normal banking business," he said.

"I think Switzerland is beginning to get to the point where they think that information could be obtained too easily. It is vital to keep confidentiality intact."

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FISHERMEN ACCUSE FLORIDA BOATS OF 'CREATING TENSION'

Nassau THE TRIBUNE in English 30 Apr 87 pp 1, 4

[Article by Anthony Forbes]

[Text]

**SEVERAL Florida vessels doing longline fishing off Hope Town, Abaco, are "intimidating" local fishermen and causing a "considerable amount of tension" in the area.**

Hope Town fishermen are concerned that they cannot catch enough fish to meet the demand of restaurants and grocery stores in the settlement. They claim it is putting many people out of work.

"We have had the same complaints and we have passed them on to the Defence Force and they are looking into it," Mr Ronald Thompson, Director of Fisheries, said today.

He said the department has not issued any licence to any foreign fishermen to fish in the area using the longline technique and that it is illegal for them to be doing so.

Asked if he has received any reports from the Defence Force on their investigations into the complaints, Mr Thompson suggested The Tribune contact the Defence Force.

Defence Force Commodore Leon Smith said through his secretary this afternoon: "We have a boat in the area right now."

Commodore Smith said he was unable to comment further on the matter at this time but when he has more information, he will release it.

Mr Robert Malone of Hope Town said there is an unconfirmed rumour that the foreign fishermen have made contact with a Marsh Harbour resident who is handling the fish they catch and flying it to Florida.

Mr Malone said that the vessels, which have been identified from photographs taken by a Defence Force aircraft, have been fishing in Bahamian waters for almost a year.

"These boats are fishing in waters about six to 12 miles out from Elbow Cay, on which Hope Town is situated, and which is five miles east of Marsh Harbour," said Mr Malone.

"The Defence Force has, with the help of the local fishermen, kept in touch with the activities of these boats," he said.

Mr Malone said that one of the local fishermen took the police on board one of the boats some months ago. The boat was anchored about six miles off shore.

"They found quite a large

amount of fish on board which had been processed," he said. "At the time the police were taken on board, they (the crew) were not actually fishing and the boat captain said that he was merely passing through (the Bahamas)."

"The truth of the matter is that he had been seen out there several days in a row. You could hear them on the VHF radio comparing their catch with each other," Mr Malone said.

"There were three boats working out there. You could hear them talking about how many hundreds of thousands of pounds they have caught. Basically, they are after swordfish," he said.

Mr Malone said that on another recent occasion, the same boats were approached by the police from Marsh Harbour, who were accompanied by three local fishermen, who guided them through the reefs.

"They got close enough to the boats to have a conversation with them and the captain of the boats refused to allow the police to board," Mr Malone said. "In fact they threatened the police that they would fire on them if they attempted to board."

He said that subsequent to this incident, the Defence Force sent up an aeroplane to take pictures of the boats and the fishing vessels were found to be well within the fishing limits.

He said that the pictures taken revealed to the Nassau police the same information that was being sent to them by the local Hope Town fishermen, including the names of boats and their registration number.

Mr Malone said that to date there have been four different boats fishing in the area, one of which is a 65-foot, steel hull vessel named "Aleina C."

He said that there were three other boats, all of which belong to a company in Florida called "Tripple M Seafood," operated by a Mr Jonathan Sadowski.

Their names and registration numbers of the three vessels are: Tripple Slammer, No 624894; Tripple Anthony, No 988902; and Full House, No 612057.

"Some of the conversations that have been picked up here by VHF radio have indicated that these boats have been pulling in one night's catch of 2,500 pounds of fish," Mr Malone claimed.

He said the Department of Fisheries has told the local fishermen that they have issued one licence to a foreign boat in the Bahamas and that only that boat is allowed to catch crabs on the banks of the Bahamas.

"It has caused a considerable amount of tension in two areas: some of the local fishermen are reluctant to go out because some of these people have threatened to fire on them if they came close to their lines; and those who have gone out have found that the fishing is not nearly as good as it was a year ago," Mr Malone said.

"We just had the annual fishing tournament and it was the least number of fish ever brought in from a fishing tournament which has been going on for a number of years now," he said.

"They are using the longline process of fishing. They would put down in one night a line of five to 10 miles, a wire line which has hooks every couple of feet along it," he said.

"They set it just about dark and watch the beacon on radar all night," he said. "You could hear them at night warning other ships who are passing nearby that there are obstructions in the water and they should change course to avoid such obstructions."

"Another point is that the local restaurants and grocery stores have, up until recently, been able to depend on the local fishermen to keep them supplied with fish," he said.

Mr Malone said that now the restaurants are having to bring in fish from Nassau and other places because they suddenly cannot find enough fish in Hope Town to meet the local demand.

"So it has the effect of putting many people out of work," Mr Malone said.

"Some of the local fishermen have just recently purchased expensive fishing boats with all the equipment, and it has really hit them hard because suddenly after having invested so heavily, there is no fish out there and when they do go out, they encounter these longline fishermen who intimidate them," Mr Malone said.

He said that the local fishermen have been aiding the police to bring an end to this.

He did not know if Marsh Harbour MP Edison Key has been approached by the fishermen in connection with the problem.

"I think the fishermen have been dealing strictly with the police," he said.

Mr Key, who is also Chairman of the Bahamas Telecommunications Corporation, was not available for comment today.

Early last year, Minister of Economic Affairs Alfred Maycock told the House of Assembly that no permission had been granted to a foreign company to fish commercially in Bahamian waters.

Mr Maycock said that the existing Government policy is that commercial fishing within the Bahamas' exclusive fishing zone is reserved for Bahamians.

He disclosed that an agreement had been reached with two foreign companies to conduct pilot research and development studies for certain species of fish in depths of 120 feet and greater, while a third company was studying the stone crab potential in shallow waters.

He said that the necessary permits were issued for the purpose.

Mr Maycock's statement came in reply to questions by former Deputy Prime Minister Arthur Hanna as to whether a foreign company had been exporting grouper from the Bahamas.

Mr Hanna also wanted to know whether the Minister was aware of newspaper reports that a foreign company is threatening the fisheries resources of the Bahamas by its unusual method of longline fishing.

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CSO: 3298/220

SECURITY MINISTER ROKER WILL RESIGN; SPEAKS ON CORRUPTION

'Retirement' Announcement

Nassau THE TRIBUNE in English 27 Apr 87 p 1

[Text]

NATIONAL Security Minister Loftus Roker this afternoon announced his intention to retire from politics.

Speaking at about 5 pm, the Nicholl's Town MP said:

"Now Mr Speaker, after 19 years of service in this House, which I hope history would show has done some good to the Bahamas, it is my intention to retire from politics.

"I am sad that I have to leave under the circumstances which I am leaving. No one has forced me. It is a voluntary retirement," Mr Roker said.

Mr Roker took to the Floor this morning to once again defend his performance in office.

"I believe that there is no individual in the world who is more honest than I am. That's what I believe," he said this morning. There was laughter from the public gallery.

His permanent secretary, Kendrick Williams, friends and public relations men Fred Mitchell and Al Dillett, private secretary and a strong supporter from Nicholl's Town constituency were present to hear Mr Roker speak.

"I have been in this House now for just over 19 years and

by and large I have enjoyed much of my time here. It seems to me, though, that we're living in very exciting times and sometimes when you think we are maturing, we seem to be going backwards," Mr Roker said.

From his remarks, it was clear that Mr Roker is still upset over the State Department's narcotics control report which says that widespread corruption still exists in the Bahamas, and a subsequent, unsuccessful attempt by a group of US senators to stop the Bahamas from receiving aid.

It was his belief that a recent NBC report on drug trafficking and corruption in the Bahamas and the above events were "all co-ordinated."

Mr Roker said he wanted history to judge him as a person who has done his duty to his country even though he may have made many mistakes. He said he has travelled to many countries, but loves the Bahamas better than any other place in the world.

He also said that thousands of Bahamians are honest and cannot be corrupted.

Mr Roker started speaking at

about 12.15 pm and was scheduled to resume what appeared to be a lengthy address at 3 pm. Ann's Town MP Arthur Hanna was to speak next.

It is believed that today is the last day the House will meet before a general election is called. The PLP goes into Convention tomorrow night.

Reports that Mr Roker would bow out of politics surfaced several months ago when it was said that he was opposed to the re-nominations of Kendal Nottage and George Smith, both of whom were linked to drug traffickers by the Commission of Inquiry.

The PLP Council meets again tonight to decide whether or not to withdraw Nottage and Smith as candidates.

Political observers are waiting to see whether Prime Minister Lynden Pindling, who on the face of it agrees to the candidacy withdrawals, will allow his friend Nottage to be dropped. There is speculation that the whole matter may have been stage managed and that Nottage and Smith may be "saved" by certain Council members, such as Percy Munnings.

## Farewell Remarks in Parliament

Nassau THE TRIBUNE In English 28 Apr 87 p 1

[Article by Gladstone Thurston]

[Text]

PRIME Minister Pindling did not take up National Security Minister Loftus Roker's challenge to rid the Progressive Liberal Party of corruption, the House of Assembly was told yesterday.

In his three-hour farewell address to Parliament, Mr Roker drew members' attention to his speech before the PLP convention in 1974.

"I was addressing directly the Prime Minister who is leader of the PLP," said Mr Roker. "I told him there was corruption in the PLP. I told him that he had the courage to put an end to it.

"I told him if he took up my challenge there were those in the party who were prepared to assist him in ridding the party of them (those who were corrupt).

"I addressed that remark to my Prime Minister. I warned him that there were those among us who were corrupt."

Mr Roker said no one, to this day, "yet come to me and say: 'Loftus what is it you are talking about? Who are these people?' No one came to me."

"In fact, what I got for that, a couple years later Mr Alexander Maillis, a fat cat PLP, as he called himself brought a resolution to the Council condemning me for making that statement," said Mr Roker. "I was not going to let Mr Maillis or anybody deter me. Mr Maillis was a fly by nighter."

Mr Roker said he tried then and he had friends who knew what he was trying to do. He named former West End, Grand Bahama MP Henry Bowen as his friend and four others who were present in the room just before he gave that

address.

Mr Roker said in 1986 he repeated his charge about corruption and a lot of people misunderstood that.

"I said to the Prime Minister and the PLP convention," said Mr Roker, "I said to him then that this was his last opportunity to clean up and get rid of the hangers-on and the corrupt people who were trying to drag us in the mud. I said that to him (Pindling) and a lot of people misunderstood what I meant."

Mr Roker described himself as a black nationalist. "I am not a radical black nationalist," he said. "I believe in black leadership. I believe that black people like other people are capable of reaching the highest heights of excellence.

"I believe that any man I followed for 30 years, if he makes a mistake, I believe I would be less than human if I believe he did not deserve the opportunity to correct the mistake."

Mr Roker said that when he joined the PLP in 1956, he did not know what he was doing, "but I believed that something had to happen for us. I didn't join because of Mr Pindling or Mr (Henry M) Taylor. I felt it was the right thing to do.

"I refused to believe and I will never accept any idea which suggests that black people on their own are not capable of excellence. I do not need to join with anybody to be great. We have it in ourselves.

"That is why I stayed with this organisation (PLP) over the years. I never left, came back or joined any other thing. From 1956 to 1987 I remained. I took part in every general election since 1956."

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CSO: 3298/220

PLP CHAIRMAN MCWEENEY COMMENTS ON ELECTION POSSIBILITY

Nassau THE TRIBUNE in English 2 May 87 pp 1, 7

[Article by Gladestone Thurston]

[Text]

**PRIME Minister Lynden Pindling may call general elections "any day now," said Progressive Liberal Party chairman Sean McWeeney.**

Addressing the PLP's all-New Providence convention last night, Mr McWeeney said concerning general elections: "we're getting ready for the home stretch. The time is drawing nigh. Any day now.

"We're no longer talking about months but weeks. And, although nobody has told me anything, I suspect we're not even talking about weeks anymore. We're talking about days. That's how close it is."

In predicting victory, Mr McWeeney said "the PLP is going to win this election and is going to win it big. We are going to win this electuon fair and square. We shall never have to stoop to conquer.

"This is one party that does not have to cheat and will not cheat to win elections. We have the people behind us. And, it is with the people we will win. That is the most powerful weapon that we have and the only weapon we shall ever need - the support of the majority of the Bahamian people."

He said that the Bahamian people know that the opposition Free National Movement, from first to last, "is a coalition of convenience - a coalition founded not on the high planes

of political principles, but in the sinking sands of political expediency."

He said this is a coalition "fired not by the engines of constructive purpose but by the noisy generators of bitterness and hatred; a coalition moved to action not by the hunger for excellance at all costs, but by the thirst for power at any price; a coalition that is quick to tell you what it is against, but cannot for love or money tell you what it is for."

He said that despite the criticisms of the FNM, the economy of the Bahamas is in better shape today than ever before.

"Indeed, we can boast of having one of the fastest growing and most successful economies anywhere in the universe," said Mr McWeeney. "The credit for our phenomenal economic success belongs to the Progressive Liberal Party government whose sound and prudent fiscal and monetary policies have made it possible for our nation to fare as well as it has and to fare as well as it continues to do."

The gross domestic product of the Bahamas, he said, grew from \$1.7 billion in 1985 to \$2 billion in 1986, an increase of 17 per cent. The Bahamas' foreign reserve at the end of 1986 was pegged at "a handsome" \$260 million. The Bahamas, he said, is one of the

few nations in the world which does not base its fiscal policies on deficit spending.

He pointed out that in 1986 the Bahamas welcomed more than 3 million tourists, an increase of almost 12 per cent over 1985, with tourism expenditure at more than \$1 billion.

Liquidity in the domestic banking system, he said, is greater than ever before. Inflation has been held to 5 per cent, and the cost of borrowed money is lower now than it has been in many years.

The international banking and finance sector continues to steadily expand and, for the first time it seems that light industry is now on its way to the upper echelon of the economic pyramid.

"All of this has translated into more jobs for Bahamians than ever before, more entrepreneurial and commercial opportunities for Bahamians than ever before, a higher standard of living for Bahamians than ever before, and more money in the coffers of the public treasury than ever before to fuel the development of our nation and the expansion of social services," said Mr McWeeney.

He criticised FNM leader Kendal Isaacs as one without vision and the common touch to be Prime Minister of the Bahamas. "When it comes to leadership, Kendal Isaacs is a man who does not qualify," he

said.

"When you are talking about leadership in this country there is only one man you are talking about and that man is Lynden Oscar Pindling," said Mr McWeeney. "It is because Lynden Pindling is the leader of this party that the PLP is going to be returned to power.

"The Bahamian people want leadership, the Bahamian people need leadership, and the Bahamian people know that when it comes to choosing between Isaacs and Pindling there is no choice at all - Lynden Pindling all the way."

He described Prime Minister Pindling as a man "of enormous compassion for people, particularly for people we like to describe as common folk. He is a man profoundly sensitive to the needs of poor struggling people. Indeed, the record will show that Lynden Pindling has given virtually the whole of his adult life to the service of the common man."

Mr McWeeney said he gets annoyed when he hears some people say that Prime Minister Pindling is paid too high a salary.

"If those same people realise and took stock of the sheer volume of hours put into his job by this man at great personal sacrifice to his private life and family," said Mr McWeeney, "they would have to realise just how much Lynden Pindling is working for free."

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TWO UNION LEADERS ENDORSE FNM FOR NEXT ELECTION

BCPOU Leader's Address

Nassau THE TRIBUNE in English 28 Apr 87 p 8

[Article by Gladstone Thurston]

[Text]

BAHAMAS Communications and Public Officers Union's president Keith Archer has publicly endorsed the official opposition Free National Movement as "the only legitimate alternative to the corrupt and compromised PLP government."

Addressing the FNM northern region convention, Mr Archer said those Members of Parliament who were found guilty by the Commission of Inquiry ought to retire or be retired from public service in the public interest.

"Workers everywhere are fully persuaded that a change has got to come and we are prepared to do our part to ensure that the Bahamas gets a government of honesty, integrity and justice," said Mr Archer. "It's just a matter of time."

Mr Archer said that following its second annual retreat in 1985, the Bahamas Trade Union Congress (TUC) of which the BCPOU is a member, concluded that it has become necessary for the TUC to become more active in the political life of the country.

"We took this position as organised labour in the light of persistent ill-treatment by a government that came to power on the backs of the working people but has consistently and systematically betrayed the mandate and trust of the labouring masses by, among other things, failing to enact progressive legislation to protect the workers of the country," said Mr Archer.

Although the trade union movement has been gaining strength in recent times, he said, its solidarity has been weakened and frustrated by "petty personal and political differences."

"The powers-that-be have conveniently used this disunity of the movement to deny the working people the kind of labour legislation which even the PLP government has admitted they should have," said Mr Archer.

"We therefore welcome the fact that your party (the FNM) recognises that enlightened and progressive labour legislation is needed in the country, and is committed to deal with such pressing issues as a minimum

wage, unfair dismissals, redundancy, maternity benefits, and sexual harassment at the workplace," said Mr Archer.

Since the TUC's 1985 retreat, said Mr Archer, it has been the view of the TUC that an independent political voice to speak for labour was needed.

"In short, we strongly feel that the time has come for someone to be elected to Parliament who will be a legitimate spokesman for the working masses of the country," said Mr Archer.

It was also decided, he said, that the TUC would seek to bring about some accommodation between the opposition forces, including the TUC, "to rid the country of the corrupt and compromised PLP administration."

With that in mind, he said, the TUC held discussions with the FNM aimed at an accommodation in the upcoming general elections not to oppose a labour candidate in the Fort Charlotte constituency, to avoid giving any undue advantage to the PLP incumbent in that area.

"Unfortunately," said Mr Archer, "our efforts in this

regard were not successful and the TUC considered it advisable to withdraw the previously announced labour candidate in the interest of ensuring an opposition victory and restoring good government to our beloved Bahamaland.

"Although we are disappointed that an accommodation with the FNM on a labour candidate was not possible, we are prepared to accept the political facts of life and our decision to withdraw was consistent with our commitment to put country above self and to refrain from taking any action that would benefit those on a sinking PLP ship."

There are those in society who make it their business to enlarge upon the least trifle which tends to discredit the labour movement and denounce the whole body for the misconduct of one guilty person, he said.

"What's more," said Mr Archer, "we insist that no one who the record shows has spent more than eight times the amount as a public servant and who professes to be unable to identify the sources of certain suspicious deposits to his bank account and who the Commission of Inquiry could not exonerate of accepting money from drug traffickers.

"No one in such a compromised position possesses the moral authority to question the financial honesty and integrity of other people or to pick on

others in an effort to cover up his own misdeeds."

Over the last year, he said, the Bahamian ship of state "has moved ever closer to the shores of hell, steady as she goes, under the command of a captain and crew drunk with greed, corruption and incompetence, apparently unable or unwilling to effectively deal with the challenges of unemployment, crime, drug trafficking and abuse.

"Like the FNM and all right-thinking Bahamians, we in organised labour demand that the necessary action be taken forthwith to implement the recommendations made by the Commission of Inquiry.

"Like the FNM and all right-thinking Bahamians, we are also of the opinion that those Members of Parliament found guilty by the Commission of Inquiry to have been involved in, or to have facilitated the smuggling of drugs, or to have received payments directly or indirectly from drug traffickers, or to have received other questionable payments or loans ought to retire or be retired from public service in the public interest.

"We see the FNM as the only legitimate alternative to the corrupt and compromised PLP government, and we particularly welcome your commitment to restore honesty and integrity in the conduct of public affairs, and to take steps to root out the institutionalised corruption which has flourished under the

PLP government and which has undermined the public service and damaged the people's confidence in their institutions."

He said the PLP government "must" accept the blame for failing to promote economic growth and development. The high cost of living, he said, "must" be laid at the Government's doorstep "because of the human and material waste and corruption by those in positions of authority. If our country is ever to pull itself out of its present predicament, we must recognise that employment and economic growth are closely connected."

The provision of jobs, he said, must remain for a long time one of the priorities for the Bahamas and the first claim of a caring government should be directed to putting the nation back to work.

"It is often said that a people get the kind of government it deserves," said Mr Archer. However, he said, that it is "without the slightest doubt" the Bahamian people deserve much more than the "misleaders now holding the reigns of power, and it is but a matter of time, short time, before we change it."

Workers everywhere, he said, are fully persuaded that a change has got to come "and we are prepared to do our part to ensure that the Bahamas gets a government of honesty, integrity and justice. It's just a matter of time."

Nassau THE TRIBUNE in English 30 Apr 87 p 1B

[Text]

**IF IT is not right for a "minority white man" to steal, then it is equally not right for a black man to steal, especially when stealing or indiscretion imperils the lives of so many of his majority black brothers and sisters,"** union leader Hurie Balford Bodye told the Free National Movement's Freeport convention last week.

Mr Bodye is first vice president of the Bahamas Trade Union Congress and president and labour consultant of the Commonwealth group of unions.

The union leader said that the Industrial Relations Act of 1970 is one of the most confusing laws on the books "and it is my hope that when Mr Orville Turnquest becomes the next Attorney General of the Bahamas, he will straighten out the mess on behalf of the workers of the Bahamas."

After pointing out specific areas of confusion, Mr Bodye said, "What the workers of the Bahamas cannot understand is why the Government of the PLP, which came to power on the strength of the workers of the Bahamas - the trade union movement - has constantly refused to change these Acts to coincide with the changing times in order that those changes can benefit the workers.

"We have agitated for change a long time ago, but nothing has happened under this Government of the PLP," said Mr Bodye.

"Now it is only fitting that we turn to somebody else and see if they are prepared to assist the workers in this cause by

changing the country's labour laws and bringing them up to date with the international standard law," the union leader said.

"My working brothers and sisters across Bahamaland, the Free National Movement has given us that assurance. I repeat: the Free National Movement has given the assurance to review and revise the labour laws of the Bahamas to the benefit of the workers of the Bahamas."

Twenty years ago, in 1967, there was a Royal Commission of Inquiry into the operation of casinos in Freeport and New Providence, Mr Bodye said. The results were documented in the Green Book of March, 1967.

In December of 1984, there was a report from a Commission of Inquiry into drug trafficking through the Bahamas. "This report was accepted by the Government of the Bahamas and tabled and debated in the House of Assembly in January of 1985," said Mr Bodye.

"Both of these commission reports are quite clear and explanatory. If it is not right for a minority white man to steal, then it is equally not right for a black man to steal, especially when stealing or indiscretion imperils the lives of so many of his majority black brothers and sisters.

"Wrong is wrong," said Mr Bodye.

The labour leader said that the Industrial Relations Act of 1970 confuses the Labour Minister, the employer and the employees.

Even though the Labour Minister attends the International Convention for Labour in Geneva in June each year, the Bahamas Government has yet to agree to the Convention on Freedom of Association, Mr Bodye said.

He said that Article 24 of the Bahamas Constitution of 1973 gives the workers the freedom to belong to a political party, a religious denomination and trade union of their choosing. The Industrial Relations Act of 1970 prevents the worker from joining the union of his choice, Mr Bodye said.

"Confusion, I tell you."

The Fair Labour Standards Act of 1970 says that no one ought to work longer than eight and a half hours a day but it only applies to Nassau and Grand Bahama and then, in the case of the hospitality industry, only to hotels with 100 or more beds, said the union leader.

"The Act makes no provision for maternity leave, sick leave or minimum wage - a crying shame in a modern country."

Said Mr Bodye, "The Trade Union Congress cannot be happy when the increase in crime is occurring about us every day. No! We cannot be happy when the Government has taken the rent allowance from our brothers and sisters here in Freeport.

"We need a new direction. We feel that the Free National Movement and its leadership is capable and competent to have these ills cured.

"My brothers and sisters," said Mr Bodye, "as we move in this new direction, let us hold hands, moving upward, onward together in victory."

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NOTTAGE, SMITH GET PLP NOD DESPITE INTRA-PARTY OPPOSITION

Nassau THE TRIBUNE in English 29 Apr 87 p 1

[Article by Athena Damianos and Alexis Wallace]

[Text]

**THE TWO PLP MPs whose names were most blackened by the Commission of Inquiry report triumphed last night over a move by backbenchers to have their names as candidates withdrawn.**

While Kendal Nottage (St Agnes) and George Smith (Rolleville) emerged from a PLP Council meeting victorious, Cabinet Minister Darrell Rolle and backbenchers Charles Carter, George Mackey and Milo Butler Jr and others were accused of being "FNM agents" by a rowdy crowd.

The crowd closed in on some of them as they arrived and left PLP headquarters, waving placards. The event today touched off rumours of resignation.

Many Council members were upset because they felt a bid to remove St Agnes MP Kendal Nottage was a move to get at Prime Minister Lynden Pindling and that once Nottage was gone, the Prime Minister would be subject to open fire, said an informed source.

A Council member told the Prime Minister that in his constituency, people were saying that if Nottage goes, then Pindling must go too, the source said.

Mr Nottage and Rolleville MP George Smith, linked to drug traffickers by the Commission, were supported in the Council meeting by Attorney General Paul Adderley and Deputy Prime Minister Clement Maynard. The Tribune was reliably informed.

This seems to be indicative of a growing feeling that they were following a course chartered by the Prime Minister.

Sir Lynden broke down and sobbed at a Council meeting last Friday, saying it would be in the best interest of the country, party and Kendal Nottage if Nottage were to withdraw as an election candidate. This opened a floodgate of emotion. There is a growing opinion that the Prime Minister's performance was orchestrated.

At that meeting, Nottage read a communication that he was withdrawing his candidacy. Last night, he was "saved" after a motion was put forward - it is believed by Brave Davis Sr - against Nottage's proposal.

Last night, the crowd turned against Carter, Mackey, Butler and Roberts, and Senator Ishmael Lightbourn.

"No Nottage, no Carter," the crowd, that swelled to about

100, chanted. They shouted as Carter entered the compound by stepping over a wall instead of using the driveway. The crowd also closed in on Butler with placards.

Carter, Butler and Lightbourn recently met with the Prime Minister about having Nottage and Smith's candidacies withdrawn. It is understood that they are getting negative feedback from their constituents on the matter.

A supporter in the crowd said, "Carter, Rolle, they jealous. They jealous of Nottage. They just looking for bread. Nottage done get bread, butter and jam and if he give us he can't miss a penny from it."

One placard read: "Bradley, Darrell, Milo, Charles, George (Mackey), Loftus, Ishmael, are these men FNM agents?"

"Tell them Peggy Powell was holding this," the placard holder directed a Tribune reporter.

Another placard read, "We love you LO, but we love Nottage best."

Emerging from Gambier House, PLP headquarters, Nottage was hoisted shoulder-high by a crowd of supporters.

"We want people in Holy Cross to know that they don't tell people in St Agnes whose going to represent them," one woman demonstrator said.

"Charles Carter needs to worry about what's going on in Holy Cross and if he can't win Holy Cross, too tough for him. He has to solve his own problems," another said.

"We're supporting the Prime Minister 110 per cent. They couldn't get to him. They couldn't get to the Prime Minister. Getting to Nottage to pressure the Prime Minister," said another demonstrator.

A source said that Carter "spoke like a man," at last night's meeting; stood up against the odds and put the case.

Carter told the Council that by running Nottage, the Council would be doing a great disservice to the party; that Council seemed to have no idea what was happening in the community, the source said.

There is a groundswell of opposition against Nottage, whom the Commission found fronted from a New England mafia figure/drug trafficker. Although Smith was also condemned in the Commission report, the public has been put off by Mr Nottage's arrogance. He and the Prime Minister are very close - like "siamese twins," said former Cabinet Minister Hubert Ingraham.

Mr Carter said that he was motivated by a sincere desire to do what is right; that he was involved in no conspiracy and that it was wrong to thrust Nottage on the people, the source said. It is understood that the Council was "shocked by his bravery."

Mr Carter preferred not to comment today, saying only, "It's a closed chapter now. Democracy wins. I don't want to give any personal feelings."

Said one person of the crowd outside, "It was the usual traditional crowd, whipped into a frenzy. These people see their positions threatened by an attempt to remove Nottage. They are afraid that the next move will be against Pindling.

"They could not distinguish between what Nottage has done and what Pindling has done."

Lady Pindling attended last night's Council meeting. Everette Bannister and Tiger Finlayson were standing outside.

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## BRIEFS

WORLD BANK LOAN--The Government of the Commonwealth of the Bahamas and the World Bank recently signed the agreements for a \$10 million loan which will help improve the quality of water and its supply in New Providence. The Bank Loan was approved last October. Her Excellency Mrs Margaret McDonald, the Bahamas' Ambassador to Washington, D.C. signed on behalf of the Bahamas Government and the Hon Darrell E. Rolle, Minister of Works and Utilities and the Chairman of the Board, and Mr Phillip P. Smith, Deputy Chairman, signed on behalf of the borrowing agency, the Water and Sewerage Corporation. During the signing ceremony, Minister Rolle said changing life styles, the requirements for a higher standard of living and the desire for water of a better quality and greater reliability, together with improved waste disposal methods have created the need for large sums of money to rebuild and expand plant facilities. "The Bank's responsiveness to our needs in the Bahamas is much appreciated." [Excerpts] [Nassau THE TRIBUNE in English 25 Apr 87 p 7] /9317

BUT DISSENSION, ELECTION--The report of the investigating committee has confirmed that there was no misappropriation or extravagant use of union funds, the Executive Committee of the Bahamas Union of Teachers said. In a press release issued Tuesday, the Executive Committee said that in spite of the facts, some members of the union have made and are still making erroneous allegations against them. "The sole purpose, we presume," stated the Committee, "is their attempt to malign the integrity of members within the Executive Committee on the one hand, and to cause disenchantment among the membership on the other." The Committee said it felt that since some members of the union have caused questions to be raised about the Committee's integrity to lead the union, a vote of confidence will be taken at the polls tomorrow. The elections have been called in response to conclusions and recommendations of the Investigating Committee, and the mixed sentiments expressed by the BUT members who were present at an emergency meeting called to receive and discuss the report of the investigating committee. The resignation of the current executives became effective today. [Excerpts] [Nassau THE TRIBUNE in English 29 Apr 87 pp 1, 4] /9317

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## POLLS SHOW DECLINE IN PMDB, SARNEY POPULARITY

Brasilia CORREIO BRASILIENSE in Portuguese 22 Mar 87 p 3

[Article by A.C. Scartezini, special correspondent: "Popularity of PMDB, Sarney Slips; Planalto Confirms the Public's Dissatisfaction With the economic situation"]

[Text] Tangible proof of the falling popularity of the PMDB has been on President Sarney's desk since last week: an opinion poll taken in Sao Paulo indicates that barely 27 percent support the country's largest party, although it is still the most popular party, but the threatening PT is rising in popularity and is now in second place with 17 percent.

Seeing the poll in the president's hands, a friend said, "The PMDB has lost all its social banners." The friend's opinion confirmed Sarney's impression that the PT was growing in popularity because of efficient groundwork with unions and other groups which the PMDB is ignoring.

The president's friends think that the PMDB's slide is due, above all, to poor attention to people's complaints about the crisis that has engulfed them, e.g., the social opposition to income taxes, farmers' demands for economic support and strikes for higher wages.

Sarney's friends are suggesting that the problems in handling social demands may lie with the current ministers, who are not in a position to carry on an efficient dialog with the public, problems that those very friends could solve if they were formally asked to do so by the president.

These friends also have access to another poll on Sarney's desk at Planalto Palace. This one indicates that the slide in popularity has occurred not only with respect to the party, but also with respect to the president: 47 percent of the public now supports his program compared to 57 percent a month ago.

## Dissatisfaction

The polls are not the only thing that has disturbed the president. "The feeling within the government is that there is a terrible groundswell of

PLP'S ECONOMIC RECORD ATTACKED AT FNM CONVENTION

Nassau THE TRIBUNE in English 23 Apr 87 p 12

[Article by Anthony Forbes]

[Text]

FREEPORT, Grand Bahama: The Bahamas cannot survive the present economic drought for very much longer, official opposition Kendal Isaacs warned at the opening of the FNM northern region convention last night.

Delivering the principal address to over 2,000 supporters at the Bahamas Princess and Country Club, Mr Isaacs blamed the national economic dilemma on the lack of confidence in the PLP government by investors.

Mr Isaacs, who is also the FNM's shadow Finance Minister pledged to "deal straight" with investors, many of whom have pulled out because they were faced with too many underhanded propositions and flexible rules and regulations.

Mr Isaacs further pledged to sell at a good price or arrange for the professional management of the Government owned hotel, casino, airline and agricultural and poultry farms, so they could be free from day-to-day political interference.

FNM supporters crammed the hotel Camelot Room filling all of the 1,500 seats and standing in the aisles and against the walls around the room, while hundreds more stood outside in the lobby to hear Mr Isaacs' wide-ranging, 18-page

speech which was televised live to the Grand Bahama audience.

"One of the areas in which a government of the Free National Movement will concentrate strongly and urgently is that of the national economy," Mr Isaacs said.

"The Bahamas cannot survive the present economic drought for very much longer," he told his cheering and pom-pom waving supporters who included FNM deputy leader Cecil Wallace-Whitfield and other opposition parliamentarians.

"The situation is frustrating the orderly development of this society and is at the root of much of the crime and drug abuse and unemployment with which we have to live day-to-day," he said.

Mr Isaacs emphasised once again that the country's national economic dilemma is a direct result of the lack of confidence in the PLP government on the part of investors.

"Many of those who are here are either cutting back or pulling out altogether," he said. "Many of those who would have come here do not, because they are faced with too many underhanded propositions and too many flexible rules and regulations."

Mr Isaacs said that serious people or corporations with serious dollars or pounds or

francs or marcs or yens to invest do not play around.

They sit at conference tables and make straight forward investment arrangements with terms agreeable to both sides and with all the sensible and necessary guarantees, he said.

"They deal straight with you and they expect respectable governments to deal straight with them," Mr Isaacs told the convention.

"They do not want to hear any foolishness about a ten per cent override. They do not want to deal with con artists and bag men. The government of the Free National Movement intends to rid this country of this blot on our national image once and for all," he pledged.

"We do not like it, and the Free National Movement intends to do something about it. The first thing is that the PLP must go," he said.

Mr Isaacs said that once this has been done an FNM government will push ahead with its national plan for the economic recovery of the Bahamas.

He said it is a plan very carefully defined in which the FNM sets forth its principal objectives and the precise terms on which it will do business on behalf of the Bahamian people.

"Understanding and accepting all that, the foreign investor will sit with us and talk

about what he would like to do economically in the Bahamas," he said. "We will examine his proposition to make certain it is sound and that he is someone with whom this country would want to do business."

Further, Mr Isaacs said, an FNM government will ensure that the investor's type of business is one that coincides with the national objectives and one that does not compete with areas of business reserved for Bahamians.

"All this will not involve the inordinate delays and red tape and deferrals so many investors have experienced," he said. "The investor does not want those delays and deferrals. The Government will not be guilty of that. The people do not need that because the people need to get to work fast."

Mr Isaacs said that sitting on the shelf of the PLP government are perhaps hundreds of business proposals put forward by foreign investors. He said the government has not dealt with them for one reason or another.

"The government of the Free National Movement will examine each one of those proposals for authenticity and for their worth to the Bahamian economy. What is worthless, or at least not in keeping with our national economic objectives, we will politely discard," he said.

"What is of national economic value we will seek to

have implemented immediately thus putting more Bahamians back to work and creating new jobs and professional opportunities for the thousands of young Bahamians who pour out of our high schools each year," Mr Isaacs said.

Regarding the government's involvement in the private sector, Mr Isaacs said that the FNM should be so occupied in accommodating the needs of the people that it will not have time to deal with matters best left to private enterprise.

"Thus we will look into the matter of government ownership of the hotel, casino, airline, agriculture farms, poultry farms and the like. Everyone of these enterprises now owned and operated by the Government has something serious in common. They are all losing money - the people's money," he said.

"And so we will have to decide either to sell at a good price, or make proper arrangements to have them professionally managed and free from day-to-day political interference," he said.

"The government of the Free National Movement will put the people to work because it is our priority to turn the economy of this country around by lawful and imaginative means. Trust us, work with us, and together we shall overcome those economic problems which beset us," Mr Isaacs said.

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dissatisfaction throughout the country," reported one minister after an appointment with Sarney last week: a number of complaints in every state.

Another minister confirmed social dissatisfaction in his domain and spoke of a dream he had:

"If the president removed me from the ministry, you know what I would like to do? I would like to do public relations for the government. I would travel around the country and talk to every segment of society, showing them the public works that the Sarney administration is doing. I could eliminate the dissatisfaction."

The effort would be effective only if a public relations minister could also advise the new governors, who are completing their first week in power today, particularly the governors of the most important states, who have spent the week causing problems for the president.

### Problems

In spite of all his political experience, for example, Governor Orestes Quercia, requested the office of Jose Hugo Castelo Branco (from Minas Gerais) at the Ministry of Industry and Commerce for his crony, Ralph Biasi of Sao Paulo, in an awkward way. The request could have been more fruitful if it had been made more discreetly, without embarrassing both the minister and the president.

What will happen if Biasi is not appointed minister after all for some reason? One government official thought, "Biasi will be more embarrassed than Castelo Branco is now." After all the public show made by Quercia, if Biasi is not appointed minister, the president will have one more crisis to handle.

Another surprise hit Planalto from Curitiba, where Governor Alvaro Dias is aggressively trying to force the Federal government to grant his personal requests. In his inaugural address itself, in front of his constituents, Dias vehemently demanded that Brasilia's attention be directed to him.

Dias' vehemence raises a question: Is the governor trying to make friends for the new ministry, is he only trying to block the appointment of Jose Richa, or both? Friends of Sen Richa, an old crony of the governor's and a supporter of his in the election, suspect that Dias wants both.

From the mountains of Minas Gerais, which used to be prudent and patient, comes the voice of Governor Newton Cardoso, sounding like a bulldozer, the new kind that frightens Planalto. Like Quercia, Cardoso makes loud demands.

However, the governor of Minas Gerais has a visible advantage over Quercia: his candidate for minister, Anibal Teixeira, was to be announced next Thursday, but last week he committed himself to leave the group of presidential advisors for the Ministry of Planning.

## Mission

Teixeira also has to undertake a thankless task this week-end, before he is named to replace Minister Jurge Sayad: he must smooth out relations between Governor Newton Cardoso and the Italian directors of Fiat, a powerful multinational company.

Cardoso's loudest act of defiance took place Tuesday, when the Italians, at his invitation, went to Despachos Palace to discuss the arrangement that the governor wants to undo: trading Minas Gerais' Fiat stock for an interest in the auto parts plant which Fiat is planning to build. This arrangement was approved by former Governor Helio Garcia in his last nine days in office.

When the Italian delegation, headed by Silvano Valentino, a Fiat supervisor, arrived at the palace, they found the governor at a press interview in the auditorium, where they were greeted with some unpleasant remarks. "This incompetent crowd of Italians," Cardoso raged about the negotiations with Fiat.

The new governor carried on about expropriating Fiat's Minas Gerais plant, if it came to that. "How much is it worth? \$300 million? If that's all it's worth, I'll be the banker," he claimed. "Fiat cannot treat the state so dishonestly," he said, referring to the stock trade in which the state would trade its 18 percent interest in the automotive plant for a 49.9 percent interest in the new plant.

At the end of the interview, a television reporter arrived late and asked the governor to repeat his statements so that she could record them. "My Fiat broke down and I had to take another car to the office," she explained. "Why did you ever buy such a lousy car?" Cardoso asked.

Being in the area, Valentino overheard this exchange on the auditorium's sound system, and then heard an aide remind the governor that he should break off the interview to meet with the Italians. "I am not meeting with them," Cardoso fumed. "I don't deal with people like that."

Such was the thorny situation awaiting the future Minister Anibal Teixeira as he left Brasilia Friday morning, encouraged by Jose Sarney, to mediate between the governor and Fiat in response to a nervous phone call from Cardoso. After all, Cardoso owes Teixeira's future appointment to Sarney.

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## MILITARY EQUIPMENT PLANS UNAFFECTED BY ECONOMIC CRISIS

Brasilia CORREIO BRASILIENSE in Portuguese 22 Mar 87 p 9

[Article by Joaquim Monteiro: "Crisis Not to Affect Military; Government Retains Funds To Equip Armed Forces"]

[Text] In spite of recent dislocations in the economy, funds allocated for military research and replacing equipment for the armed forces remain in place as previously planned, according to Army, Navy and Air Force financial sources. The Air Force, which is responsible for a wide range of activities in the fields of safety and technical, scientific and industrial development, will spend 492.8 million cruzados this year on safety.

In an open management style, the financial department of the Air Force has informed the taxpayers how its funding is being spent. This year, the Air Force has earmarked about \$4 million dollars for the AM-X project (a sub-sonic plane being developed by an international consortium consisting of Aeroitalia, Aeromach and Embraer), 600 million cruzados to install an air defense and air traffic control system, and 476 million cruzados for research and development.

The air defense and air traffic control system, the world's only integrated automatic system in operation, which is considered the most reasonable in cost of its type, has already installed and is operating Centers I and II. The third Center, which will cover airspace over the Northeast, is in the installation phase. It will probably be located in Petrolina in Pernambuco state, a strategic location for monitoring the region's airspace, but other cities in Pernambuco, Ceara and Rio Grande do Norte are also being studied. The fourth center, which will not be installed for some time, will be located in the Amazon region.

#### Army

Among Army agencies, the government awarded the War Materiel Department the largest funding this year to support plans made by the Army General Staff. Its total allocation comes to 1.154 billion cruzados, of which 500 million cruzados will be spent under the program to re-equip the Ground Forces by 1990 (Project FT-90), which had been planned under Minister Leonidas Pires

Goncalves and approved in various stages by earlier governments. Last year the Army received its first allotment in the amount of 250 million cruzados and is now slated to receive 85 percent of the remainder of the allocation.

According to information releases, the Research and Training Department will spend a total of 16.189 million cruzados, which is one of the lowest allocations made to Ground Forces. Science and Technology, the department receiving the second-largest allocation, will spend 70.297 million cruzados, of which about 80 percent will be for military-related projects.

Re-equipping the Ground Forces, a project of Minister Leonidas Pires Goncalves, who wants to leave the Army equipped as he had planned, i.e., on a par with the world's best, was the subject of a meeting between the head of the Army and President Sarney last year. At that time, Goncalves presented his argument to the president and requested more funds than had been budgeted for the Army. That was the beginning of the greatest campaign to re-equip the Ground Forces in their entire history, according to the Army's Public Relations Center, the Army minister's official mouthpiece.

Under Goncalves' resolute plan, the Army will be completely restructured by the turn of the century by spreading funds among the various military departments and organizations, whose planned operational level is to be reached in the very near term by 1987 and in the short term by 1990 in order to meet the performance level required of the forces under their constitutional mandate to provide for the internal and external security of the nation.

According to Minister Goncalves' program, even allowing for currency adjustment and implementation of the Cruzado Plan, the Army will be able to increase its purchasing power for the FT-90 Project. The Brazilian military-industrial complex was given a boost by substantial equipment orders for the Army, particularly for combat and conventional vehicles, engineering and field equipment and telecommunications equipment.

#### Calha Norte Project

Although the Calha Norte Project will benefit the Army by building barracks and other facilities required to guarantee the security of border areas, funds for building these facilities and activating military posts that will require large funding (fully outfitting troops, etc.), had to be approved by the president. Among the ministries involved in this project, the Army got the second-largest allocation, 153.527 million cruzados this year.

These funds will be used to build, enlarge and improve barracks, including basic health services and utilities, the purchase of river craft, and the expansion of basic social services and facilities. The Air Force will get 35.642 million cruzados to enlarge airports and build landing strips, and the Navy will receive 69.231 million cruzados to improve its bases and purchase ships.

CUBAN TRANSPORTATION MINISTER PROPOSALS--Diocles Torralba Gonzales, Cuban transportation minister, arrived in Brazil yesterday to sign an air transportation agreement with the Brazilian government which will make direct flights possible between Havana and Rio and/or Sao Paulo. Brazil had broached the idea of a transportation agreement to the Cubans. In addition to the air transportation agreement, the Cuban minister also came to Brazil with the intention of buying ships, especially refrigerated vessels, under an agreement that could be worth as much as \$15 million. But the purchase must be made with a line of credit extended by Brazilian banks. As far as the Cuban minister is concerned, it is a simple matter: the vessel will be paid for C&F when it is placed in service. However, Torralba admits that the deal is not so simple to put together and expects a number of studies to determine ways and means under Brazilian law and to feel out private and national banks. As far as direct flights between Cuba and Brazil are concerned, Minister Torralba confirmed that the Cubans and the Brazilians have been holding talks on the subject for some time. Charter flights will be arranged initially, to be followed by regularly scheduled flights. The first of eight initial flights is scheduled for the 12th of next month, and the last of the eight will be on 20 May. According to the Cuban minister, all these contacts will make for a good beginning. Diplomatic relations are being resumed and "they can now be considered satisfactory, but there is room for improvement," said Torralba. He made sure to comment on the Havana visit of Abreu Sodre, Brazilian minister of foreign affairs. "It was a complete success," he said happily. The Cubans are still interested in studying Brazilian alcohol manufacturing methods. During his visit to Sao Paulo on the 26th, the Cuban minister will inspect alcohol plant equipment with an eye to probable purchase. Cuban interest extends to other areas, too. The minister will also look at an electric bus and truck plant in Parana. Today the minister will be welcomed by Transportation Minister Jose Reinaldo Tavares at a luncheon, and in the afternoon he will travel to Itamarati to hold talks with Foreign Affairs Minister Roberto de Abreu Sodre. [Text] [Brasilia CORREIO BRASILIENSE in Portuguese 25 Mar 87 p 9]

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## EXILED EX-SENATOR DISCUSSES POLITICAL ATMOSPHERE

Santiago COSAS in Spanish 19 Mar 87 pp 14-17

[Interview with former senator Erich Schnake by Elinor Comandari; date and place not given]

[Text] Time has hardly marked him physically, except for a mixture of white hairs in the incipient beard which has developed since the day he learned he could return to Chile. The dream lasted a short time, but he has not cut the beard short. The changes in Erich Schnake are of an internal sort. There is regret for the errors committed, but this has more to do with the way in which he wanted to impose changes than with their content. We had a long talk with him in his spacious and comfortable Community of Madrid office, where he holds a very important post.

Although the years have not been wasted, it still affects him emotionally to recall the events of 11 September 1973. At 5 pm on that day, he was arrested as he left the premises of Corporation Radio, of which he was president. This was the beginning of a pilgrimage, first to the Ministry of Defense, then to the military school, where, he himself relates, "We were treated in cordial and humane fashion." Later he was taken, along with other politicians, to Dawson Island. It was there that he experienced such contradictory emotions as fear of death and a feeling of freedom. He was only a temporary visitor to the island. After 4 days he was taken to the Air Force War Academy in Santiago. "I spent 56 days in solitary, wearing a hood. I learned what it is to feel electrical current in various parts of my body. They strung me up and molested me, but this is not the time to continue remembering those things," he commented calmly. The years he spent in the Public Jail, the Penitentiary, and, finally, Capuchinos, led him to the blackest thoughts, which he has reported in the book he wrote. While he was locked up, he was very often certain that he had been wrong in many things. He learned what fear, frustration and impotence felt like. He admits that despite it all, he feels neither hatred nor bitterness. "I must have very little hate in me," he says, "but what I felt most keenly was the senselessness of such irrational treatment." After 4 years and a half he was allowed to leave the country as a result of the efforts of Felipe Gonzalez during his visit to Chile. Because of this, he chose to live and work in Spain. The father of eight children, one born in exile, he is currently living with the three youngest and his wife, Pilar Walker. The others have chosen to live in Paris and West Berlin.

## Navy

The Navy, which is experiencing operational difficulties with vessels over 20 years old and at the mid-point of their service life (which includes 70 percent of the fleet), must modernize its ships over the next 5 years. Over 900 million cruzados will be spent this year. New patrol boats, submarines and corvettes are among the first-priority items to be purchased with its budget.

## UNICO FUND

With the start-up of the Unico Fund by the Planning Ministry, budget allocations made in foreign currency may only be released by the National Treasury, and recipient agencies are not allowed to know the origin. According to military sources, the moratorium decreed by the government will not affect projects already under way as far as cutbacks are concerned. Certain adjustments will simply be made in the original timetable. One of the reasons is the delay in delivery of equipment by suppliers who are struggling with the problem of raw material supplies, strikes and the recession predicted to accompany the recent economic changes in Brazil having to do with the failure of the Cruzado Plan.

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## BRIEFS

MILITARY PACT ON ABUSES--Ministers Leonidas Pires Goncalves (Army), Moreira Lima (Air Force), Henrique Saboia (Navy) and Jose Maria Amaral (Armed Forces General Staff and President Sarney's official spokesman for military matters of the Armed Forces) have signed an agreement to defend military officials under indictment for their activities during the repressive era under the military government. Moreira Lima, who is considered the most liberal of the military ministers, stated this week that Brazil had not undergone a revolution like Argentina's, where repression led to the disappearance of a large number of civilians. He and his colleagues argue that the leftists are continuing to feed demands for revenge against military officials who took over the streets in 1964 to prevent what they claimed was a well-planned takeover scheme by communists of all stripes. With the appointment of Atty. Victor Pires Goncalves, brother of the minister of the Army, to the office of military prosecutor to replace Leite Chaves, who took a seat in the senate, the military ministers felt better about new charges being made by those who want to bring to trial soon those military officials who took part in repression. Minister Leonidas Goncalves is being accused by leftists of having used his influence with President Sarney to have his brother appointed in order to control events within the military prosecutor's office. [Text] [Brasilia CORREIO BRASILIENSE in Portuguese 21 Mar 87 p 3] 8844

AMAZON OIL CONFIRMED--The oil-bearing formation discovered by Petrobras at Well 1-LUC-1-AM in the Upper Amazon is about 30 m thick, of which 4 m have good permeability, i.e., are likely to be productive. The reservoir has another 30 m of gas and petroleum condensate (very light crude similar to gasoline, which needs only light refining). Wagner Freire, Petrobras exploration and production manager, explained that the structures found at LUC-1 are very similar to those around 1-RUC-1-AM 14 km away, where oil was discovered last year in the Amazon. Freire noted that in spite of the fact that formation characteristics are similar to the previous discovery, only production tests, which will begin today, can determine whether the area will really produce oil and gas. Logging tests and core samples indicated the presence of both hydrocarbons. At RUC-1 tests indicated 950 barrels of oil, 350,000 cu m of gas and 600 barrels of condensate per day. This production rate is one of the best thus far for land wells, and the 37-m-thick oil-producing zone at Well RUC is one of the most promising discovered by Petrobras. [Text] [Rio de Janeiro O GLOBO in Portuguese 31 Mar 87 p 24] 8844

"None of my children went to the Eastern countries," he notes slyly. "It seems that we do not have much fondness for that way of life." Nowadays he seems more like a center politician or a social democrat in the European fashion, at least in form, but he feels himself to be more than ever a true democratic socialist.

His greatest desire is to return to his country soon. He is prepared to abandon all the triumphs he has achieved in Spain, to pack his bags and to return as soon as he can.

### Chile, A Special Country

[Question] Things in Chile must not be as bad as the propaganda claims, for in fact all of the exiles want to return despite their disagreement with the present government. On the other hand, the same is not true of either Cuba or Nicaragua, the countries which have the highest rates of exiles scattered throughout the world. To what do you believe this phenomenon is due?

[Answer] It is true, and the same thing happened in Argentina and Uruguay. This is a question I have asked myself many times. The majority of the Argentines had no desire to return to their country during the dictatorship, and even when it came to an end, a large percentage did not want to return. I believe that there is an explanation for this. Chile is a country with very great individuality. We are a rather special people, perhaps because of our isolation, which has both made us more modern and brought us closer to the rest of the world. I was expelled from the country in December of 1977, and in April of 1978, an amnesty law was promulgated, by virtue of which it was presumed that anyone could return. I was even named among those who could. It never entered my mind to remain in exile, and I felt I was leaving a prison. This happens to all of us Chileans.

### Democracy in Chile

[Question] There are those who believe that the situation in our country is normalizing now. Do you agree with this assessment?

[Answer] Naturally things are not like they were at the beginning. There is an obvious change. It would be foolish to think that things continue to be as they were 8 or 10 years ago. Obviously they are not. In Chile, a beginning has been made toward openness and change which may lead to democratic normalization within a relatively short time.

[Question] Do you favor democratic normalization or the violent path?

[Answer] Under no conditions would I favor anything other than democratic and absolutely peaceful normalization. The peoples who become involved in the dynamics of war never see the end of it.

[Question] What in your view are the risks involved in the process of democratic normalization?

[Answer] I believe that in this matter, the government obviously bears a great responsibility, but so does the opposition.

[Question] A few days ago, your name appeared on the lists of those who could return to the country, but later it was announced that this was an error. How did you feel on learning that the possibility of your return had evaporated?

[Answer] Why would I deny it? It caused me infinite pain and traumatized me for some time. I am still unable to solve from the problem--they allowed me to return to Chile. I was very happy, and I even spent 24 hours preparing for my return with my wife and children, burning bridges. I even talked with my president to tell him I was leaving. I fully intended that at the moment they told me I could return, I would. I have suffered much pain and anger, above all because of the crude way it was handled.

[Question] What are the issues which underlie this? Do you believe it was intentional?

[Answer] I do not know. I think that some dark hand intervened there at the last minute and said: "Not this one." I have never been able to find out who the terrible enemy I have is, but there must be one. I do not know why I was the political prisoner deprived of his freedom for the longest time--I never have known. It was never possible to prove any type of violent or subversive or any other activities against me, because there were none. This was neither my style nor my way of doing things. For the rest, as everyone knew, I was regarded as a rather democratic socialist.

#### Socialist Positions

[Question] What does this term "rather democratic" mean? Are you or are you not democratic?

[Answer] At one time there were two factions within my party, the revolutionaries who favored a break and the democratic revolutionaries. Obviously, I was in the second group, closer to the style of Salvador Allende, in other words favoring the pursuit of socialism within the framework of our institutions and within the freedom the country was capable of providing. No one has ever been able to explain to me why I was chosen as the scapegoat. Viewed from the point of view of the dictatorship, I do not know why I am more dangerous than the secretary of the PC. Once a person very close to the military government talked at length with me here in Spain, and he told me that what did me the most harm was my reputable image--this was very dangerous. An MIR leader is less dangerous than a balanced socialist leader.

[Question] Have you been involved in any action seeking to overthrow the present regime while you were abroad?

[Answer] Like so many others in exile, I have been a part of an important movement to combat the dictatorship, a faction which denounces what dictatorship means in Chile and sets forth the need for our country to return to democracy. But I have always been one to urge these changes in peaceful and democratic ways.

[Question] Have you taken any steps to return to Chile?

[Answer] I have taken all kinds of steps, done everything I could. People in Chile and outside, leftist and rightist people, people close to the government, people abroad and even governments have helped me greatly. I am still insisting and, if I am to be honest, I still have hopes. If I got a positive response, I would go with the entire family to Chile immediately.

#### Errors of the Past

[Question] From a distance, could you analyze the errors committed during the UP government and which led to the military declaration on 11 September?

[Answer] I start with the premise that this escape valve was not necessary. I believe that a crisis existed and that there was great tension, the result of a phenomenon which began a long time before, with the government of Eduardo Frei. The DC government proclaimed a "revolution in liberty," but I believe that it was a revolution of hopes. It opened up for the people a whole range of possibilities, which were so great that they could obviously not be realized. I believe that there was a great deal of demagoguery in this. Today I do not think that there was bad faith, but simply a desire to get ahead by promising and offering more than could be delivered. There is one detail I have not forgotten--the time Eduardo Frei inaugurated a public telephone and a television set in the settlement of Caro for the first time. In so doing, he awakened the ambition to have a telephone and a television set in a hundred thousand settlers. Our government inherited these vast hopes and illusions, which were so great that we were not capable of putting a limit to them, and the time came when we felt overwhelmed by them. When the demands are so basic, it is not possible to say no. In that era, the same things were being asked as during the Popular Front--bread, a roof and shelter. These are aspirations which are laughable in Europe today.

[Question] What errors would you avoid repeating?

[Answer] One of the worst errors, one which I hope we never commit again, was the sectarianism which began in the DC era. From then on, the political groups did very little to reconcile their positions. The DC government was a monochromatic government. We could have supported many of the things urged. However, we did not, but ended up opposing them harshly. This represented the mutual feeding of sectarianism. I remember that when we went to the settlements, the sectarianism of those who managed these tiny portions of power was terrible, and we ourselves did this later.

[Question] Was this a lesson you learned in exile?

[Answer] One can learn from coups, and I believe that we all learned a lesson--the DC, we and many others. Also, the reality in Spain has been an excellent school. This is a country which has succeeded in carrying transition forward without major trauma, because it was able to obtain a consensus, to reach agreement on the essential things among the liberals, socialists and Christian democrats. If each had been feeding grist to his own little mill, the democratic transition would have been impossible.

Chile had a strong dose of sectarianism, and the UP carried it forward very harshly. Another major error was that Popular Unity never was in the broad sense what its name implied. From the political point of view, there was no consensus on leadership. The socialists and the communists disagreed substantially, were not always in agreement, and these were the two most important parties. It is hard for a lion with two heads to function efficiently. Allende's effort to establish a consensus among the political forces was exhausting, and more time than was necessary was lost on this.

[Question] If you could govern again, would you be willing to unite in order to do so?

[Answer] No, neither I nor my party would. We no longer favor this type of leftist front. This is the widespread feeling in the PS led by Ricardo Nunez.

[Question] What self-criticism would you make of your activities as a parliamentarian?

[Answer] The criticism I have made of myself and continue to is that I lacked courage enough to set forth more forcefully, both within my party and outside it, the objections which were felt in that era about the things that were happening.

[Question] Why did you not do so? Do you feel responsible for the subsequent events? Were there other party colleagues of yours who were in a similar position?

[Answer] There were many people who felt the same. At that time there were groups which voiced very profound criticisms of what was happening. For myself personally, I would say that I made some efforts at reconciliation. The man who would remember this better than I is Bernardo Leighton. I had long meetings with him, with the knowledge of my party and the president, for the purpose of bringing about a political rapprochement. There was no time. We were only in the government for three years, and in the last year, events overwhelmed us. Allende was fully aware of what was happening and he tried to win support in the DC, but it seemed that the cards had already been dealt.

[Question] If a democratic process develops, do you believe that the UP will still be effective?

[Answer] I believe that the UP was a phenomenon which cannot be repeated, and it would be better if this did not happen. The current trend is to seek profound change in Chilean society through a majority consensus, which can only be provided by the parties of the center and the left. The future must involve united socialists, radicals and Christian democrats, if democratic stability is to be achieved. In Chilean politics, the mistake of having a minority government, as has been happening for more than 40 years, must be corrected. We sought to promote a revolution from within a minority. Profound changes can only be promoted on the basis of a real majority. If such does not exist, a manner of thinking which is not shared is being imposed on the rest of the country.

[Question] An appreciable change can be seen in you.

[Answer] It is not such a great change. We deceived ourselves in thinking that the legal system of the democracy under which we lived would allow us to develop a majority which would promote change. If we had established the foundations for great change, we could have won the majority needed for this.

[Question] A change in order to achieve what?

[Answer] A society more like a socialist Utopia. However, we made no preparations, we simply plunged forward, and nothing more.

#### The Changes Needed

[Question] What are these changes?

[Answer] Naturally, there is one which seems to us basic--the return of freedom and democracy in the country. This is the first and the most important. We socialists have learned to value freedom and democracy as never before, precisely because we have been without them. Secondly, and taking real democracy and freedom to mean the kind which allows the majority of the people to have access to basic goods, we want to reestablish the purchasing power of the most neglected sectors.

[Question] And how do you hope to achieve these goals in practice?

[Answer] In Chile it does not seem so impossible. It is not so impossible.

[Question] It seems that the political parties do not have a very clear idea of how to achieve the goals they set. They have not developed too much.

[Answer] I believe that there is a change, and in fact among the socialists, there is. Today we believe that it is not enough for the workers to play a greater role in national life in order to make them magically into the producers of wealth. Today our vision is more national. We believe that all the sectors involved in the productive process can contribute. This means unlimited respect both for public and private activity. The private producer can and should contribute, for it is not enough for only the workers to do so.

[Question] Today Russia and China are becoming aware of the need to encourage private enterprise.

[Answer] That is true, but these changes do not come about only under socialism, and it is the capitalist countries today which are doing the most economic planning. It seems that mankind has suddenly become more intelligent and has discovered that not everything on the other side is bad, but that there are things there which make real and effective contributions. In Chile today it can be seen that the excesses of the capitalist system have led to the denationalization of our industries, our enterprises, and that the margins of growth are below those in 1962. A concentration of the wealth in very few hands has come about, and this is not good either for the private investor or for anyone else. These are things which need to be corrected.

[Question] Does this mean nationalization?

[Answer] Not necessarily. It only means that opportunities must be offered to all those who want to invest.

[Question] Is this not in fact the case at present?

[Answer] No, the wealth and the large industries are concentrated in the hands of a very few in Chile today, far fewer than there were before.

[Question] There was a meeting in Chile between the SOFOFA and the socialist leaders to examine the future of private enterprise if you were to govern.

[Answer] We are in a phase in which it is necessary to encourage both private and public activity, and to establish parameters of efficiency for the public enterprises. There were some state enterprises which, generally speaking, were very inefficient. Encouraging private activity would avoid the concentration of capital and would produce a much more equitable distribution of the social product.

[Question] What measures would be adopted to achieve this redistribution of capital?

[Answer] What this government has done in selling our entire national industry at very low prices to a few carefully selected investors is not what should have been done. There are other things which must be corrected. Today it is necessary to protect our national industry. It is not logical that it has been forced to compete with highly developed countries based on the same rules. It is naive to believe that the game is played honestly elsewhere. The majority of the thousands of millions of articles which came in up to 1981 were subsidized. This blocked any possibility of industrial growth. The European countries defend themselves in the Common Market by means of incredible protectionism where Latin America is concerned, and yet Chile, which is just in the process of development, eliminates the customs barriers and opens its markets without the slightest protection.

[Question] Do you believe that there is something which can be rescued from the UP program?

[Answer] The program in itself, theoretically, as a future Utopia, as a long-term goal, is entirely salvageable, I would say. The problem is that what the programs say is one thing and what is done is another. We spoke of a private sector. Another mixed sector and another which is public seem to me perfectly legitimate, and this continues to be the aspiration of the vast majority of the people of Chile. Creating a public sector in those fields of a strategic nature or involving consumption essential to the people is the best way of defending the opportunity of all Chileans to have access to it. But when this public sector extends to the realm of roasted peanuts, it becomes stupidity and an aberration. In this connection, matters got beyond us. There were comrades who took over a little farm of 20 hectares being exploited by a family. They were not promoting agrarian reform.

[Question] How is it thought that this type of excess could be avoided?

[Answer] The best way and the best guarantee that this will not happen is for us to establish balanced programs. And we could do it overnight with a government with a real majority, one not obliged, as the UP was, to bypass the parliamentary majority by de facto means. This was a real battle of strength. A national majority, on the other hand, has enough moral and political authority to set limits. There should be a balance between the forces asking more and those asking less.

[Question] Has some government program been drafted?

[Answer] Yes, something has been announced, but I would say that it is more important today to reach a consensus on basic points on which the vast majority of us are in agreement. I believe that one of the great achievements of all of the political sectors is to realize that they cannot govern alone. We must put an end to this kind of monopoly on truth and progress.

#### Divisions in Socialism

[Question] What is the reason for the division which currently exists in the PS?

[Answer] It is due to the fact that there are two quite opposed factions, but I believe that recently they have been moving closer together.

[Question] Can they move closer together when some are for democracy and the others are for armed struggle?

[Answer] I believe that within the Almeyda faction, there are very profound internal differences which may lead to a shift toward the positions of pluralistic and democratic socialism. Our party is very clear about the type of pluralistic and democratic society we want to build. We do not feel that we have a monopoly on the truth. In the other sector, on the other hand, there are great differences, which in the final analysis will lead these sectors which are closer to a democratic concept of socialism to stay in our party. Those who want a violent solution will in the end move closer to those who think that way. They will become communists, something which seems to me much more logical.

[Question] This is being said today, but when election time comes, will mightn't certain values be compromised in order to achieve a majority?

[Answer] No, these values are absolutely nonnegotiable. For the PS, the value of freedom, democracy and pluralism is and must remain nonnegotiable.

[Question] However, during the UP government, the socialists were more radical and violent than the communists themselves.

[Answer] And if we had not changed... I would say that the experience was too profound for the socialists, we have suffered too much, for it to be anything negotiable, something which could change overnight.

## Political Opening

[Question] How do you view the new political party law which has just been promulgated?

[Answer] I read a draft, I do not know if it will be exactly the same, but from what I learned in my telephone conversation with Santiago, it seems to be an absolutely restrictive and antidemocratic law. A law by means of which Pinochet is trying to put the entire country in a straitjacket, to bring about a kind of replacement of the same regime, but with the look of legality, rather than a transition. Therefore it seems to me logical and wise that the opposition, in general terms, has indicated its disapproval of this law. However, I at least have not failed to admit that despite all the defects, it represents an advance. It opens the door a little.

[Question] What attitude will you adopt toward this law?

[Answer] It is a subject which is being discussed, and it is not a simple matter to resolve. There are parties which have accepted it despite harsh criticisms of it. What seems essential to us is for the whole of the democratic opposition (would that it could!) to have an overall view and a similar attitude.

[Question] What changes should be made in this law?

[Answer] If it were possible to change it completely, I would want a free election law, which is a reasonable thing. As this is not possible, I would at least make certain changes. First, it should be the people who elect their candidates through the political parties. If the armed forces want to participate, let them do so. There are provisions which are an attack on any democratic process, such as the exercise of vigilance by the State National Security Council, a kind of sponsoring father for the future democracy. Another rather basic thing is the publication of the political party registers, showing names, professions, etc., available to any citizen who wants to ask for them. It must not be forgotten that we are still living in Chile under a regime which is not democratic, and that there still exist many resentments which give rise to vengeance, and above all, to fear. At best nothing would happen, but such a measure would inhibit both the modest worker and the businessman from freely choosing which party to join.

[Question] And what role do you assign to the PC in the future?

[Answer] If the PC continues with the policy it is pursuing today, obviously it is not a stabilizing factor for democracy.

[Question] If you win government office, how would you handle the problem of terrorism?

[Answer] Terrorism in Chile is very hard to compare with that in Spain, as the motivating factors are very different. In any case, I believe that it would be much reduced with a government of consensus. Terrorism is nurtured by social conflict, by the contradictions in a society. When large pockets of

poverty and oppression are created, terrorism is sometimes the response. Nowadays there is apparent justification for it in Chile. It is a defense against the institutional violence of the regime.

[Question] What have you learned from Spanish socialism?

[Answer] I have learned to value the democratic and libertarian feeling in this country, the respect for the opinions of others, the respect for the dissidents. I have learned things which are not easy to apply, but which someday we must succeed in applying, such as how to be tolerant.

#### Balance in Exile

[Question] What things that the present government has done do you regard as positive, and what is the most negative thing?

[Answer] To say that this is a dictatorship which hinders democracy and freedom, which coerces the people, which makes people live in fear, and that there are still exiles, is to say rather bad things. Chile has reached a situation which is rather delicate, from the economic point of view, but which is today beginning to be corrected. A major correction has been under way in the Chilean economy for the last year and a half. There has been a major turn. Nor can one ignore some positive things such as agrarian production, above all in the agroindustrial sector, which has turned around greatly. The same is true in the diversification of exports. With regard to social security, there are some very interesting advances, which may eventually be handled by the workers' cooperatives functioning in some sectors today. There are also some other things which have obviously improved. Many things can be salvaged. Nowadays, Chile is not precisely the poorest country in Latin America. Its level of development cannot be compared with those of countries such as Peru and others. Things are not so bad, and Chile does not need to be made over. What is happening is that the mass media have made it possible for people to understand and know what could be much better.

5157

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SEGUEL DISCUSSES LABOR, PLANS

Santiago ANALISIS in Spanish 17-23 Mar 87 pp 26-28

[Interview with Rodolfo Seguel by Monica Gonzalez; date and place not given]

[Text] The era in which Rodolfo Seguel was the undisputed leader of the Chilean opposition is now distant in time. His face, his views, those who attacked or cheered him were given significant space in the mass media. One fine day, it was decided that it was now time for him to leave the office of president of the copper workers. Quietly, without any hurricane winds, Seguel left the main scene and went to occupy a modest office in the headquarters of the National Workers' Command.

In the opinion of many, the time of oblivion had begun for Rodolfo Seguel.

There in this office on Santa Monica Street, far from the country's center of political gravity, he is now thinner, and considerably less arrogant than in the past, although still retaining that air of a "neighborhood mussel" which aroused such antipathy in political circles. These have been months of difficult experience, in which even his family life has been shaken. With preparations for a mobilization campaign which the Command has scheduled for next 25 March, Rodolfo Seguel has appeared on the political scene again because, as he himself says, his time "has not ended." On the contrary, he is more convinced with every passing day that the only thing which has come to an end is the "captain general, whose white hairs are such that he can no longer think, and the only thing remaining for him, following the confession of Fernandez Larios, is to submit his resignation, as General Mendoza demanded when the incident of those with the broken necks occurred."

[Question] Did you know that there are many people who believe that Rodolfo Seguel is dead as a trade union leader?

[Answer] All opinions should be respected, but the fact is that I am alive and employed actively in the National Workers' Command.

[Question] Didn't your departure from the presidency of the Copper Workers' Confederation mean in fact your political funeral?

[Answer] I left the CTC voluntarily to clear the way for the leadership of the organization. Other men prefer to destroy organizations or individuals, and do everything possible to force a leader out of an organization in order to lead the movement themselves.

[Question] Did you expect to end your time in the CTC in the way that you did?

[Answer] No. I thought it would come about in two ways, with the certainty that with our actions we would oust Pinochet, and with recognition, not of Rodolfo Seguel, but of all of those who had fought for the country.

[Question] But it appears that no such recognition developed.

[Answer] Really and sincerely, it did not exist nor does it now. It will remain for history to write this story.

[Question] Why did this situation develop?

[Answer] Basically, because of the interests of certain persons and groups. Perhaps I forged too far ahead, beyond the scope of the Confederation, but the members themselves encouraged me, made me popular, helped me to be a man who led the masses.

[Question] Did this popularity cause you trouble in the CTC?

[Answer] Not only there, but it bothered many people, the leaders of the political parties.

[Question] Did you have the support of your party, the Christian Democrats?

[Answer] The officers of my party supported me at all times. Gabriel Valdes was the individual who helped me most so that I could continue as president of the copper workers. But there are sectors within the DC which did not want Rodolfo Seguel to continue at the head of the Confederation because of my consistent advocacy of unity and my determined struggle against the dictatorship.

[Question] The normal thing would have been, after serving as president of the copper workers, for you to have held a post in the national political leadership. Why didn't this happen?

[Answer] I believe that time is still running, and it is not good to hurry things. We are not in the midst of a political campaign but rather under a dictatorship, and despite this, there were many who blocked the path, so as to ensure that Rodolfo Seguel would not be the man leading the opposition on the workers' level. They have always seen me as a man who could block another.

[Question] How do you explain the fact that the copper workers accepted your very abrupt departure?

[Answer] They did not accept it. I always told the CTC that I was prepared to submit to a secret vote by the workers, which would have put me ahead of the candidates they wanted--Estivales, Medina, Ogalde, whoever.

[Question] Why wasn't such an election held?

[Answer] Because they were afraid. They knew that I would win. They were all afraid, on all political levels.

#### The Big Dogs and the Mongrels

[Question] What has happened to the mobilization capacity of the trade union movement in the past year?

[Answer] Since the state of emergency, nothing. The only thing we did was to send a letter to the Ministry of Labor on 28 November. All of us trade union leaders came forward despite the state of emergency. We scheduled a day of mobilization for 4 December, and again we trade union leaders were the only ones who were there.

[Question] What kind of threat to the dictatorship is posed by a group of leaders who go into the streets without the support of their bases?

[Answer] We wanted to show the leaders of the political parties that it was possible to schedule events and to take action during the state of emergency.

[Question] Why didn't the workers in the state enterprises which were sold to the private sector, and the trade union movement in general, take up the adamant defense of these enterprises?

[Answer] We are working on this. The Command for the Defense of the State Enterprises has just held a congress. I believe that it came late, but not too late. The copper workers reached agreement on this at their last congress, and the oil workers did as well.

[Question] But in fact, no definite attitude, beyond a simple statement, has been seen.

[Answer] The workers are aware, but they do not know which is the best method to adopt. Many leaders have lost their understanding of methods for defense. It is sad and regrettable, but I myself saw leaders say at the Congress for the Defense of the State Enterprises that they themselves had encouraged the purchase of enterprise shares. A part of the trade union movement has reached that level.

[Question] Can the dictatorship hope for a truce with the workers, then?

[Answer] No, because it will not be able to contain the strength of the workers when they have confidence in those who lead them.

[Question] Why doesn't this confidence exist today?

[Answer] This is not the problem of the workers, nor of the trade union leaders either. Nowadays a number of individuals who represent movements or parties are muddying the minds of the Chilean people, and they have confused the country. The workers understand absolutely nothing, and the fights of the big dogs are being confused with the fights of the mongrels. It is the latter who are getting all of the space in the mass media.

[Question] Apparently you do not share this confusion. Are you clear about what you want and about the goal of your actions?

[Answer] I am pursuing the only important objective, working as hard as possible to put an end to the dictatorship and to achieve unity of the Chilean workers in a single great central union.

#### Fear of Prison

[Question] I would like to insist on my earlier question. What has happened to the workers' mobilization capacity?

[Answer] If mobilization is in a bad state, everyone is to blame. We promoted the Civil Assembly, which aroused great national expectations, and on that level, everyone said that in March, once the state of emergency had been lifted, a great mobilization should be held. I said absolutely everyone, and we in the Command said that if no joint decision were made by a given date, we would take the step of convoking it ourselves.

[Question] You called for a mobilization on 25 March. Wasn't it possible to issue this convocation jointly with the other sectors?

[Answer] My personal impression is that there was fear of this because of what it might mean to be behind bars forever or to be put on trial.

[Question] Apparently there are sectors which are persuaded that social mobilization serves no good purpose.

[Answer] Obviously there are, and it is these sectors which get the most coverage in the media. They are not in the majority, but they have the press on their side. We see cases where gentlemen who have stayed in their clinics for years are now coming forth to say that those who attacked the armed forces had no moral authority to talk with them, and that others should have spoken. They have been hidden in their clinics earning money while others have suffered in prison or been banished, expelled from the country, persecuted, and still others had their necks broken and were murdered. The only thing they are seeking is a seat in the 1989 parliament, with or without Pinochet.

[Question] And you don't want to be a parliamentarian?

[Answer] The only thing I want is a great central workers' union, and to be in this position when we are capable of removing Pinochet from power. If the process which comes afterward leads me to assume other responsibilities, I will accept them, but for the present this is not my aspiration.

[Question] There are sectors which have accused you of profiting from your trade-union post, of obtaining illegal earnings. What is your answer to this?

[Answer] They have said that and much more. You have there the accounts of the CTC prepared by the treasurer, Roberto Lillo. When I took over as president in the copper sector on 22 February 1983, there was a debt of 22 million pesos, plus interest. In 3 years I paid off the entire debt and left a balance of 10 million. But in addition, I earned my wages as a worker, and when I was dismissed, the Confederation kept me on at the same salary as before, and paid me traveling expenses as its representative, and another sum for serving as president. As I have always lived on my wages, the traveling expenses were a surplus which I saved, and with these funds I bought a 1500-meter plot in Rancagua, where I hope one day, when I have work again, to build a house.

[Question] At one time you were at the peak of your popularity, praised by many, sought after by the press, and welcome in the homes of all those who are or believe themselves to be important. The situation today is the exact opposite. Don't you miss those privileges?

[Answer] Absolutely not. What would worry me would be going to a union and finding that the workers misunderstood or did not accept me.

[Question] It honestly does not pain you to have lost the seat you occupied?

[Answer] No. I occupied a position, I did everything I could, I surrendered it all and an era ended. Perhaps now better men are emerging.

[Question] Have you suffered many rebuffs recently?

[Answer] Many...many. This does not affect me personally. What pains me is what is being done with the workers' movement on the highest political levels. They have tried to use us.

[Question] Why? Would it sometimes be because they believe that you are ignorant or because you are regarded as the poor cousins?

[Answer] No, nothing like that. They know that we are much more astute than they, that we have tremendous initiative and even more courage. But sometimes they want to make use of the trade-union movement and then to extract profit from it. However, they do not deceive us. It does indeed bother us when we as a Command request interviews, and there are delays. It is not Rodolfo Seguel but the Workers' Command they are putting off. When we headed the movement, we had to give them interviews, and we always did so with the greatest attention.

[Question] Could it be that they think that the sector you represent is not important, or significant?

[Answer] There are other forces which are less important, political forces which have already nominated candidates for senatorial seats in 1989. Like those good-for-nothings who go about there identifying themselves with those

who have supported the dictatorship for these 13 years, and who are now seeking to represent themselves as the heirs of Eduardo Frei, the heirs of democracy.

[Question] Why haven't the workers mobilized to demand clarification concerning the assassination of Orlando Letelier?

[Answer] The same doubts plagued me concerning the assassination of Tucapel Jimenez, nor did that result in a great mobilization either. This country has lost the capacity to react in defense of real human values. We have become accustomed to a repressive regime with a violent and brutal dictator. It is for this reason that we have called upon all the workers, the settlers, to go into the streets on 25 March. But of course the streets are ours! We must abandon the fear of the machine gun, of painted faces.

#### The Only Alternative

[Question] Do you sincerely hope that the trade union movement will mobilize to fight for more than its purely local and strictly economic demands?

[Answer] Some people will have to make a sacrifice in order for a real awareness of the tragedy we are experiencing to develop in this country. We must demonstrate with real deeds that we are capable of going out and winning over the streets and exerting pressure there for the workers' rights. For as long as we limit ourselves to mere threats, the state enterprises will continue to be sold and the workers will continue to lapse into the vice of purchasing shares. If we do not take a firm stand, absolutely all of the enterprises will be sold, including copper and oil. The leaders must make their statements, and the dictatorship must be faced frontally. Otherwise we will lose not only the patrimony of the state but also the right to life.

[Question] What do you expect of the campaign on 25 March?

[Answer] That the people of Chile will become aware of the drama we are experiencing, and will fill the heart of Santiago at noon demanding justice, fair wages, the end of the military dictatorship. We hope that all forces will express themselves, that the Civil Assembly will announce publicly whether it will or will not go into the streets on the 25th to demand respect for our rights. We must tell the armed forces that for as long as they have Pinochet in power, they will be held in greater contempt by the people with every passing day.

[Question] Don't you believe that the armed forces as well hope that the politicians will be capable of getting rid of their bad leaders?

[Answer] That may be. It is necessary to provoke change. I hope that my party will maintain a consistent attitude, that it will adopt an increasingly determined opposition stand, and that it will stubbornly oppose the Political Party Law. The next president of the PDC should be the man who can lead an open social struggle against the dictatorship.

[Question] With these appeals, aren't you risking jail again, to recover political leadership in this way?

[Answer] I do not want to risk jail again, even if a warrant is issued tomorrow. What I want is for all of us to demonstrate that we are capable of taking over the streets, capable of overcoming the terror which affects all of us, having the courage to go out into the streets and, with clean hands, to confront the armed forces, the police. We must deal face to face with those who were accomplices in the assassinations of Letelier and Tucajel Jimenez and those responsible for the broken necks, showing them that we are a majority which demands the resignation of Pinochet.

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## CARLOS MONTES ANALYZES MAPU, LEFTIST UNITY

Santiago CAUCE in Spanish 16 Mar 87 pp 8-9

[Interview with Carlos Montes by Victor Vaccaro; date and place not given]

[Text] In the complicated tangle of reference points and proposals paralyzing the opposition, the MAPU is one of the parties which has recently launched the most initiatives in an effort to untangle the issues. To the point that, as was predictable, it ended up by bringing these conflicts within it. At the moment of crisis, Carlos Montes, along with Enrique Correa and Victor Barrueto, led a majority faction at the Central Committee meeting last January which provided a solution to last until the plenary session scheduled for next June. After the two undersecretaries resigned, Montes won the first majority on the vote to elect the new members of the Political Commission. Although little known outside political circles, Carlos Montes joined the top level of the MAPU leadership in 1972, and after the coup, he was his party's coordinator in Chile until his arrest in 1980. A year later he was banished, and he remained in exile until 1985. CAUCE discussed the most burning political issues with this "old" leader, who is 40.

[Question] Has the basic political problem which arose at the meeting of the Central Committee of the MAPU last January been resolved?

[Answer] The problem was to a considerable extent provoked by what is happening in the country. The change in the political situation after the July strike and the arsenals issue caused tension in the MAPU, since we were working toward the creation of a single opposition, under circumstances which pointed to two opposition factions. There was therefore a trend toward the strengthening of the idea of creating a leftist reference point. The Broad Front of the People (FAP) proposal was put forth. In brief, we were faced with a series of dilemmas, and as a result, the path of what our political line had been up until then became very narrow. To this were added the limited results obtained from the proposal of a privileged axis with the Christian Left. All of this was expressed in internal debate and had its effect on the undersecretariats, although the issue was a more basic one.

[Question] Could it be said that these questions [line or lines missing from text of original here]?

[Answer] At the last meeting of the CC, this discussion tended toward a resolution with a political vote urging a national political outcome, which is not possible with the left alone, or with the center or the right alone. What is needed is to rally all forces against the regime through a political and mass solution. To achieve this, it is essential to strengthen the popular movement on the basis of the proposed Bloc for Change, which should help to get growing sectors of the people moving toward a national solution and toward preparation for the democratic reconstruction of the country.

[Question] Do you believe that the MDP has a role to play in structuring this national political solution?

[Answer] We are convinced that the MDP, in one way or another, is a part of the prospect for a political and national solution. In this connection we assign value to the Conclave of the Left, at which a complex of definitions tending to affirm the need for a political solution was set forth. And the PC undertook to support these agreements there. We would want the MDP to participate in this. Obviously, there are disagreements.

[Question] Do you support the demands of other sectors for a more flexible position on the part of the PC, and tangible measures in this direction?

[Answer] We do not regard these differences as insoluble. We believe that on the basis of the political agreements of the Conclave of the Left, there is a broader political base than before, and there is a degree of flexibility in the specific agreements. In addition, we have a sphere of coincidence with the PC in connection with the social mobilization, human rights and a series of very specific national themes. There is a basic difference on the strategy of struggle. The PC has emphasized all forms of struggle, with a military complement. However, we believe that it is possible to coordinate with the left wing and to adopt certain political initiatives, but these measures cannot acquire their full force until there is greater political unity and a stronger socialist component within the left wing.

[Question] What is the reason this last factor has not yet developed?

[Answer] We believe that the problem of leftist unity or a popular socialist project cannot be blamed on the PC. There is a problem in socialism itself, in its assumption of its responsibilities and becoming dynamic as a protagonist, and on the level of understanding, concerning a political strategy, the concept of a very national and very democratic left wing, the concept of a mobilization which effectively incorporates the people on the basis of their demands and problems. We believe that the key lies in socialism itself, more than in other sectors, and in the capacity of socialism to have an effect on the left wing and on the national political processes.

[Question] Does this mean that in your view, there are not two left wings?

[Answer] The left is plural. We do not believe that there are two left wings, although there are different overall social projects within the left wing, and different strategies. The process of unity involves precisely the search for a consensus on the base of the existing diversity, not as a

function of a self-centered reference but as a function of the nation, of ending the dictatorship or carrying forward a popular project such as the Bloc for Change.

[Question] Does this proposal recognize the need to overcome the classic division of the country into three thirds?

[Answer] We believe that this is a very substantive problem, in terms of what past political history has been, as well as thinking of the future. For when the dictatorship ends, the problem will be to rebuild the nation and the foundations of its identity democratically.

We believe that the Bloc for Change proposal, in which the social movements should play a protagonistic role should work toward much broader social and political unity than has existed historically. This also requires seeking a new understanding between the left and the center, specifically with the Christian Democrats, on a proposal for democracy and change, and one not merely limited to the realm of alliances.

[Question] Is it not a question then of restructuring the UP?

[Answer] We do not intend to reconstruct Popular Unity, but rather to adopt what the government of Salvador Allende represented as the heritage of socialism. But today we have a different country, one which is faced with the task of emerging from 13 years of dictatorship and rebuilding itself democratically, which requires great movements, strong forces. We are thinking of a project involving much broader social and political unity than the UP represented, and a movement much more specific in its reconstruction proposal, consistent with what the country is experiencing nowadays.

[Question] Will the Bloc for Change which you are promoting include the DC?

[Answer] We believe that it is basic that the DC, as a part of the political center which has expressed the desire for change, be a participant in this, but we do not believe that this will be an easy thing. However, it is the political task of socialism and the left wing to be capable of rallying a great majority for change, and in this, the DC has a very central and important role to play, without a doubt.

[Question] And what requirement would you make of the political center?

[Answer] That it cease its a priori exclusion of a sector of the left wing and that it reestablish the historic relations between the center and the left in the social and political sectors. That it discuss a prospective program for the reconstruction of the country with the DC. That it approve the changes that will entail, and also, that the hegemonic temptation of the DC be rejected. If the proposals being put forth to the country are too all-encompassing or very closed, even in the left wing itself, there will be difficulty in rallying a bloc for change.

[Question] In your view, what should the specific understanding of the mobilization be?

[Answer] The mobilization is the key to facing up to the dictatorship and to democratic reconstruction. It is the element of force needed and the way in which the people can acquire dignity as they proceed with the struggle. The protest model plays a very important role, but following the deterioration of understanding between the center and the left, as well as the arsenals incident and the attack on Pinochet, the limitations upon it can be seen, because it did not succeed in producing a democratic solution to the situation.

Now it is necessary to develop the social mobilization model further, and to do this, the revitalization of the trade union movement on the basis of its specific demands and the United Central Union is essential. The conditions are right for achieving results in the battle for wages. The problem of the communes is very important. It is necessary to enter into a confrontation on the municipal scene to ensure that resources are directed toward the needs of the citizens, and not Pinochet's campaign. Sectorial demands must be promoted and the Civil Assembly reestablished as the agency for the coordination of social demands.

[Question] Will the mobilization encourage negotiation or rebellion?

[Answer] It will work to ensure that the peoples' interests are clearly at the heart of national life and play a more active role in the development of affairs; toward the accumulation of social, political and cultural forces which will have weight in the development of events; and toward the continued development of a democratic consensus of the civilians and the military making negotiations with the armed forces possible, with a view to a prompt and democratic political solution to the national problems.

[Question] What is your formula for rescuing the opposition from the morass?

[Answer] The key element is the campaign for free elections which should be promoted by a group of leading individuals in the broadest national range, unaffiliated with any specific reference point but closely involved with social demands. This campaign requires the efforts of everyone.

[Question] Can such a campaign be conceived without enrollment on the electoral registers?

[Answer] This is a problem which should not be so politicized. There are many alternatives for the citizenry. What Pinochet did with the reestablishment of the electoral registers is no joke. This is a right of the citizens, although this law lends itself to fraud.

[Question] And what about the political party law?

[Answer] Here the opposition has much clearer choices as to whether or not to participate in the system Pinochet offers. We reject it categorically, because it is undemocratic and lacks legitimacy.

[Question] What change do you propose?

This document was drafted in Nigeria on 19 August 1985. In February 1987, as the stamp on it shows, it was legalized at the Ministry of Foreign Relations in Chile, with the signature of the head of the legalization department. In addition, it bears all of the required endorsements of the Consulate General of Chile in Buenos Aires and the Embassy of Nigeria in the federal capital. This is because the Embassy of Nigeria located in Argentina serves for both that country and Chile.

He who seeks will find. We continued to search in the tangle of industrial espionage in the heart of Santiago. We were informed that a certain Mr Cocodia (who signed the certificate of final destination in Nigeria) was dismissed from the army of his country on 16 January 1984. How then could this gentleman appear as the signatory of a certificate in August of 1985?

There was more. The information provided us indicated that there had been a number of false certificates of destination were issued in the regiment of A. Abad, in which Cocodia worked, near Lagos, the capital of Nigeria.

Who provided us with this information? "Kalwoles Bolagun's," we were told, "the leading source of juridical studies in Lagos, Nigeria, which was asked to provide a report on Cocodia and the certificate in question." The juridical study concludes with the statement that "The certificate is false and invalid." The report of this study was duly legalized at the Embassy of Nigeria in Argentina and the Ministry of Foreign Relations of that country, and a few days later, also at the beginning of this year, the Chilean Ministry of Foreign Relations and Defense was duly informed.

Another question demanded an answer. Who requested this major juridical study bureau to investigate the validity of the certificate and Cocodia as an individual? This is a part of the industrial espionage secret which the enterprises guard zealously. But there are two points here which must be made clear. First, QUE PASA called the Embassy of Nigeria in Buenos Aires to find out whether a report had been received from a major juridical study bureau on Lagos for legalization there and subsequent dispatch to Chile. The answer was negative. Then we asked if it was possible that a former Nigerian Army officer had issued a certificate bearing his signature and a falsification of the seal of the Ministry of Defense. The answer was: "I d 't know. That could be. In any case, we do not sell weapons to Iran."

No one had asked that question.

Secondly, another thing we were told, which it was impossible to check, was that the U.S. Department of State knew about this operation, that it had followed the trail and discovered that the Nigerian officer who is now in retirement had signed the famous certificate. "This was done because neither the United States nor the European countries want the South American countries to develop their weapons industries and to compete at low prices on exports of these items to possible Middle Eastern markets. For this reason they know about any 'move' made."

That could be. But we also learned that it is indeed of interest to the Chilean Army to strengthen the weapons industry, with a view to 1989.

Where do the bombs go? We found it impossible to make contact with Ferrimar-Chile, one of the leading protagonists in this business of nontraditional exports to certain countries. It is a known fact that Ferrimar is currently engaged in perfecting its "Avispa" cluster bomb, and also that the bomb cases are kept in the premises of the FAMA E in Talagante, where Army personnel, along with Ferrimar personnel, do the loading. It is known that Ferrimar has excellent relations with the Chilean Army, not only because they work together, but because in addition it is one of its clients. According to information supplied to QUE PASA, the Army Arsenals purchased 130 W-500 bombs from Ferrimar at the end of 1986. They were tested at the Cerro Moreno Air Base in Antofagasta.

It is known that relations with the rival enterprise, Cardoen, Ltd., are bad, not only because of the pending court case on the alleged copying of bombs, but also because the two enterprises compete for their markets. Thus Ferrimar is reported to have tried to export its bombs to Iraq at a lower price. That country, which needs them, is said to be interested in buying an undetermined number of the products Ferrimar produces in Chile in collaboration with the FAMA E. But Cardoen, which has excellent relations with Iraq and is its main supplier of bombs (it is even building a plant in Baghdad), is, according to one source, exerting pressure on that Arab government, saying "If you buy from Ferrimar, we could sell to Iran."

Returning to the false certificate, it has not been established whether the 500 bombs to be exported in this Ferrimar transaction reached Iran. It is not difficult, experts in the field say, to obtain a certificate from one country and sell the weapons to others. "It is a question of buying falsified documents." They also explained that while Chile is strict about the laws which provide that the certificates must be submitted to the respective ministries, and that transactions cannot be carried out if these requirements are not met, in other countries, it is the enterprises themselves, and not the governments, which may issue the documents. All that is required is that they subsequently advise the pertinent body that a transaction will be carried out.

What is known is that the certificate, as shown by the stamps on the back, was processed by the Ministry of Foreign Relations without difficulty.

Where did the 500 cluster bombs end up?

Not in Nigeria, since this certificate was false. It was not issued by the Ministry of Defense in that African country, but was bought from Cocodia (according to the report of the juridical studies bureau in Lagos). The only obvious conclusion would be that the final destination must be some other very secretive country. It should be noted that DER SPIEGEL has reported that Chile sold weapons to Guatemala and El Salvador, among other countries, but no mention was made of cluster bombs.

Where did these end up?

The information provided to QUE PASA by some sources would direct attention toward Iran. It was said that Fernando Perez Garcia, who, together with other partners, was the owner of the Miltec enterprise (which initially manufactured

[Answer] We urge a common position on the part of the entire opposition. We favor the creation of a single party for democracy which will make it possible, with or without inscription, to establish a great united point of reference, which is what the people of Chile want in order to remove the main obstacle, which is Pinochet.

[Question] And what if, for example, the DC were to decide unilaterally to be registered?

[Answer] In such a case, we would favor a party for democracy and change including leading personalities in the political center and left, although this would not be the ideal thing for putting an end to the dictatorship.

[Question] How do you conceive of this socialist force to which you refer, and what steps are you taking to bring it about?

[Answer] We conceive of it as the protagonist which can give the opposition picture a new vitality. We believe that socialism should embrace this responsibility. It also makes strategic sense, in terms of shaping a proposal for democratic reconstruction and national change. We have already had the experience of the Convergence, a process for unity focused on ideological problems, and another with the Socialist Bloc, very much centered on the organic aspect. Today it is necessary to promote a process of agreement mainly focused on political subjects, and on this basis, to proceed to examine alternatives for better articulation.

[Question] Concerning what subjects, and with whom, will this Socialist Area develop?

[Answer] The subjects will include human rights, on which we have placed new emphasis as an overall question in the very long term; socialist mobilization to reestablish the social protagonists; the campaign for free elections; the problem of defending our national culture and freeing historic memory in order to think of the present and the future with new vitality. In this, the broadest possible social spectrum, from the humanists to the Almeyda faction, and including the radicals and the IC, must participate, as a function of making the agreements more profound. There is a desire to overcome the scattered nature of the socialist sector once and for all, and this is a problem which does not exist within the framework of party division alone.

It is to be found in the university movement with Young Socialism, on the trade-union level and in the provinces, as a result of the fact that socialism is emerging as a powerful actor on the national scene.

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INVOLVEMENT OF NATIONALS IN IRAN-IRAQ CONFLICT DISCUSSED

Arms Sales to Iran

Santiago QUE PASA in Spanish 26 Mar-1 Apr 87 pp 10-12

[Article by Grace Gibson Z.]

[Text] "Chile is selling weapons to Iran."

This was the first of a series of statements made to us, resulting in an effort to seek out information which initially led nowhere.

How was it possible that someone in our country could export weapons to Iran when it is known that this is prohibited by the Ministry of Foreign Relations and Defense? Our investigation was not entirely conclusive. However, more than one of the items detailed in this article lead to Iran, the country of the Ayatollah, which is not only a customer for our nontraditional exports (for which read cluster bombs), but also the subject of the investigations causing President Reagan his biggest headache.

The search began. First a certificate was sent to us. "Any Chilean enterprise which wants to export weapons must have a certificate showing final destination (end-user certificate). This must be provided by the government of the country to which the export is to be made, and the enterprise must submit it to the Chilean Ministry of Foreign Relations and Defense." After this requirement is met, sale of the product only to the country which provided the certificate is authorized.

Well, now, the certificate we had in hand was false, we were told. It was supposedly issued by the government of Nigeria (see photograph), and it specified the number of units in the lot (500 units of 500-pound cluster bombs, in this case) and the manufacturer (the Ferrimar-Chile enterprise), and it says: "The Armed Forces of Nigeria declare and certify that these items will be for the sole use of the Nigerian Army and will not be resold, leased or given out to any other party." Below this is the authorized signature, with the notation "A DA-COCODIA, Major, Senior Administration Technician Officer" [translator's note: accompanying photostat shows this phrase in English as "Senior Ammunition Technician Officer"]. And the certificate bears the seal of the Nigerian Ministry of Defense.

parts and pieces for Cardoen and then diversified into other fields, including weapons) a few years ago, was the individual who initiated and is said to be maintaining active contact with Iran. He is also said to have excellent trade relations, still on the level of talks, with Syria, Saudi Arabia, Pakistan (to which Ferrimar exports), India and Iraq. The link or intermediary used by Perez for marketing these products, in turn, is said to be the Spanco firm, which has offices on the third floor at No 3 Maria Molina Street, in Madrid, Spain.

Moreover, it was learned that at the beginning of 1986, representatives of Ferrimar and Spanco traveled to Iran to coordinate the delivery and testing of a first shipment of 100 bombs, which are said to be a part of the 500 bombs which, it is alleged, Ferrimar is to deliver to Iran in accordance with a contract negotiated by Spanco with the Iranian government. Four bombs in this first lot are reported to have been tested in Iran with negative results, for which reason the Iranian government, still interested, has asked for certain modifications in the bombs.

Questions remain. It is certain that the name Ferrimar-Chile appears on the certificate. But this does not mean that this firm bought that document. It could well be the enterprise or individuals who are the contacts for the export of armaments who did so. Miltec? Perhaps Spanco? One source said that the certificate had been purchased by Miltec-England and that it had then come to Chile through its branch in our country, or through Spanco-Spain.

#### Fraudulent Intent

It is a fact that many questions remain hanging. Is it or is it not forbidden to sell weapons to Iran? Some say it is "absolutely" forbidden, while others claim that the prohibition covers any neighboring country and those with communist governments. The problem, they say, is a reluctance to admit that weapons could be sold to Iran, in order to avoid problems with the Americans. But on the other hand, how were the bombs shipped? Perhaps one of the unsuccessful efforts involved the vessel Yenka, which docked in the port of Valparaiso last year. It stayed there a couple of months, but the goods never reached it. Nor is it known what goods were involved, nor why the vessel departed suddenly.

This mystery leads to another, which is currently under court investigation. It has to do with the alleged falsification of a public document, a letter dated 25 April 1985 bearing the signature of Brig Gen Fernando Hormazabal, minister and executive vice president of the CORFO.

This is said to have been an attempt to defraud the CORFO.

It all began when Ferrimar applied to the Bank of Chile for credit in the amount of \$2 million to finance a pilot plan for the export of bombs. From what was learned, it appears that Chile was interested in the operation, since Ferrimar had long been a debtor of the bank and with the profits obtained, it could pay off all of the debts owed. It is said that the Ferrimar had the support of the FAMA in this operation. According to some sources, there were even meetings at the bank with representatives of both enterprises. Based on

the success of the pilot operation, Ferrimar hoped to increase and consolidate its exports of weapons, thanks to which Fernando Perez, the intermediary in the foreign sales, is said to have arranged negotiations for them.

But the bank demanded a guarantee. Officials of these companies, along with Fernando Perez, met with CORFO executives to analyze the potential of this operation. However, that body's auditor, Ismael Ibarra, expressed his reservations about such an operation, in view of the restrictions on the CORFO in this connection when it came to issuing guarantees. It was then that auditor Ibarra got in touch with the deputy commercial manager of the Bank of Chile, Alfredo Arce, to inform him of his reservations. But during this conversation, Arce is said to have indicated that he had a letter signed by General Hormazabal guaranteeing the credit operation for the sum mentioned earlier.

Ibarra began to raise the roof.

General Hormazabal had not signed any letter. Where did this authorization come from? They say that this matter cost Arce his job at the Bank. And it is not yet clear to the courts who was responsible for the falsification. It was learned during the investigation that the Miltec enterprise (owned at that time by Fernando Perez) made contact with Col Walter Dorner, retired, soliciting technical-military advice on weapons imports and exports. That retired colonel, according to reports in the periodical HOY, was commissioned by Miltec to obtain the CORFO credit, "because of my friendly military connections with the CORFO officials," as he put it.

He told the investigating judge, according to HOY, that the negotiations in question were pursued with the substitute vice president of the CORFO, Army Col Guillermo Letelier, at a meeting he attended with Fernando Perez and another individual.

And again nothing came of it. The investigations continued in the pertinent court, and Colonel Dorner, who worked in the Intendant's Office, was dismissed from his post, no one knows why, in January of this year.

It is like a novel by John Le Carre. Conflicts, information exchanged, battles between enterprises. Who in all of this mixup knows the truth?

Who knows....

#### Cardoen Reaps Profits

Santiago EL MERCURIO in Spanish 8 Mar 87 pp B1-B2

[Interview with Carlos Cardoen]

[Text] In our country, to speak of the conflict between Iran and Iraq is to speak of Carlos Cardoen. His enterprise has for a long time been one of the firms supplying weapons to Iraq, which on other occasions has been defined as its main customer.

At the present time, Cardoen Industries has diversified its field of activities and its investments are distributed among the various sectors of economic activity. It has in this way become the single private enterprise with the largest export volume, coming to more than \$100 million per year.

Are we dealing here with a new economic group, or is the success explained solely by the now lengthy duration of the Iran-Iraq war? In order to learn about the enterprise, as well as about some details of the weapons business, ECONOMIA Y NEGOCIOS talked with Carlos Cardoen.

[Question] There can be no doubt that for an armaments enterprise, the existence of a war is good business. To what extent has the war between Iran and Iraq been decisive in the development of Cardoen Industries?

[Answer] Obviously the fact that we have participated in international bids involving contracts with Iraq has yielded positive results. This is true not only in terms of business figures, but also in the realm of research and development with a view to achieving new goals, and in particular the renewal of our facilities. Thus it has made it possible for us to develop industrially so as to reach international technological levels, which has given us a highly competitive market.

[Question] In the opinion of the experts, many weapons enterprises would lose a large part of their income if the war between Iran and Iraq were to end. Would this be true for your enterprise?

[Answer] Cardoen Industries, aware of the impossibility of predicting the demand in terms of wars, has undertaken the industrial diversification of the spinal column of its economic and technological development. However, we will maintain our capacity to react speedily to the temporary and unforeseeable demand for defense materiel, since we are careful to prevent any negative development in the defense sector from affecting our personnel, who are trained for production using very advanced technology.

[Question] Does your enterprise have interests other than weaponry?

[Answer] Well, consistent with what I have said, Cardoen Industries has for some time been developing various alternative paths of diversification into civilian production. We are continuing the first step in our industrial development--Cardoen Explosives, an enterprise which meets the major needs of some of the leading copper and iron mines in the country. In this field, we have even formed an association with the English ICI enterprise, one of the leading industrial producers of chemical explosives in the world, to expand our technology and capacity to produce industrial explosives.

On the other hand, PETROMIN is in full production. It meets the demand for replacement parts for mills processing ores in the major mining sector, as well as producing tools for oil processing. We are also manufacturing containers for the air transport of perishable foodstuffs. They are already being used on Eastern and Panamerican planes.

In the immediate future, we will be producing the multipurpose Hagglands-Cardoen vehicle, under a Swedish license, in one of our plants in Iquique. Finally, we are exporting timber and some fresh fruits, and very soon we will also be shipping kiwi.

[Question] Many people are wondering how the weapons business operates. For example, who are the buyers? Are sales offices maintained abroad?

[Answer] Negotiations on defense equipment, in the case of manufacturing enterprises such as ours, are carried out with the governments of countries through their logistics departments. Agreement on contracts is reached through direct talks with the officials of these governments. Moreover, because Cardoen Industries competes with very powerful international companies, it cannot ignore the need to maintain an international presence as well. Currently, offices are maintained in Argentina, Iraq, the United States and Spain. This is explained by the need for a presence in the main centers where defense products are exhibited or decisions are made.

[Question] What control does the government exert over your enterprise?

[Answer] Both the production and the marketing of defense equipment must adhere to strict legal norms. For example, there are the Arms Control Law and other provisions which regulate our activity. We cannot export without government approval.

[Question] Does the government prohibit weapons exports to some countries?

[Answer] That is a question I believe should be asked of the government.

[Question] What are the future plans of the enterprise?

[Answer] Our enterprise has been pursuing increasing diversification for some time, on both the domestic and international levels. We have observed that on the communications level, there is not a company today which, if it intends to grow in the future, is not obligated to look toward international horizons.

Where care is required is in seeing that international companies do not put the interests of Chile second in trying to achieve their goals. I believe that it is time to develop a multinational business mentality, but without neglecting national goals. This is what our industry is trying to do. This requires that we become more competitive and efficient in order to achieve our objectives.

These intentions and actions are valid not only for the defense sector, but very particularly for the industrial sphere in general, because there are great opportunities for Latin America to achieve a position as a supplier for the more developed countries. The opportunity train has come to a halt in Latin America, but now the whistle is blowing--the signal that we should get moving.

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The Foreign Minister said that the visit provided "windows of opportunity" and represented a shift from what he described as a "confrontation dynamic" to a "co-operation dynamic."

He noted that this process was evident since the 1985 visit to the Venezuelan Foreign Minister which signalled the Venezuelan attitude in terms of Guyana.

A fundamental aspect of our relations with Venezuela has always been a striving for friendly relations based on mutual respect and understanding, said Minister Jackson.

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## MORE DETAILS ON, IMPLICATIONS OF HOYTE VISIT TO VENEZUELA

## Hoyte Report

Georgetown GUYANA CHRONICLE in English 4 Apr 87 pp 1, 3

[Text]

PRESIDENT Desmond Hoyte yesterday described his visit last week to neighbouring Venezuela as one that was good for both sides and was characterised by a spirit of increased understanding and good neighbourliness. In such a milieu, President Hoyte and his host, President Jaime Lusinchi "explored areas for extending and intensifying co-operation between our countries," President Hoyte said in his address to the special sitting of the Second Supreme Congress of the People at the National Cultural Centre.

The President spoke of agreements reached during the visit as constituting a substantial exchange between Guyana and Venezuela, and so, "with a concern, therefore, for structure and for proper systematic evaluation, we also concluded an agreement to establish a Guyana-Venezuela Commission which will be responsible for promoting and managing economic, cultural and technical co-operation."

The Commission will meet alternately in Georgetown and Caracas.

The agreements reached include the extension to December of this year of the arrangement under which Venezuela is providing petroleum and petroleum products to Guyana; a line of credit between the Central Bank in Guyana and the Fund for the Financing of Exports (Finexpo), to facilitate expanded trade between the two countries; the abolishing of requirements of citizens from either country who hold diplomatic, official, special or service passports to obtain visas when travelling on official business to the other country; and a cultural exchange programme to be implemented in the second half of this year.

President Hoyte told his audience of top Government officials, members of the Diplomatic Corps and a wide cross-section of Guyanese that he was profoundly impressed by the efforts of the Government and people of Venezuela to develop their country.

"But what touched me most personally and directly," the President said, "was the goodwill and warmth towards Guyana and Guyanese which were so evident everywhere I went. I returned home last Friday with the clear impression of a Government and a people highly desirous of having positive and mutually beneficial relations with Guyana.

"For Guyana's part, I reiterate that our aim is to continue to build bridges of friendship with Venezuela and to develop a network of activities that will provide a permanent and secure basis for the conduct of our bilateral relations."

President Hoyte said that there was now a number of concrete arrangements which provide a framework for a systematic development of such relations.

"It is for us in Guyana to do all we can to make certain that we co-operate actively with one another and with the Government in following-up and implementing these agreements. It is for us in

SUPREME CONGRESS OF PEOPLE HEARS, APPROVES HOYTE POLICIES

Relations with Neighbors

Georgetown GUYANA CHRONICLE in English 4 Apr 87 p 1

[Text] Guyana attaches the highest importance to the development and maintenance of relations of understanding, harmony and friendship with all our neighbours, President Desmond Hoyte told the Second Supreme Congress of the People yesterday.

Addressing the Congress at the National Cultural Centre on his recent visit to the neighbouring Republic of Venezuela, he noted that Guyana finds herself surrounded by three neighbours each with a different historical experience and its own distinctive culture and language.

"The task of achieving an important goal of our foreign policy in this area is therefore as exciting as it is imperative," President Hoyte observed.

This goal, he added, is to strengthen the bonds of friendship between our peoples and, in an atmosphere of goodwill and trust, to promote programmes of co-operation with our neighbours for mutual benefit.

With regard to Brazil the process of expanding existing programmes of practical co-operation is underway while with Suriname, a co-operation agreement concluded last November is being implemented.

"For historical and cultural reasons, Caricom States are also our immediate neighbours," the President continued.

But our foreign policy objectives also requires us to forge bonds of friendship and co-operation with all countries in the wider region of Latin America and the Caribbean and to work along with them to promote the ideal of regional integration.

In his presentation, President Hoyte acknowledged the many difficulties which beset us and other regional States in our endeavours to this end.

These difficulties have arisen primarily from our historical experience which left our region fragmented and divided.

"We believe that historical and other difficulties notwithstanding, we in the region must press on with programmes of practical co-operation at all levels," he told members of the Congress and other special invitees.

#### Foreign Policy Considerations

Georgetown GUYANA CHRONICLE in English 7 Apr 87 pp 1, 4

[Text] The 5th Sitting of the First Session of the Second Supreme Congress of the People ended yesterday afternoon in Parliament Chambers, Public Buildings with members unanimously approving a motion expressing sincere thanks and appreciation to President Desmond Hoyte for his address to the Congress made last Friday at the National Cultural Centre and approving of the policy adumbrated therein.

The motion, which was tabled by Region 6 member of the National Congress of Local Democratic Organs, Cde Chandradat, was passed after more than three hours of debate on the speech which contained a report on the President's visit to Venezuela. Some 13 speakers participated, mainly from the Government side. The members of the Minority People's Progressive Party and the Working People's Alliance were unaccountably absent during the sitting.

And shortly before the motion was passed, Prime Minister Hamilton Green, in winding up the debate, remarked that it was unfortunate that some Members of the Minority were not present for discussions on something so important. This observation was also made in earlier speeches by Deputy Prime Minister Planning, Haslyn Parris and PNC Member of Parliament Idris Deen.

Speaking on the motion, the Prime Minister said that the President's visit to neighbouring Venezuela not only allowed for deepening of friendship between our two countries, but also opened the way for the acceleration of trade and technical co-operation.

The Prime Minister noted that Guyana's foreign policy has as its central theme Peaceful Co-operation and Collaboration with all States, adding that our urge to strengthen friendly ties with our neighbours is given further impetus when we consider our similar histories of slavery, colonisation, exploitation and manipulation.

Continuing, Prime Minister Green said that although we recognise and accept the need for North/South dialogue to be pursued, there is also need for us in this region to vigorously encourage and enlarge South/South collaboration.

The Prime Minister said that the entire delegation that went to Venezuela must be commended, congratulated and thanked for a job well done.

Earlier, Minister of Foreign Affairs Cde Rashleigh Jackson said that the President's visit to Venezuela was significant in that now there exists a mechanism for encouraging and monitoring, on a permanent basis, our relations and economic co-operation.

Guyana to do our part to ensure that they work." President Hoyte was also gratified at an address made by President Lusinchi at a State dinner hosted in honour of the Guyana President. Among other things, President Lusinchi said:

"Naturally, Venezuela holds its relations with Guyana to be particularly important. We are determined to cultivate these relations in the certainty that we will be able to strengthen them, kindled by constructive dialogue and the best spirit of

neighbourliness... It is heartening to see just how much progress has been made towards rapprochement and co-operation between our nations in recent years; this has given rise to a harmonious, cordial climate, bound to offer better prospects in what may become a new era of bilateral relations.

"There have been numerous contacts over recent months, and the results in terms of future expectations and alternative possibilities for co-operation are encouraging."

### Hoyte on Territorial Issue

Georgetown GUYANA CHRONICLE in English 4 Apr 87 p 1

[Text]

The existing territorial issue between Guyana and neighbouring Venezuela ought not to be a barrier to the furtherance of co-operation in the economic, cultural and other fields.

"Indeed, it would seem that such co-operation might well enhance the existing circumstances for the resolution of the problem," President Desmond Hoyte observed during an address to the Second Supreme Congress of the People yesterday.

#### DISCUSSIONS

Addressing the body at the National Cultural Centre on his recent visit to Venezuela, Cde. Hoyte said the issue was thoroughly discussed between himself and President Jaime Lusinchi.

The discussions were carried out in an atmosphere of cordiality and it was agreed that the Permanent Representatives of

Guyana and Venezuela at the United Nations would communicate with the Secretary-General of the United Nations about the tenor and content of the conversations.

#### RESPONSIBILITY

The Secretary-General of the UN has been entrusted with the responsibility for choosing the means of peaceful settlement of the issue, in accordance with Article IV (2) of the Geneva Agreement.

President Hoyte said the Secretary-General has been in continuous contact with both Guyana and Venezuela in the elaboration of his ideas.

Both sides value these consultations and recognise the importance of his efforts, President Hoyte said.

He added that they shared a common determination to continue co-operating with the Secretary-General in his assignment.

## Hoyte on Caracas Editorial

Georgetown GUYANA CHRONICLE in English 4 Apr 87 p 1

[Text]

PRESIDENT Desmond Hoyte yesterday referred to an editorial in the Caracas English language Daily Journal and said that he agreed with its assessment of the inherited problem shared by Guyana and Venezuela.

Addressing the special sitting of the Supreme Congress of the People, Cde. Hoyte quoted the following section of the editorial, labelled Wise Neighbours and published on the final day of his visit to Venezuela:

"On a small scale, the way Guyana and Venezuela have dealt with an inherited problem can serve as an example that could well be followed in many parts of the world where differences over frontiers exist.

"Instead of sabre-rattling,

threats and economic barriers that benefit neither country, the two sovereign States are well on the way to having developed an ideal relationship, based on friendship, mutual agreement and mutual respect. It promises to be a relationship that will be to our mutual economic and social advantage, as well as guaranteeing peace and harmonious relations between neighbours."

"I agree entirely with this assessment, and I would consequently urge upon all Guyanese a national duty to ensure the full realisation of this relationship," the President said. "This is the task, this is the labour to which we must now apply ourselves."

## Businessmen's Visit

Georgetown GUYANA CHRONICLE in English 4 Apr 87 p 1

[Text]

Representatives of the private sectors in Guyana and Venezuela have "reached understandings for the development of co-operation in several areas", President Desmond Hoyte told the Second Session of the Supreme Congress of the People yesterday.

As a result of the understandings reached, he added, a team of Venezuelan businessmen will be visiting Guyana shortly to pursue matters discussed.

"In the light of the contacts made and the information brought back, I am sure that our business people will fully explore the possibilities that exist for profitable collaboration with Venezuelan entrepreneurs," Cde Hoyte told the gathering at yesterday's

sitting of the Supreme Congress of the People.

He noted that the Guyana delegation included two prominent private sector entrepreneurs, one of whom is currently chairman of the President's Advisory Committee on the Private Sector, and that during the several meetings held with representatives of the Venezuelan private sector, the two Guyanese private sector representatives "were fully and actively involved."

He himself had discussions with many Venezuelan industrialists and other business leaders and gained the distinct impression that they were very keen to invest and do business in Guyana.

## Private-Sector Cooperation

Georgetown NEW NATION in English 5 Apr 87 p 8

[Text] The importance of the local private sector in Guyana's economic development was demonstrated during President Desmond HOyte's recent four-day official visit to neighbouring Venezuela.

According to Dr Cecil Rajana, Head of the Department of International Economic Co-operation, the political leadership in Venezuela is keen to see Guyana and Venezuela expand private entrepreneurial interaction.

Dr Rajana said that it was agreed that the Fedecamara of Venezuela, the umbrella organisation for that country's Chambers of Commerce and Manufacturing Associations will send a mission to Guyana by the end of May.

Two representatives of the private sector, Cde Mike Brassington and Cde Bunny Fernandes were part of the official delegation to the neighbouring republic and were actively involved in the various discussions involving private sector co-operation. The resulting agreements are likely to aid both the large and the small entrepreneur in Guyana, while at the same time generating increased employment.

During the visit, the two private sector representatives, along with Dr Rajana, had several meetings with the Mendoza Group of Companies.

The decision was made to pursue joint venture co-operation in paper production involving Seals and Packaging Industries Limited (SAPIL), the production of ceramic and sanitary ware and in giving technical assistance to the agroindustry.

As regards ceramic sanitary ware, it has been agreed that Guyana is in a good location to supply the Caribbean Market.

The team also discussed the possibility of the Mendoza Group either purchasing shares in SAPIL or supplying paper, the principal raw material needed by the packaging firm. The product will then be exported to Venezuela in lieu of payment.

Cde Bunny Fernandes expressed interest in the agro-industrial activities in the Mendoza Group, particularly in obtaining technical assistance in the growing of sorghum, artificial insemination and cattle breeding.

Cde Mike Brassington held discussions with Grupo, Kudar of Venezuela on a possible joint venture between that Company and ideal of Guyana to set up a bicycle factory. Discussions are continuing about the possibility of the Venezuela company putting up the initial investment connected with the plant and also supplying the raw material. Part of the output will go to Venezuela and the remainder will satisfy the local and Caribbean markets.

The Joint Commission which was set up will oversee all aspects of co-operation between the two countries and will have Ministerial representation at the levels of Deputy Prime Minister Planning, of Guyana, and Minister of Foreign Affairs of Venezuela. The Department of International Economic Co-operation will continue its operational involvement.

During the visit, a Venezuelan Company Dayco C.A. expressed interest in a commercial operation or association with Bidco/Guymine to strip and mine bauxite.

#### Parris Assessment

Georgetown GUYANA CHRONICLE in English 7 Apr 87 pp 1, 5

[Text] Deputy Prime Minister Planning and Development, Cde Haslyn Parris has said the recent visit of President Desmond Hoyte to neighbouring Venezuela was a step in creating a partnership in development with our neighbour.

Speaking yesterday at the 5th Sitting of the First Session of the Second Supreme Congress of the People at Parliament Chambers, Cde Parris noted that the visit was also a thrust to embrace our Latin American neighbours in co-operation and joint economic ventures.

President Hoyte, he noted, has the ability to discern patterns and the wisdom to use them. He said that Cde Hoyte's visit also represents a step in the right direction, for it resulted in the reduction of external pressure to keep defensive mechanism at its optimum. Some of the resources previously used in this area could now be diverted to economic development, he said.

Discussing President Hoyte's report on his Venezuelan visit, Cde Parris said that Guyanese should now avail themselves to the co-operation and opportunities made possible through the visit. There is much we can learn from our Venezuelan neighbours and thus avoid the mistakes they would have made, he noted.

If the people of the two States match their resources and aspiration, much will be achieved. The visit of a Venezuelan team of businessmen later this month is an indication of early success of President Hoyte's trip.

That was the beginning of a new era of co-operation between our two peoples, based on respect for each other and a recognition that we are after the same goal-development of a better life for our peoples. Cde Parris said that President Lusinchi has said that if the people of our countries could develop their States together, then there will be no room left for conflict.

Earlier, Senior Minister in the Ministry of Education, Cde Deryck Bernard, described the President's address to the Supreme Congress of the People as a sober analysis and evaluation of relationship between Guyana and Venezuela.

Cde Bernard said that increased collaboration with Venezuela will enhance our development. Interaction at non-political level, in areas such as culture and science, will have positive results for both nations. Increased contact will improve understanding between the two States and create stability, he said.

Cde Bernard noted that the first cultural agreement was signed in 1974 and a series of exchange visits between performers, teachers and artists of the two countries materialised.

#### Emphasis on Dialogue

Georgetown GUYANA CHRONICLE in English 7 Apr 87 pp 4-5

[Text] People's National Congress Parliamentarian Cde Idris Deen has said that the recent visit by President Desmond Hoyte to Venezuela was aimed at strengthening political, social, economic and cultural ties.

Speaking yesterday at the Fifth Sitting of the Supreme Congress of the People at the Parliament Chambers, Cde Deen noted that Cde Hoyte's visit demonstrated to the world that the way to deal with an inherited international problem was by meaningful dialogue, not conflict and confrontation.

He expressed his sincere, profound gratitude and satisfaction to President Hoyte for stating and placing Guyana's foreign policy, particularly in respect to Latin America and the Caribbean, in true perspective. He seconded the motion put before the Congress.

Moving the motion was Cde Chandradat who said that the President's visit represented the joining of hands and welding of breeches with our neighbours. The visit, he said, raised the hope of Guyanese for bilateral trade with that neighbouring country.

Also speaking and supporting the motion was Cde S. Wade, who mentioned the developments in agriculture. Another member, Cde E. Rangee, in a poetic presentation said that Cde Hoyte's visit will strengthen the bilateral relations. He called on Government to supply his Region wit' bulldozers and trucks to get the job of producing going.

Cde Rita Hunter, who also spoke yesterday and supported the motion, dealt with the Government's support for the Amerindians and called for more support for their indigenous industries.

Cde Edwina Melville said that President Hoyte's visit was further solidifying the existing cordial relations between Guyana and its Venezuelan neighbour.

She told the Supreme Congress of the People that co-operation with the Brazilians in areas of culture and sports already existed.

The possibilities for further co-operation with our neighbours are numerous, she said, as she supported the motion before the Congress.

And Vice-Chairman of the National Congress of Local Democratic Organs, Cde Abdul Satar, observed that Guyanese from all levels of society are involved in the decision-making process and the management of the affairs of the State.

Speaking during the 5th Sitting of the First Session of the Second Supreme Congress of the People, Cde Satar said that every Guyanese has a duty to build Guyana adding that the attitude of our Venezuelan neighbours, as described by President Hoyte should embolden us to be prepared to fight the war against poverty and unemployment.

#### United Forces Support

Georgetown GUYANA CHRONICLE in English 7 Apr 87 p 1

[Text] United Force Parliamentarian Michael Abraham has pledged his party's full support for the initiatives taken by President Desmond Hoyte on his recent visit to Venezuela.

The lone Minority member present during yesterday's debate on the President's speech to the Supreme Congress of the People, Mr Abraham said that Guyana could ill afford not to have good relations with its neighbours.

In commending Cde Hoyte on his efforts to pursue peace and co-operation with Venezuela, Mr Abraham said that he looked forward to the day when joint business ventures and industrial activities will be undertaken between the two countries on a large scale.

He told the Supreme Congress of the People that he was heartened by the agreements signed by Guyana and Venezuela during President Hoyte's recent visit. The agreements, he noted, deserve the support of all patriotic Guyanese.

Mr Abraham fully supported the motion which was unanimously approved by the Congress expressing its sincere thanks and appreciation to Cde Hoyte for his address to the Supreme Congress of the People on Friday and approving the policy adumbrated therein.

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HOYTE ADDRESSES AMERINDIAN CONFERENCE IN ESSEQUIBO

Hoyte Remarks

Georgetown GUYANA CHRONICLE in English 7 Apr 87 pp 1, 5

[Text] President Desmond Hoyte yesterday called for intensified research into the contribution Ameridians are making to development in Guyana and for the use of the findings to enrich our national life.

He told a cheering audience of Amerindian leaders and officials at Region Two's Mainstay Holiday Resort on the Essequibo Coast that persistent study and dissemination of the Amerindian heritage was inevitable against the backdrop of misgivings abroad about the role and influence of indigenous lifestyles in the country's developmental thrust.

"We have to be very proud of the contribution made by our Amerindian community. We have to research that contribution. We have to make it known and we have to use it more and more to enrich our national life," he said.

Cde Hoyte spent about five hours with the Amerindian leaders at the Mainstay Resort, declaring open their first biennial conference, listening to reports from the region's ten Amerindian captains, dining with them and sharing in the discussion on the captains' reports with the 300 delegates at the one-day conference.

The President was accompanied on his visit by Permanent Secretary in the Ministry of Regional Development, Cde Maurice Henry, Head of the Political and Press Division of the Office of the President, Cde Kester Alves, and Principal Press Officer in the Office of the President, Cde Ave Brewster.

Met on arrival at Mainstay by Pomeroun Supenaam Regional Chairman Ivor Allen, President Hoyte first viewed an exhibition of Amerindian-produced household furniture and other craft made from local nibbi and tibusiri.

He then had a look around the resort after being garlanded by several Amerindian children and greeted by the ten Amerindian Captains.

"There is no section of our national life where Amerindians do not hold a prominent position," the President remarked as he shared his thoughts with delegates in declaring the conference open.

Another of Government's continuing efforts to facilitate the secondary education of Amerindian children, he noted, has been to increase expenditures related to their learning process.

The monthly stipend for guardians of Amerindian students studying on the coastland has been increased from \$120 to \$400 for each child.

The pocket money allotted to each Amerindian student has been raised from \$25 to \$35 a month, while the emergency clothing allowance of each Amerindian student pursuing studies away from their homes has been increased from \$65 to \$400 annually. And all these increases have taken effect from January this year.

The increases, described by conference chairman Member of Parliament Neville Calistro as "very steep," are part of a Hinterland Scholarship Scheme that characterises Government's ongoing concern for Amerindian citizens, for their education, for their welfare and for their well-being, the President emphasised.

The region's first biennial conference was convened to encourage discussion and decision-making between the leaders and residents of Amerindian communities, to acquaint Amerindian leaders with the work programmes of the regional administration, and to coordinate efforts by the Regional Administration and Amerindian councils to boost community and regional development.

#### Policy Actions

Georgetown GUYANA CHRONICLE in English 8 Apr 87 p 1

[Text] The ten Amerindian communities of Region Two (Pomeroon Supenaam) have taken steps to coordinate their approach to community, regional and national development efforts.

At their first Biennial Amerindian Conference at the Mainstay Holiday Resort Monday, representatives of the communities adopted a mission statement to realise this goal.

The conference also passed a number of motions endorsing Government's policy on Amerindian development and urging accelerated assistance to make their communities self-reliant in social and economic activities.

The mission statement and motions were unanimously agreed on towards the conclusion of the one-day conference convened to share knowledge, information and ideas on the development process in all ten Amerindian communities in Region Two and to coordinate efforts by the communities and the Regional Administration to propel growth in Amerindian areas and in the Pomeroon-Supenaam Region as a whole.

The mission statement says the Amerindians in Region Two will

- Work diligently to exploit all available opportunities to become fully integrated in the Guyanese society and to work cooperatively with all fellow Guyanese.
- Exploit all available resources within their communities for the benefit of all indigenous peoples as well as for the overall development of Guyana.
- Preserve for posterity Amerindian culture and share this heritage with their fellow Guyanese and Caribbean brothers.
- Be loyal and patriotic to the Government and ruling Party and to give at all times their wholehearted support to regional as well as to national leaders.
- Assist in ensuring that there is a climate of peace and stability within their communities and to ensure that there is uninterrupted development.
- Participate and be fully involved in and be supportive of the new system of local Government so as to be actively engaged in the process of decision-making.
- Pursue actively the spirit of self-help so as to enhance the qualitative improvement of their communities.

The motions passed by conference delegates include calls for Government to consider the inclusion of forestry in the curricula of primary schools in the Amerindian communities and adjustment to the school hours to cater for the long distance children in remote communities have to travel to reach school.

The Amerindians also want to see postal services improved and the issuance of birth certificates and identification cards done more expeditiously.

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FINANCE MINISTER: FOREIGN AGENCIES CANNOT DICTATE TO US

Georgetown GUYANA CHRONICLE in English 6 Apr 87 p 1

[Text] The Guyana Government has not allowed and will not allow external agencies to dictate Guyana's economic policies, Finance Minister Carl Greenidge stressed yesterday.

Current policies being pursued to tackle the problem of economic imbalances are consistent with our sovereignty and independence, the Minister said in an interview broadcast over the Guyana Broadcasting Corporation (GBC).

Speaking about the recent visit of an IMF/World Bank mission to Guyana, he said the team met and held discussions with local technicians regarding our programme of purposeful economic adjustment and strategy to tackle the imbalances in the economy.

Government, he added, is treating the problem of economic imbalances in a systematic and comprehensive manner.

The IMF/World Bank team is expected to "formulate a report and form an independent opinion of the nexus between what we said we had set out as our objectives and what we have actually achieved," Cde Greenidge disclosed.

He also spoke about the problems associated with imbalances including that of foreign exchange, pressure on the financing of projects and wages and salaries, and noted that the Government has taken a number of initiatives to deal with these problems.

However, the burden of adjustment, he stressed, has been stretched out over a number of years.

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PNC ORGAN OFFERS PPP LEADER JAGAN'S VIEWS ON PCD

Georgetown NEW NATION in English 19 Apr 87 p 1

[Text] PPP General Secretary Dr Cheddi Jagan has within the last few days been speaking candidly about his political friends and associates. His comments have not been flattering.

According to our information, the PPP has organised a series of "County Conferences" and Dr Jagan has been making the rounds of these giving his assessment of the domestic and international political scene.

His report has been made available to New Nation. It contains Dr Jagan's views on the Patriotic Coalition for Democracy and the grouping of six unions which is usually critical of official TUC decisions.

Today, New Nation shares the General Secretary's opinions of the PCD, some of whose members he claims lack popular support and one which he has accused of "Covertly attacking our party" (the PPP).

Dr Jagan said the PCD "is comprised of five political parties--the People's Progressive Party (PPP), the Working People's Alliance (WPA), the People's Democratic Labour Movement (DLM), the National Democratic Front (NDF)--the trade union NACCIE, a few independent specialists and observers/representatives of the Roman Catholic and Anglican Bishops," (SIC)

Dr Jagan said that the PCD is not "a political electoral front" but "a broad coalition of forces." But he continued: "Its weakness stems from the fact that some parties have little popular support and influence in mass organisations, some parties are hostile to our political/ideological objectives and are openly making anti-socialist propaganda. One of them is even covertly attacking our Party."

Next week New Nation proposes to share with its readers Dr Jagan's views on the six-union grouping.

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CSO: 3298/213

GUYMINE OFFICIALS BAR JAGAN, PARTY FROM MEETING

Georgetown MIRROR in English 19 Apr 87 p 1

[Text] The People's Progressive Party has strongly protested the methods used by GUYMINE officials to prevent PPP General Secretary Cheddi Jagan and party from attending two scheduled meetings at Kwakwani on Saturday, April 11. In a press statement the Party said that police permission had been applied for and obtained. The hitch came when ferry authorities refused to allow the vehicle which had travelled overland from Georgetown to cross over from the western bank of the Berbice river to the eastern bank where Kwakwani is situated.

Dr Jagan and party waited while three empty pontoons travelled back and forth on the river. Finally, one of the operators confessed that he was ordered not to permit the PPP vehicle to travel over.

Prior to this, an application for Dr Jagan to use the corporation's guest house was denied on a flimsy excuse. However, alternate arrangements for housing the speakers had been made by the Party.

The refusal to allow Dr Jagan and other Party speakers to go to Kwakwani is a serious denial of the rights of Guyanese resident in Kwakwani to attend meetings and an infringement on the rights of a political party to move throughout the country on its legitimate business. It smacks of the same violations of Guyanese rights when non-government parties seek, but are denied, permission to visit other interior areas of the country.

The PPP has made strong protests through the years of the refusal of government authorities to allow PPP members, including Members of Parliament, to visit areas like the Rupununi. Permission to visit these areas has been frequently either delayed or refused.

The PNC operates as if the whole country, its treasury, its security forces, its institutions and its facilities are its sole property.

Clearly the PNC is afraid of a PPP presence at Kwakwani. The quickly held PNC meetings at Ituni some days after the PPP visited that area are an indication of that fear.

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GOVERNMENT, TUC REACH AGREEMENT ON NEW WAGE PACKAGE

Georgetown GUYANA CHRONICLE in English 23 Apr 87 pp 1, 4-5

[Text] The Government and the Trades Union Congress (TUC) have reached agreement on wages and salaries for Public Sector workers for 1987 and 1988.

The main points of the agreement are an across-the-board increase of 16,37 percent on the previous minimum wage plus a fixed amount of \$4,20 per day or \$100 per month. This will raise the present minimum wage within the Public Service to \$23,75 per day for 1987, Finance Minister Carl Greenidge explained. There will be further increases for 1988.

A document on the agreement was signed yesterday afternoon in the Ministry of Finance Boardroom. Chief Planning Officer Clarence Blue and TUC President George Daniels who headed a Joint Technical Committee during the negotiations were among the signatories.

Finance Minister Greenidge, Labour Minister Seeram Prashad and TUC General Secretary Joseph Pollydore also signed.

Daniels, in an invited comment, said: "We have tried to get something reasonable. It does not satisfy our expectations but with this sacrifice we hope to get better things in the future."

Finance Minister Greenidge said he was indebted to the heads of the Joint Technical Committee, Cdes Blue and Daniels, who, he said, succeeded in resolving the difficulties which had arisen earlier in the prolonged negotiations.

Following is the full text of the Press release made shortly after the signing:

The negotiating teams of the Government of Guyana and the Guyana Trades Union Congress deliberating on the Public Sector wages' policy package for 1987 and 1988, have constituted and mandated a technical committee comprising of representatives of both sides, headed on the Government side by the Comrade Clarence Blue, Chief Planning Officer, State Planning Secretariat, and on the GTUC side by Comrade George Daniels, President, Guyana Trades

Union Congress to review and explore the possibilities for resolving the apparent impasse in the current wages and salaries negotiations with the following terms of reference.

#### Terms of Reference

Having regard to the resource constraints mentioned by the Minister of Finance, the technical teams of both the Government and the GTUC should get together with a view to examining the possibility of moving away from \$19,40 without in any way jeopardising employment levels and economic activities.

The committee began its work against the background of the following four (4) principles:

- (1) Special concern for workers' needs at the bottom;
- (2) The need to maintain adequate differential in the Public Sector system;
- (3) The consideration of a two-step move to go beyond twenty-five dollars (\$25.00) per day minimum wage; and
- (4) The need to contain the overall Public Sector deficit within manageable limits.

After meeting on six separate occasions the Technical Committee came up with the following proposal for consideration by the main negotiating teams on the two sides.

In consideration of workers at the bottom of the wage and salary ranges and, in particular, those at the minimum wage and having regard to the need to maintain adequate differentials and to contain the Public Sector deficit within manageable levels, the Government and the GTUC technical teams recommend for consideration of the main negotiating teams that in lieu of fixed percentage increase across-the-board to all workers in the Public Sector a differentiated percentage increase ranging between 16,37 percent to top salaried managerial and professional types to 41,37 percent for those at the minimum wage be implemented for 1987. The formula for across-the-board increases to be applied to all workers is as follows:

For 1987

- (a) To all Public Sector workers excluding Guymine, Guysuco and Guystac an increase of 16,37 percent of December 31, 1986 base income plus \$100,00 per month i.e. \$19,55 per day plus \$100,00 per month across-the-board.
- (b) In the special cases of Guymine, Guysuco and Guystac workers, this formula will be amended to read (16,37 percent of the January 01, 1987 base income plus \$100,00 per month) across-the-board based on the traditional Public Service daily/monthly conversion formula (\$4,20 per day).

(c) The Public sector minimum wage for 1987 would thus be \$23,75 for those agencies at the bottom of the Public Sector wage differential structure. For workers in agencies higher up the structure, their minimum wage would be much higher.

(d) The appraisal component already agreed, of 5,5-7 percent shall apply based on a similar implementation arrangement as set out in the 1985/1986 Government/GTUC agreement.

This across-the-board formula has the advantage of minimising the impact of the Government's budget while addressing the concerns of workers at the bottom.

For 1988

(a) To all Public Sector workers an increase of (5 percent of 1987 base wage plus 1 percent for every percentage increase in real GDP over 2 percent) across-the-board. (To be announced by the Minister of Finance in his 1988 budget presentation).

(b) The appraisal component already agreed, of 5,5-7 percent shall apply based on a similar implementation arrangement as set out in the 1985/1986 Government/GTUC agreement.

(c) The Government and the GTUC would at the time of the 1988 budget speech presentation review the 1988 across-the-board formula in the light of all the circumstances.

Having settled the across-the-board component of the 1987/1988 wage package, the Government and the GTUC would now get on with the task of nation-building and the education and orientation of workers in improving labour productivity in the work place for the benefit of all in the economy.

The rest of 1987/1988 wage package already agreed and announced on January 13, 1987 will be implemented. It is agreed that discussion on the NIS proposal and a review of the income tax regime should be undertaken as early as possible. Follow-up discussions on outstanding issues such as meal and travelling allowances in certain parts of the Public Sector and other related issues in addition to the general problems of the economy will form the basis for on-going discussions at this level. The teams will resume discussion on these matters in three weeks time.

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TRADE WITH CUBA SHOWS INCREASES IN 1986, SO FAR IN 1987

Georgetown NEW NATION in English 5 Apr 87 p 8

[Text] Trade between Guyana and Cuba has increased by approximately 70 percent in 1986 over 1985. For the first quarter of 1987, Guyana's exports to Cuba have earned US\$2.12 million while Cuba has shipped some US\$1.9 million worth of goods to this country.

The 1987 Trade Protocol between the two countries provides for a two-way trade agreement of US 9.9 million. Guyana through this protocol will export US \$5 million while Cuba is to supply this country with US \$4.9m. worth of necessary commodities.

The agreement embodies a barter arrangement of which Guyana's main export to Cuba will be rice. Up to the end of last month Guyana had exported over \$1 million worth of upholstered furniture to Cuba.

The Trade Protocol grew out of the 12th session of the Guyana/Cuba Joint Commission for Economic, Scientific, Technical, Educational and Cultural co-operation held in Georgetown from March 18 last. That meeting also reviewed the 1986 Protocol between Guyana and Cuba.

Under the framework of the Scientific and Technical programmes, Cuba's contribution in 1986 was in the areas of Public Health, Agriculture, Basic Industry, Iron and Steel Industry, Food, Culture Higher and Intermediate education and Sports. Cuba also provided material for works at President's College and for the medical facility at the University of Guyana.

The recent Cuban delegation headed by Ernesto Melendez Bachs, President of the State Committee for Economic Co-operation expressed satisfaction with the upgrading and methodological courses conducted by the Institute of Adult and Continuing Education for Cuban professors of English.

The Scientific and Technical programme for 1987 consists of 76 projects in 18 sectors. It places emphasis on the exchange of training, information and research aimed at the development of specific projects and the investigation of new areas of co-operation.

Some of the significant decisions taken at the 1987 meeting included the increase of the Cuban Medical Brigade from 38 to 51. The decision was also taken to continue assistance in training medical students at the University of Guyana. The programme also specified the intensification of co-operation in the fields of ceramics, the training of Cuban professors in the methodology of teaching English.

There is also to be joint research in agriculture in areas such as artificial pharmaceuticals, the production of fertilisers and insemination and technical assistance from Cuba in the production of yogurt, cheese and other foods resulting from livestock production.

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SOVIET TECHNICAL MISSION TO DISCUSS BAUXITE, GOLD PLANS

Georgetown GUYANA CHRONICLE in English 15 Apr 87 p 1

[Text] A Soviet technical mission is due in Guyana next week to discuss the further importation of bauxite and gold industries in Guyana.

This follows discussions at a dinner hosted by Prime Minister Hamilton Green in Moscow.

The Soviets have indicated a preference for Guyana's bauxite because of its quality and because it could provide a base for the export of Soviet goods to Guyana.

The Prime Minister arrived in Moscow Sunday and was met by Deputy Prime Minister Cde Tolstoy; Deputy Foreign Minister Cde Kompleldov; Deputy Head of the State Port Commission Cde Gjvrrilli; Deputy Head of the State Commission of Foreign Economic Relations Cde Koskelov and others.

At the dinner, Prime Minister Green also discussed co-operation in the field of sport and physical activity.

Complimenting the Guyana Government's policy in this field, Deputy Prime Minister Tolstoy expressed the view that an agreement should be worked out between the two countries to promote joint sporting activities.

The USSR has agreed to:

--provide trainers to Guyana in fields to be agreed upon without cost.

--offer free scholarships to coaches in boxing and weightlifting and

--supply sports equipment to Guyana in specific areas to be defined by the Guyana Government.

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## BRIEFS

NEW ENVOY TO CUBA--When Guyana's new ambassador to Cuba, Harold Sahadeo, assumes his new responsibilities, he does so with a wealth of experience in Government and diplomacy. He began his career in Government as an administrative cadet in 1962 and was appointed a Foreign Service Officer at the Ministry of Foreign Affairs on Guyana's attainment of Independence. He has since completed tours of service in Venezuela, Brazil and Belgium. At the Ministry of Foreign Affairs he held the post of Director of the Political Division and was non-resident High Commissioner to Caricom countries in the Eastern Caribbean. During his period of service in Brussels, Guyana played an important role in the implementation of the second African-Caribbean-Pacific-European Economic Community (ACP-EEC) or Lome II Convention and the negotiations for the Third Convention. At the Ministerial level Guyana's Minister of Finance Cde Carl Greenidge held the position of spokesman for trade matters. Cde Sahadeo himself was elected Chairman of the ACP Committee of Ambassadors and later Chairman of the sub-committees on trade, on industry and on sugar. He left Guyana for Cuba last week. [Text] [Georgetown NEW NATION in English 12 Apr 87 p 1] /9317

RELATIONS WITH EC--Guyana's trade and economic co-operation with the European Community has improved over recent years. More recently an economic agreement was negotiated providing for the modernisation of bauxite mining and plant equipment. Trade in commodity exports increased with Guyana maintaining its position as the leading ACP exporter of rum to the EEC and increasing rice exports to nearly 29,000 tons in 1986. Guyana also developed beneficial relations with the European Investment Bank in Luxemburg and with ACP-EEC joint institutions--the centre for the development of industry in Brussels and the technical centre for agriculture in the Netherlands. [Text] [Georgetown NEW NATION in English 12 Apr 87 p 1] /9317

DELEGATION TO JAMAICA--Minister of Trade and Tourism Cde Winston Murray will lead a Guyana delegation to a four-day visit to Jamaica from April 21. The visit which was first announced by President Desmond Hoyte during his address to the recent Supreme (Congress of the People at National Cultural Centre, has among its major objectives the expansion of the nation's non-traditional export trade to the sister Caricom State. Up to last Thursday, officials of the Ministry of Trade refused to disclose further details of the meeting agenda and the composition of the delegation. The visit will

involve the mounting of an exhibition of Guyanese products and a series of discussions between senior trade officials of the two teams. Trade officials describe the visit as another in the continuing efforts to develop Caricom trade and foster regional unity. Guyana currently exports fish and shingles to markets in Jamaica. [Text] [Georgetown NEW NATION in English 12 Apr 87 p 5] /9317

NEW PNC OFFICIAL--Cde Eustace Seaton joins the staff of the Secretariat of the People's National Congress. He brings to his appointment a wealth of experience having served in several administrative positions over the past 30 years. Prior to joining the staff of the Party Secretariat Cde Seaton served as General Manager of the Guyana Rice Development Corporation, and as Senior Manager and Chief Administrative Officer of the Guyana Rice Board. In addition to holding administrative office in those organisations Cde Seaton served on the Board of Directors or both. He also served as an administrator with the Guyana Airways Corporation, as Secretary/Accountant of the Rupununi Development Company and as Manager of the Demerara Meat Marketing Company Limited. The last two were private companies. [Text] [Georgetown NEW NATION in English 5 Apr 87 p 1] /9317

PNC CONGRESS THEME--The Seventh Biennial Congress of the People's National Congress will be conducted over seven days from August 10 under the theme "Reaching Out Boldly For Progress." Up to the last Biennial Congress deliberations were conducted over eight days. When the Congress Committee met Monday to review the work done toward the hosting of the Congress, the convenors of the various Congress sub-committees reported on the progress made. There were reports concerning the attendance of delegates from fraternal parties overseas, on the accommodation provided for local delegates who will be coming from every administrative region, and on other matters pertaining to the Congress programme. Congress Committee is chaired by Party General Secretary Cde Ranji Chandisingh. One of the highlights of Congress will be the post-congress rally at the Square of the Revolution. At the rally Leader of the People's National Congress, Cde Desmond Hoyte, will report to the public on the deliberations and decisions emanating from Congress. The Biennial Congress is the highest forum of the Party. It advises and makes recommendations to Government on matters pertaining to national development. [Text] [Georgetown NEW NATION in English 19 Apr 87 p 1] /9317

ROAD CONSTRUCTION--The Guyana Cooperative Insurance Service (GCIS) will be spending an estimated \$50,000 on a national road improvement programme during this year. Working in collaboration with the traffic department of the Guyana Police Force, GCIS, the youngest insurance company in Guyana, will be painting and installing road signs at a number of high risk sections of the country's road. A company spokesman told New Nation that an estimated 100 gallons of road-marking paint will be arriving in the country within weeks to facilitate the programme. The exercise will be conducted along six miles of roadway. It will also involve repainting existing signs and markings. Sign boards will also be erected and GCIS will be responsible for the maintenance of these. Officials say the programme will improve the image of the company while curtailing the volume of accidents on the nation's roads. [Text] [Georgetown NEW NATION in English 12 Apr 87 p 5] /9317

CSO: 3298/213

INA REGIONAL DIRECTOR ON AGRARIAN REFORM

San Pedro Sula TIEMPO in Spanish 24 Apr 87 p 14

[Text] San Pedro Sula--The regional director of the INA [National Agrarian Institute], Eduardo Trochez, said that the agricultural problem cannot be solved by agreements between peasant leaders and landowners but by a change toward the process by the state institutions.

He stated: "A real agrarian reform policy in which, of course, the INA participates must be established. It is necessary to make a real development plan from the reform."

He admitted that the agrarian process is carried out in a disorganized way. He said that this situation is due to political decisions, the idiosyncrasy of the people, and lack of coordination among the state institutions involved.

Trochez reacted this way after the representatives of the peasant sector and FENAGH [National Federation of Farmers and Cattlemen of Honduras] met to discuss agrarian matters. According to the official, this must be tied to the law.

"The positive side of the meeting is that there has been a rapprochement between the two parties. However, they must accept and understand that the procedure must be based on the law, not force or pressure" by either party.

The official said that half the peasants in the northwestern sector have land but do not work it. However, this is not exactly due to laziness. The causes include lack of technical assistance and other causes that tie the hands of the agrarian reform.

The peasants sometimes sell the land that has been adjudicated to them or the land is sometimes invaded by other groups. He cited the example of what is occurring now with "Bases of La Cumbre" in La Cumbre.

The official said that he has not yet learned the agreements reached between the peasants and FENAGH.

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ARMED CONFRONTATION OVER SEIZURE OF LAND BY PEASANTS

San Pedro Sula LA PRENSA in Spanish 29 Apr 87 p 2

[Article by Juan Bosco Campos, correspondent; first paragraph is LA PRENSA introduction]

[Text] Comayagua--Soldiers from the National Army and the FSP [Public Security Force] confronted more than 1,000 peasants of the CNTC [National Central Organization of Rural Workers] here. The peasants refused to leave some 1,300 manzanas of land owned by Mrs Nicolosa de Gastell.

At one point in the confrontation, the soldiers reinforced by the battalion that guards the Cementera Piedras Azules installations had to fire their machine guns to intimidate the invaders who were approaching aggressively, brandishing their machetes.

Colonel Terencio Gomez, assistant commander of the Ninth Infantry Battalion, and Major Agustin Cardona, regional chief of the FSP, arrived at 10:50 am to peacefully oust the invaders. However, the invaders refused to obey the order so the officers were forced to ask for reinforcements from two commands of the Piedras Azules battalion.

The peasants who said they belonged to "The Good Shepherd" group of the CNTC lined up facing the soldiers, saying that they would rather die than leave the land. That was when the soldiers gave them a deadline of 1 hour to wait for more reinforcements since the alleged peasants were too aggressive.

It was about 3 pm when the soldiers of the FSP decided to go onto the land to confront the peasants who had already sought the help of the rest of their comrades to avoid being ousted.

The soldiers were forced to fire several bursts before the invaders started to slowly surrender and hand over their machetes. There were no injuries.

The secretary of the CNTC, Julian Oseguera--accompanied by some foreign journalists--arrived at the climax of the confrontation to encourage the rebellion of the invaders. However, the officer forced them to step aside.

Meanwhile, the owner of the land stated that the peasants had destroyed enormous areas of pasture and even took over the workers' housing.

The police reported that more than 10 of the group's ringleaders were captured during the operation. Some of them accused Oseguera of having been the instigator of the invasion. Oseguera fled.

SALE OF FOREIGN DEBT VIEWED AS STIMULATING INVESTMENT

San Pedro Sula LA PRENSA in Spanish 22 Apr 87 p 33

[First paragraph is LA PRENSA introduction]

[Text] Tegucigalpa--The government will soon make a decision concerning the suggestions of the members of the negotiating committee, establishing guidelines for the conversion of the foreign debt to lempiras.

According to the committee, when this is finalized, it will help stimulate private investment to promote nontraditional exports, expand traditional exports, revitalize already established enterprises, and encourage tourism and other areas of investment.

In a seven-page document delivered to President Azcona, the negotiating committee indicates the necessary mechanism to convert the foreign debt to lempiras. The Central Bank of Honduras and the Ministry of Finance and Public Credit play a major role in its implementation.

According to the document, the special deposits in lempiras of resources from the conversion of the debt can be used to finance investment in productive projects.

It indicates that the funds deposited can be used for local costs of productive investments like the acquisition of land or installations, purchases of national supplies, hiring of manpower and other local services, and the purchase of existing enterprises with state participation included in the denationalization process.

These deposits cannot be used to acquire foreign currency in the banking system or on the unofficial market or to acquire imported goods.

In special cases that the negotiating committee has approved, the resources in lempiras can be used under the following guidelines:

1. Once the export sector has been declared eligible and the percentage of foreign currency generated by the exporters that can be retained for the purpose of buying the foreign debt is defined, the exporter can deposit that percentage of foreign currency in the national banking system.

2. These deposits can be used to finance imports of supplies of the depositing enterprise or the acquisition of foreign debt documents of the country issued or guaranteed by the government of the republic or the Central Bank of Honduras.

3. The documents thus acquired can be used to pay local creditor banks when these so agree with their clients and the local banks make a commitment to convert them into debts in lempiras at the official rate of exchange with a term of 10 years and at an annual interest rate of 9 percent.

#### Other Provisions

1. The government of the republic, through the Central Bank of Honduras, will establish the limits of conversion of the debt based on the financial program of the country and investment prospects.

2. The percentage of the foreign currency that can be used for profits or payment of debts abroad will be directly proportional to the net income in foreign currency generated by the respective investment project.

3. The resources in lempiras derived from the conversion cannot be used to obtain foreign currency on the unofficial market.

4. The committee can analyze unforeseen cases using the present guidelines and make appropriate recommendations.

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HONDURAS

BRIEFS

CENTRAL BANK PRESIDENT ON SALE--Tegucigalpa--The president of the Central Bank of Honduras, Gonzalo Carias Pineda, said yesterday that there are three requests from foreign investors interested in buying the debt of \$218 million that Honduras owes to foreign banks. Carias stated that the sale of part of the foreign debt benefits Honduras "because the debt is converted to lempiras and dollars no longer have to be paid. It is even better for the investor because the debt is acquired cheaply. In this case, it can be bought for about 60 percent." He indicated that the system of selling the foreign debt has been used successfully by several Latin American countries including Chile, Peru, Argentina, Mexico, Brazil, and Costa Rica. The president of the Central Bank maintained that by selling the foreign debt, the country channels investment to priority sectors--that is, exports--and encourages productive investment. [Text] [San Pedro Sula TIEMPO in Spanish 22 Apr 87 p 11] 7717

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