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23 October 1985

# Latin America Report

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23 October 1985

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INTER-AMERICAN AFFAIRS

CARIBBEAN RIGHT WING PARTIES FORGE UNITY; HQ IN DOMINICA

FL231435 Bridgetown CANA in English. 2303 GMT 22 Sep 85

[Text] Roseau, 22 Sep (CANA)--A two-day meeting of right wing politicians from the Caribbean has ended here with the formation of an eastern Caribbean institute for democracy, and pledges to support the formation of a Caribbean Democratic Union.

A communique issued at the end of the meeting, organised by the Dominica Freedom Party (DFP) and attended by representatives from eight democratic parties in the Caribbean, said that the institute will be headquartered in Dominica.

The meeting also agreed on the appointment of a steering committee to draft a constitution for the institute, with prominent lawyer/politician Jenner Armour of Dominica as chairman.

Other members include Oliver Sampson of the United Workers Party of St Lucia, Vernon Jeffers of the People's Liberation Movement of Montserrat and Alvin Knight of the DFP.

The meeting adopted a number of resolutions, one calling for an investigation of Guyana's entry ban on two representatives of the West German Konrad Adeneaur Foundation, who said they went to the Caribbean Community (Caricom) member country to visit the Caricom secretariat.

The two Germans were refused entry a week ago, because they had planned to engage in political activities unacceptable on the part of foreigners, a statement from Guyana's Home Affairs Minister Jefferey Thomas said. The foundation funds political activities.

Delegates at the Dominica meeting said that similar incidents had occurred in Guyana, and had serious and grave implications for the democratic process in the region.

They called on democratic parties and governments of the region to closely investigate the incident, with a view to ascertaining the facts of the matter, and ensuring that there is no restriction of movement to and from the Caricom secretariat in Guyana.

With regard to the formation of a Caribbean Democratic Union, the delegates said that a meeting will be held later in Jamaica, at which it is hoped that the union will be established.

The meeting also condemned the policy of racial segregation, and the recent atrocities being perpetrated against the black people of South Africa.

Political parties represented at the meeting included the DFT, the Antigua Labour Party, the New National Party of Grenada, the People's Liberation Movement of Montserrat, the People's Action Movement of St Kitts, the United Workers Party of St Lucia and the New Democratic Party of St Vincent.

CSO: 3298/5

23 October 1985

## INTER-AMERICAN AFFAIRS

## CARIBBEAN LABOR GROUP HITS 'INFILTRATION,' CBI

## Foreign Anti-Labor Actions

St Georges THE GRENADIAN VOICE in English 14 Sep 85 p B

[Text] Leonard Archer, president of the Caribbean Congress of Labour (CCL) has charged that foreign companies coming into the Caribbean come with anti-labour attitudes and try to prevent the formation of Trade Unions in their workplace. This, he said, as well as employers playing off the large body of unemployed against employees is slowing the growth of the Trade Union Movement.

But Mr Archer does not envisage a situation where workers in the region will have to resort to wage cut-backs--which he says never works--and he also feels that wage restraints (which have been much talked about by Caricom Heads of Governments in their last two meetings) are not going to work in our type of economy. "What we need to do" Archer told GRENADIAN VOICE "is to find that level of wage increases which will maintain some sort of stability in the country but will guarantee some sort of domestic market" so as not to affect government revenue.

Mr Archer is presiding over activities connected with the 25th anniversary of CCL which was born at a meeting held at the Grenada Boys Secondary School on 13 and 14 September 1960.

The Congress had a two day General Council meeting on Monday and Tuesday and on Wednesday and Thursday had a two day Seminar/Conference in which they heard lectures by Dr Frank Alleyne.

Dean of the Faculty of Social Sciences and Head of Economics at the Cave Hill Campus of the UWI, on "Wages Restraint and Its Implication for the Labour Movement" and "Productivity--its impact on workers and Trade Unions." Mr George Depeana ILO Regional Adviser on Worker Education spoke on "Unemployment" and Mr Lawrence Nause lecturer at the UWI (Cave Hill) on "Anti-Labour Legislation." The seminar was organised in collaboration with the American Institute for Free Labour Development.

Only St Maarten of the seventeen countries affiliated to CCL is absent. The affiliate there--the Windwards Islands Civil Servants Union--recently signed an agreement with the United Steel Workers Union in America and became Local 9099 and, according to Archer this conflicts with the CCL Constitution which provides for affiliation of only bona fide independent Trade Unions. Mr Archer said that discussions are being held with the Union in St Maarten which he hopes will lead to the situation being regularised.

Commenting on the Trade Union Movement in Grenada the CCL President told the VOICE that there had been political infiltration of the Movement by the Peoples Revolutionary Government and there was interference in the normal working of the Trade Union Movement. The movement had gone through a trauma but CCL with the good graces of ICFTU (International Confederation of Free Trade Unions) is doing all it can to help in the re-development of the movement in Grenada.

#### Call for Changes in CBI

FL231840 Bridgetown CANA in English 1735 GMT 23 Sep 85

[Text] St Georges, 23 Sep (CANA)--President of the Barbados-based Caribbean Congress of Labour (CCL) Leonard Archer has called for President Reagan's Caribbean Basin Initiative (CBI) to be reformulated to meet the needs of the region.

Archer told CANA that the labour movement in the region did not feel that the CBI--a trade, aid and investment package--was offering enough in direct investment in infra-structural development to allow regional states the opportunity to rationalise their key agricultural sector and others.

Under the CBI, specified goods from several Caribbean and Central American countries enter the U.S. duty free for a 12-year period.

In reference to the sugar industry in the Caribbean, the CCL president said that while it was costing about 20 cents for the region to produce every pound of sugar, the price being received was five or six cents per pound, which is a far cry. So obviously, no matter how much we develop that for export, it isn't going to help us a great deal, he said.

Archer said that although there have been some new investments in the Caribbean as a result of the CBI, most of this was for exports to foreign markets and, in any case, most of the goods were already getting into the U.S. market before the package was unveiled by the Reagan administration.

Our view is that there needs to be substantial direct investment in infra-structural development, but the CBI isn't really involved in infra-structural development. It's really a development of export (package), he said.

United States Ambassador to the Eastern Caribbean Thomas Anderson said recently that the CBI will prove its worth in boosting regional economies in the long term, and its success will give the programme renewed life after its existence. The CBI took effect on 1 January 1984.

INTER-AMERICAN AFFAIRS

ANDEAN GROUP MINISTERS PROPOSE PACT MODIFICATIONS

Bogota EL TIEMPO in Spanish 16 Sep 85 p 8-A

[Text] Cartagena de Indias, 15 Sep (ANSA)--The 10 ministers who are members of the Andean Pact Council have proposed deepseated changes in the subregional economic integration system, and have set a period extending until 15 December for meeting again and approving the changes contained in a protocol.

At the end of 48 hours of deliberations they approved a declaration which states:

"As a result of their deliberations, the ministers:

"1. Reaffirmed the member nations' political backing for the subregional integration process, the basic grounds and goals of which are still valid, and their decisions to intensify it, based on pragmatic guidelines in keeping with the current reality of the subregion.

"2. Took note of the difficulties being experienced by the Andean Group, originating in the maladjustment of several policies and instruments of the subregional pact to the economic and social reality of the member nations, aggravated by the effects of the international economic crisis.

"3. Acknowledged, furthermore, that the crisis in the integration process has legal, conceptual and commercial connotations, and that to cope with it an emergency program and an essential adjustment of the policies, instruments and institutional mechanisms of the Cartagena Agreement are required.

"4. Agreed that the emergency program must undertake the immediate reestablishment of the flow of subregional exchange, as well as promoting action for cooperation and coordination among the member nations.

"5. Reiterated the fact that, despite the need for maintaining the multilateral nature of the process to attain the common market goals, it is feasible to make commercial agreements among the countries of a temporary kind, which will impart greater dynamism to the intrasubregional trade.

"6. Resolved to invite the ministers of the member nations in charge of integration to prepare the draft protocol amending the Cartagena Agreement, which will

be considered jointly at a meeting of the Andean Council, to be held during the first 2 weeks of December of this year.

"7. Established the following directions for the negotiations relating to the amending protocol and other priority issues associated with Andean integration:

"a. To update and lend flexibility to the time periods called for in the different mechanisms of the Agreement, giving the commission authority to adjust them whenever necessary.

"b. To update the mechanisms of the decontrol program, maintaining the progress achieved and fostering an equitable participation by all the member nations in the formation of the expanded market.

"c. To reiterate that the system of safeguard clauses is the only mechanism for the adoption of measures that will affect the decontrol program, requiring an evaluation of the system in effect in order to make it more speedy and operative.

"d. To determine regulations that will govern the conditions for competition within the subregion, harmonizing the use of incentives for exports, establishing suitable regulations on origin and regulating the use of exceptional tariff systems which affect the flow of trade.

"e. To establish new methods for achieving the joint industrial development of the subregion and lending flexibility to the industrial programming.

"f. To intensify and give a decisive impetus to subregional agricultural and livestock development, creating instruments that will make it possible to pool efforts for research, agroindustrial projects and the reorientation of the flow of trade with a view toward guaranteeing security for food and improving the living standards of the subregion's rural population.

"g. To accord more favorable treatment to Bolivia, owing to its present degree of development and its landlocked status, without precluding what is stipulated for the countries with relatively less economic development.

"h. To indicate the need for changing the common system for foreign investment in the subregion, in order to promote the attraction of useful foreign investment supplementing domestic savings, based on the development plans of the member nations and the integration goals.

"i. To revise the Andean Group's institutional system, so as to make it more efficient.

"8. They stressed the need for improving the operational capacity of the Andean financial agencies and establishing policies to promote a greater collection of funds to be used to give an impetus to subregional integration.

"9. They expressed their willingness to accept the proposals made by Bolivia regarding the amendment of Article 4 of the Cartagena Agreement, in the spirit of the various declarations, resolutions and statements made in forums and meetings on subregional integration.

"10. They resolved to lend a vigorous impetus to the coordination of joint external activities for the purpose of responding to the challenges facing their national economies and the subregional integration process as a result of the international economic crisis, the foreign debt problem, trade protectionism, the worsening deterioration of the terms of exchange and the bogging down of international cooperation for development.

"11. They cited the importance of fully incorporating the social sectors into the tasks and responsibilities associated with integration."

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CSO: 3348/967

INTER-AMERICAN AFFAIRS

DOMINICAN TRADE MISSION TO VISIT TRINIDAD-TOBAGO

Port-of-Spain EXPRESS in English 27 Sep 85 p 3

[Text]

A GOVERNMENT official in Dominica has stated that the Minister of Agriculture, Trade and Industry and a team from that ministry will pay a visit to Trinidad in October to discuss the market access for Dominica products in Trinidad and Tobago.

The official said that a similar exercise was done in February this year. "But with the Cabinet reshuffle (Wendell Mottley replaced Desmond Cartey as Minister of Industry, Trade and Consumer Affairs), it is felt that Dominica should pay Trinidad another visit." The delegation is expected here on October 1.

The official declined to comment on Barbadian Prime Minister Bernard St John's warning to the country, saying: "All I know is that we have implemented the Nassau Understanding, but on the issue between your country and Barbados, I will say the normal thing—No comment."

All the Caricom countries except Trinidad and Tobago, Belize, An-

tigua, Barbuda and Sainte Lucia have implemented the Understanding drafted last July in the Bahamas at the Caricom Heads of Government Conference.

Meanwhile, Trinidad and Tobago Manufacturers Association reiterated its position on the Understanding. The association has said that it would not result in any appreciable increase in regional trade and suggested that the Caricom Treaty should be strengthened by the inclusion of a regional negative list, currency alignment, revision of the Rules of Origin and the establishment of regional industries.

INTER-AMERICAN AFFAIRS

ANTIGUA, BARBADOS LEADERS MEET TO DISCUSS TRADE ISSUES

Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 85 p 5.

[Excerpt]

**BRIDGETOWN, Wed., (Cana):**  
BARBADOS Prime Minister Bernard St. John held weekend discussions with his Antigua and Barbuda counterpart Vere Bird on pressing Caribbean Community (Caricom) trade matters, according to official sources.

The Saturday talks, also involving Caricom Secretary General Roderick Rainford, took place in St. John's and centred on advancing the implementation of year-old proposals for stemming an ongoing decline in trade among the 13-member states of the Caribbean Common Market.

The Bird Administration, which had been lukewarm on giving effect to the proposals hammered out at the 1984 Caricom heads of government summit in Nassau, Bahamas, has now promised to implement them by the middle of October, the sources said today.

**MAIN MARKET**

Antigua-Barbuda has privately intimated that its reticence on the issue was linked to the failure of another common market country, Trinidad and Tobago, to remove its controversial import licensing regime — one of the main planks of the 1984 Caricom agreement.

Trinidad's restrictions have dealt a severe blow to the Caricom manufacturing sector, for which Port-of-Spain has long been the main market.

The sources said St. John considers implementation of the so-called Nassau understanding vital to the survival of Caricom, a trade-based grouping, and has begun new initiatives to encourage all member states to comply.

CSO: 3298/4

INTER-AMERICAN AFFAIRS

CHANGES IN GUYANA-TRINIDAD TRADE PRACTICES REPORTED

Bank Agreement on Payments

Port-of-Spain EXPRESS in English 23 Sep 85 p 2

[Text]

**GEORGETOWN, Guyana, Sunday, (CANA) —**  
**The Bank of Guyana and the Central Bank of**  
**Trinidad and Tobago have agreed to modify**

the system of bilateral payments in settlement of trade between the two countries, according to a statement from the Bank of Guyana.

The changes will take effect on October 1.

Guyanese wishing to import from Trinidad and Tobago, including those already holding licences, will need to obtain specific approval from the Bank of Guyana regarding the availability of foreign exchange to settle each transaction, the local Bank explained.

In keeping with the modifications, Trinidad and Tobago's exporters selling to Guyana must ensure that the Guyana importer is in possession of appropriately documented approval issued by the Bank of Guyana attesting to the availability of funds to settle each transaction, the financial institution said.

"The implication of the modified arrangement," according to the Bank, "is that there will have to be a matching of Guyana's rate of imports to Trinidad and Tobago."

According to the statement, the necessary response from the Guyana side will have to be a

combination of conservation of its use of petroleum products and an acceleration of its export drive to the twin island republic.

Trade between foreign exchange troubled Guyana and its Caribbean Community (Caricom) neighbour had been snarled by Georgetown's failure to clear its debt of about 400 million TT dollars (one TT dollar equals 41 cents US).

The money covers Balance of Payments support and supplies of petroleum.

The Bank of Guyana said the export drive is to be facilitated since the modified arrangement will not affect Trinidad and Tobago importers who will proceed in the usual way to obtain licences and foreign exchange approval from the local authorities.

A trading imbalance has persisted in Trinidad and Tobago favour, primarily because of the level of Guyana's imports of petroleum products from that country.

Trinidad and Tobago is Guyana's major trading partner. Officials of the two countries have been discussing the problems associated with this imbalance with a view to holding in a manageable position Guyana's indebtedness to the twin island republic.

Guyana Debt Payment in Rice

Port-of-Spain EXPRESS in English 27 Sep 85 p 56

[Text]

AMIDST reports of rice shortages in Guyana, that country has pledged 3,000 tons of rice per month as a means of paying back its \$300 million debt to Trinidad and Tobago.

EXPRESS investigations revealed that Guyana will not be paying any hard currency. Instead, the full value of the loan granted by the Trinidad and Tobago Government will be offset by a monthly delivery of 3,000 tons of rice.

Guyana's Marketing Board will handle the undertaking, while on the Trinidad end, all aspects of the rice impor-

tation will be handled by Trinidad Flour Mills.

This agreement sprung from an attempt by officials at the Min-

istry of Industry and Commerce and the Ministry of Finance in Port of Spain, prior to the Sixth Summit of Caricom Heads of Government this July, to use counter trade arrangements to draw on the outstanding debt.

It had been suggested that in 1984, exports of rice were used to settle a "small part" of the payment incurred by Guyana's importation of petroleum products from Trinidad.

In July this year, rice was placed on the negative list in Trinidad in an effort to prepare the market fully for the move. Two meetings have been held this month at the Ministry of Finance, Port of Spain, and although all the proceedings have not been worked out as yet, the pledge from Guyana's Marketing Board has been the most recent outcome.

CSO: 3298/4

INTER-AMERICAN AFFAIRS

JAMAICA'S TRADE WITH TRINIDAD, CARICOM SHOWS PROGRESS

Trinidad Manufacturers' Views

Port-of-Spain EXPRESS in English 21 Sep 85 p 3

[Text]

**THE recent Trinidad and Tobago Manufacturers Association (TTMA) sales mission to Jamaica received unconfirmed orders in the amount of \$1.5 million. The orders were obtained by nine members of the group representing average orders of \$170,000.**

A news release from the TTMA said yesterday that these orders could not be confirmed since the Bank of Jamaica had not received any directive to remove Trinidad and Tobago imports from the Schedule of Payments. Jamaican importers are required, therefore, to obtain approval of the Central Bank before entering into any commercial arrangements. In effect, the release said, trade was not conducted under the terms of the proposed bilateral agreement.

Observations made by members of the mission concerning the Jamaican market for their products, the TTMA pointed out, were that the Jamaican products, in general, conformed to lower standards than those existing in Trinidad and Tobago; significantly lower prices obtained in Jamaica than those existing in Trinidad and Tobago and a slow sales turnover.

The question of the competitive position of Trinidad and Tobago products compared to Jamaican products appeared to be more related to standards than to price. "The TTMA feels that it is counter-productive to our extra-Caricom export drive, for manufacturers to alter their standards to meet the special conditions of the Jamaican market," the release said.

The TTMA sales mission to Jamaica was undertaken in the light of assurances given by a Jamaican delegation at bilateral discussions between the two countries on August 15 and 16, 1985.

The TTMA said at these discussions, the Jamaican delegation on behalf of their government gave the assurances that an allocation of foreign exchange would be made in sufficient quantities to accommodate imports from Trinidad and Tobago and the removal from the Schedule of Payments of a specific list of products from Trinidad and Tobago.

The TTMA also expressed concern that the Jamaican market did not offer any significant prospects for accommodating exports from Trinidad and Tobago up to the level envisaged in the agreement.

"The TTMA is further of the view that the proposed bilateral agreement with Jamaica would not benefit local manufacturers/exporters since the reciprocal balance in trade would not be forthcoming on the basis of the preferential arrangements envisaged for specific imports from Trinidad and Tobago," the release said.

The TTMA added: "Prospects for trade with Jamaica may be realistic for products manufactured in Trinidad and Tobago and not produced in Jamaica, and vice versa. Towards this end, there are areas of co-operation."

Change in Payments System

Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 85 p 5

[Text]

**KINGSTON, Wed., (Cana):**

JAMAICA has removed its payments scheduling system for Caribbean Community (Caricom) imports in line with an agreement with Trinidad and Tobago to lessen the bottlenecks that have for the past three years throttled intra-regional trade.

With immediate effect importers of goods from Caricom countries will no longer be required to register such imports with the Central Bank of Jamaica or to secure approval of payment schedule prior to importation, the Central Bank announced today.

Two years ago, when it removed Caricom imports from licences, Jamaica devised the payment scheduling system as mainly, according to Central Bank officials, a monitoring mechanism.

Regional exporters to Jamaica, however, often complained of late payments for their products.

Kingston agreed to remove the system in return for concessions from Port-of-Spain regarding the relaxation of its licensing system and exchange control orders in certain category of exports to Jamaica.

Caricom trade has declined 25 per cent in the past two years as member states put in place protective measures to deal with worsening balance of payments problems.

The Central Bank said that Jamaican importers wishing to make payments in respect of due Caricom obligations will have properly documented applications approved promptly.

After obtaining exchange control approval they just have to deposit with their commercial banks the Jamaican dollar equivalent of the obligation for the Central Bank here to advise the Central Bank of the exporting country to effect payment to the supplier.

The Caricom supplier will receive payment in his home currency.

Since the 1984 collapse of the Caricom Multilateral Clearing Facility, (CMCF) through which member states met their intra-regional trade debts, Caricom countries have entered a series of bilateral arrangements for payments.

CSO: 3298/4

CUT IN U.S. SUGAR QUOTA DEPLORED IN CARIBBEAN INDUSTRY

Port-of-Spain EXPRESS in English 21 Sep 85 p 29

[Text]

**GEORGETOWN, Guyana, Friday, (CANA) —** The Caribbean Community's (Caricom) sugar export quota to the United States has been cut by 28.6 per cent for the shortened 1985-86 year, the Sugar Association of the Caribbean (SAC) has announced.

The six Caricom producers have been allocated a total of 95,864 tonnes, compared with 134,420 tonnes for 1984-85.

The new quotas come into effect for the period December 1, 1985 to September 30, 1986 following the U.S. Department of Agriculture's decision to extend the 1984-85 quota by two months in an effort to reduce domestic sugar stocks.

The SAC said the cut dealt "a further blow to developing countries depending on sugar exports for a large part of their foreign exchange earnings."

It said Caricom sugar exporting nations stood to lose an estimated (U.S.) \$10 million in foreign exchange.

"Ten years ago, sugar imports (from the whole of Latin America) were six million tonnes, this year's import quota is 1.8 million tonnes. This huge reduction represents hundreds of millions of U.S. dollars lost in export earnings each year. The latest reduction results particularly from further inroads made by high fructose corn syrup," the statement added.

The SAC said the severe impact of the sugar quotas "went a long way to undermine any good the Caribbean Basin Initiative (CBI) might do and seriously contradicted Washington's declared objective of making a special effort to help developing countries in the region.

"The CBI sugar group must of necessity view with dismay the effect on their respective economies of the further erosion of its main export to the U.S.," it said.

It added: "U.S. sugar policy must therefore be seen, even in terms of America's own declared interests and objectives, as wrongheaded and counterproductive in a most remarkable way.

"The small countries of Caricom and indeed all countries which fall within the CBI should appeal most urgently for a change in heart and direction in U.S. sugar policy."

Caricom countries have been lobbying Washington to get a fixed quota for the area.

INTER-AMERICAN AFFAIRS

BRIEFS

VENEZUELAN ARRESTED IN TRINIDAD--Six Venezuelans, believed to be fishermen, were picked up by the Marine Police off Kilgwyn, last Friday. According to the police, the men were in their boat which was anchored close to shore. They made a "run" for it when they saw the police launch, but were caught and brought ashore. Their boat was towed to Scarborough where a search revealed neither guns nor drugs, but rather about 200 kilos of fish. Supt. Malcom Bobb, head of the police in Tobago, summoned a Spanish teacher from Signal Hill Senior Comprehensive as interpreter. The Venezuelans, Felix Banon Salazar, captain; Rodriguez Luis Beltran, Manuel Jose Luis, Jose Gegorio Marval, Santiago Hernandez and Miguel Angel Bompert Carriel, said they had left Guira bound for Guyana on a fishing expedition and their engine broke down. They were handed over to Immigration. [Text] [Port-of-Spain EXPRESS in English 23 Sep 85 p 48]

LIAT BOMB HOAX--Kingstown, 26 Sep (CANA)--The bomb scare on board LIAT's flight 317 on 23 September was a hoax, police here said. The plane, on a flight from Barbados to Trinidad, was delayed on a playing field in St Vincent for about 2 hours, while police searched the aircraft and luggage. An anonymous telephone call, from Grenada to LIAT's headquarters in Antigua, suggested that weapons, and possibly a bomb destined for Grenada, were in two suitcases on board. The police held four pieces of unaccompanied baggage, which were later claimed. One airport official remarked: In these days of terrorism, if that was somebody's idea of a joke, it was in very poor taste. [Text] [Bridgetown CANA in English 1656 GMT 26 Sep 85 FL]

CSO: 3298/6

ARGENTINA

PRESS REPORT NOTES NAVY'S 'RE-EQUIPMENT PLAN'

PY171854 Buenos Aires DYN in Spanish 2005 GMT 13 Sep 85

[Excerpts] Bahia Blanca, 13 Sep (DYN)--Navy sources consulted by the Bahia Blanca morning newspaper LA NUEVA PROVINCIA have stated that "any sacrifice will be feasible provided that no cuts are made" in the Navy re-equipment plan, which began in 1974 and which involves "the next 5-year budgets." According to the newspaper, the sources consulted reported that relations between the Navy and the government "have improved" because the Navy is consulted by the executive branch and the Congress, and because its members are willing to implement the directives imparted by the Defense Ministry in the period established for their implementation.

The sources admitted that the Navy is awaiting authorization by Congress to auction the British-made frigate Hercules and the Santisima Trinidad, manufactured in Argentina with British technology, the maintenance of which is becoming "virtually impossible," and that their operations are also becoming difficult because we cannot import the necessary parts from Great Britain. They added that a naval reorganization program began after the war over the Malvinas Islands, with the idea of "transferring all efforts toward the operative areas, with drastic reductions in the technical and administrative levels."

The report published by the Bahia Blanca newspaper adds that "a little more than 43 percent of the 1985 budget has been dedicated to the National Naval Plan which is based exclusively on the continuous re-equipment program that began in 1974." According to the newspaper, the "naval sources" reported that "any sacrifice will be possible but with no cuts in that field, to the point that the plan could block the next 5-year budgets. [quotation marks as received]

They reported that "to replace the tanker Punta Medanos, which has been dismantled, the Navy is using Government Oil Deposits petroleum tankers; however, the rule says that no navy in the world can do without its own supply ships." Regarding the aircraft carrier 25 de Mayo, the same sources stated that "some questions have been raised several times, but the Navy maintains that it is not simply an offensive weapon." The source added: "The Navy claims that it allows the national force to be projected to any direction, and that it is an essential element in the dissuasive policy."

ARGENTINA

CREDITOR BANKS DISBURSE NEW FUNDS

PY011557 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2215 GMT 30 Sep 85

[Text] Buenos Aires, 30 Sep (NA)--Today, the creditor banks disbursed \$2.2 billion to Argentina, thus implementing the first payment of the \$4.2-billion loan that seeks to cover the country's external deficit.

Of the funds disbursed today, some \$550 million correspond to commercial assistance which the national government cannot utilize. The remaining \$1.7 billion is a portion of a \$3.7-billion credit that is subject to an on-lending clause granting creditor banks the privilege of distributing the funds in the local market as it suits their interests.

This information was provided by spokesmen for the creditor banks who announced that the funds were disbursed today, as provided for in the timetable signed last August by Williams Rhodes and Economy Minister Juan Sourrouille.

According to the creditor banks' spokesmen, the on-lending clause is the contract's principal clause, but its terms were not made public in Argentina until last week when it was reported in the newspapers. Before this on-lending clause existed, the Central Bank had the authority to distribute funds entering the country on the internal market. Now, the on-lending clause establishes that such distribution must be made by the creditor banks.

Of the funds disbursed today to Argentina, the creditor banks can relend, on the local market, \$50 million to the private sector and \$500 million to the public sector. If the government can obtain an additional \$550 million abroad, then \$475 million can be made available. Argentina will use the funds now entering the country to pay overdue interests, which amount to some \$2 million.

Another important debt installment will reach maturity on 25 October, when Argentina expects its state enterprises to provide the australs equivalent to the external interests that must be paid.

CSO: 3348/20

ARGENTINA

BRIEFS

NEW JUSTICIALIST PUBLICATION--Buenos Aires, 10 Sep (NA)--The National Justicialist Council has a new newspaper called PUEBLO DE LA NACION. It replaces LA VOZ, which closed on 6 September. The new morning daily has a tabloid format of 32 pages and is published Monday through Friday. Its director is Jorge Cepernic. [Summary] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1024 GMT 10 Sep 85 PY]

MISSILE CORVETTE COMMISSIONED--Bahia Blanca, 4 Sep (TELAM)--The Argentine Navy has commissioned the new A.R.A. "Espora" missile corvette, which was built by the national shipyard. [Summary] [Buenos Aires TELAM in Spanish 0603 GMT 5 Sep 85 PY]

SHIPYARD CHIEF TO USSR--Buenos Aires, 14 Sep (DYN)--Jorge Pietranera, president North Basin Shipyards, today traveled to the Soviet Union to negotiate a contract for repairing the fishing fleet that operates in the South Atlantic. [Summary] [Buenos Aires DYN in Spanish 1952 GMT 14 Sep 85 PY]

COST OF LIVING UP--Buenos Aires, 6 Sep (NA)--The National Statistics Institute has reported that the cost of living increased 3.1 percent in August which is a reduction from the July figure of 6.2 percent. [Summary] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1030 GMT 6 Sep 85 PY]

RAILWAY ELECTRIFICATION AGREEMENT SIGNED--Buenos Aires, 5 Sep (TELAM)--The Argentine railways company has signed an agreement with a Soviet technical delegation that is visiting Argentina. The agreement provides for preliminary engineering studies for the electrification of the San Martin and the Retiro-Pilar-Mercedes railways, and for the improvement of the railways' signaling and communications system. The company's press office has reported that the studies will be completed in 2 years and that the national industry will actively participate in the project. [Summary] [Buenos Aires TELAM in Spanish 1445 GMT 5 Sep 85 PY]

NEW POLITICAL PARTY--Buenos Aires, 19 Aug (DYN)--Electoral Court Judge Ricardo Lona has granted legal status to the new political party Three Flags [Tres Banderas], made up of long-time members of the Justicialist Party of Salta Province. Deputy Horacio Bravo Herrera is one of the leaders of the new party. [Summary] [Buenos Aires DYN in Spanish 1840 GMT 19 Aug 85 PY]

23 October 1985

SECRETARIES APPOINTED--Buenos Aires, 21 Aug (TELAM)--The government has appointed Carlos Hernan Canitrot as secretary of health and Nestor Farias Bouvier as secretary of industry. [Summary] [Buenos Aires TELAM in Spanish 2110 GMT 21 Aug 85 PY]

CSO: 3348/19

BARBADOS

TEXT OF ST JOHN'S SPEECH ON STATE OF NATION AT BLP FETE

Bridgetown DAILY NATION in English 2 Sep 85 pp 12-13

[Text of speech by Prime Minister Bernard St John to Barbados Labour Party supporters marking the party's ninth anniversary of reelection to the government at King George V Memorial Park, St Philip, on 1 September]

[Text]

MAY I FIRST OF ALL THANK YOU, Senator Hutson Linton, for providing for us this afternoon the beautiful surroundings of King George V Park. I'm sure that all of us who come from other parts of Barbados are indeed envious of these magnificent facilities. I would also like to thank Reverend Stephen Fields for taking the time off to come here to address us.

Today, in Barbados, a great debate is taking place. This debate is taking place at a time when all over the world governments and people are feeling the effects of the dislocation in the world economic conditions arising from the aftermath of the oil crisis in the 1970s.

It is also taking place against the background of great technological improvements in the form of new methods of organising industry, new methods of communicating ideas in the forms of computers and robots. In short, we are going through another revolution which is impacting on all of our lives. And it is useless for any of us in Barbados to think that we in Barbados can escape the consequence of this revolution.

The debate has started here and naturally the enemies of the Barbados Labour Party (BLP) and the propagandists of the DLP will try to exploit for narrow political gains the consequences in Barbados of this impact. But luckily for us, we in the BLP are in the position to articulate and to inform our people about the performance of others when they were faced at the very beginning with a similar situation.

They are criticising the BLP now on the grounds that unemployment has reached 19 percent in the last quarter. I believe that all of us understand that that is an unsatisfactory level. When I made my Budget speech earlier in the year in May I specifically mentioned then the platform and the programme of the Government to deal with this matter.

But I found it strange and hypocritical that the critics of the BLP are people, who in 1975 at a time when we had the highest sugar price ever for a long period of time had 22½ percent unemployment and 40 percent inflation. They were governing the country at that particular period of time. And I also want to remind you, that at that particular period of time, all of the DLP's methodology of approaching the country's problems and the economy were in a distance.

The whole of array of price controls, the whole array of protectionism in the form of banning of imported goods, of licensing of imported goods, all of that was in vogue.

### COMPARING INFLATION

Today, while we are in power and have dismantled that apparatus of Government, the people of Barbados can compare our inflation with their inflation. The latest figures that have been given to us by the Statistical Office for the period January to July show that the inflation for the year is a mere 1.3 percent and at the present moment the projected annual rate of inflation is 2.3 percent.

So what we have, my friends, is that the Government has been able as a result of allowing the private enterprise and other agencies, freedom to roam the world to take advantage of competitive commodity prices and imports. We have been able to say that in at least one area of the economy, namely the rate of inflation, we have done considerably better than the DLP and our rate is lower than any other place in the Caribbean at the present moment.

Now my friends, I want to deal with the question of unemployment. The BLP is not going to run away from the fact that great changes have to take place in the economy of Barbados and the economy of the Caribbean, because we have to bring our economy up to date with the type of economies, with the type of agriculture, the type of tourism and other economic activity which all of the world has to indulge in the last part of this century and into the future.

Our economy must be adjusted to the new methods of production, to the importance of services like everywhere else. Now my friends, Errol Barrow, Frank Walcott, Frank Alleyne, Richie Haynes, David Thompson or any of them cannot change the fact that in the world today, there is a surplus of sugar; that the world market price is four or five United States cents a pound.

That whereas in 1977, the European Community and Britain, in particular, needed some 1.5 million tonnes of sugar a year to satisfy their consumption, that today as a result of their increase in production in the European Economic Community, they have a surplus to dump on the world market thereby suppressing the world market conditions of sugar.

The BLP does not control the policies of the European Economic Community in the sugar industry, and nothing they say can change that fact, but we have to adjust to it. And the adjustment is taking place, but the BLP recognises the importance that of having this adjustment take place in as quick a fashion as possible, but at the same time the adjustment must take place with a minimum of human dislocation as far as possible.

That is why the BLP for the last three years had a sugar price support scheme. Richie Haynes opposed that for two of those three years and it is only now when election is getting near that he is telling the public he is in favour of it; that he would give a grant.

The hypocrisy of the DLP is evident. They oppose the Government's price support scheme for two years and only recently they have become converted. Well we welcome the converts, but we welcome them behind the BLP; let us always be ahead and they behind us.

### **PART GRANT, PART LOAN**

So that part of our public expenditure, part of our activity in the very near future in the House of Assembly, would be to bring a resolution to determine the amount of support we are going to give the sugar industry and it would be on this occasion, part a grant and part a loan.

We are making no apology to any one when we say that at the present moment we have to give a grant because within the foreseeable future the price of sugar is so much below our cost of production that we need to keep the 5 000 jobs engaged in the sugar industry going, so as not to increase the number and percentage of unemployed in Barbados.

But at the same time, our discussion with the sugar producers are based on the understanding that we recognise that Barbados has to adjust its agriculture and they are the owners of the land, they as practising agriculturists, must mentally attune themselves also to the fact that while they will be a place for sugar, sugar will dominate agriculture in Barbados in the last half of this century as it did in the past.

And they, too, must understand that a greater portion of their land in the marginal areas, in particular, must be devoted to growing other crops for which there is a market.

And I'm going to deal now with one of the criticism that the DIP likes to make, ignoring the fact that it is their members, the DLP members in the Barbados Agricultural Society, that thwarted Government's attempts to put export agricultural marketing in the Export Promotion Corporation. I was the minister at the time when we were creating the Export Promotion Corporation; you will recall, that at that time we had an advisory group and agriculture was represented.

The first thing they wanted on the advisory group was for Government to pay the cost of the management operations of the Barbados Agricultural Society. I have never heard of it, that you are a trade union, you have members, your members think so little of you that they wouldn't trump up a few cents when the months come to pay the operational costs of the organisation.

I remember it well when we came to converting the advisory group in the Ministry of Trade into a full fledged corporation to deal with export, they advocated the idea that they did not want any Government agency at all. That the Barbados Agricultural Society was a sufficiently competent body that it would look after its own interest.

And the BLP, as you know, are not obstructionist. We give everybody the opportunity even though we know when you give them the opportunity they are only going to fall over the precipice, because the people who are going to exercise the judgment don't know how to exercise the judgment. And that is the history of it; we never prevented, we never stopped them from doing their own thing. But at the same time, we recognised that agriculture was bigger than Haynesley Benn. I hear that he wants to run against L.B. Brathwaite in St. Andrew now. Well L.B. will waterline him.

We have a perfectly good relationship going between the agricultural organisation, the Ministry of Agriculture through the Barbados Marketing Corporation or parallel with it give the Barbados Agricultural Society tremendous support so that we reject categorically any suggestion by the DLP that the BLP is not interested in promoting export agriculturally. We go further, we will extend support as we have been doing through our membership of the Caribbean Food Corporation, through lobbying at the Lome Convention, through the subsidies we give Caribbean Airways to allow them to carry produce to Europe at a subsidise freight rate in winter season, in particular, and through the efforts of the Ministry of Agriculture.

The advisory services that we have with the Israeli consultants, with the irrigation scheme and not leaving out the small farmers either, because the Rural Development Scheme has come into operation and it has done so well that Dr. Cheltenham has the whole television all week showing you how it has done. That is the position. So that, my friends, we have a practical programme in agriculture; we have a practical working programme in agriculture and that is one of the distinctions between the BLP and the DLP. While they talk, we act; we do, while they talk.

### **NO ONE OWES US A LIVING**

We now come to the other two areas of the economy. Don't let us fool ourselves, the only way we can maintain the standard of living that we have in Barbados today, is if our people understand that no one owes us a living. We have to work, to think and we have to act. The world today is not for people who think that the world is going to give them a standard of living.

There is hunger in Africa and other parts of the world, Asia, in Asia and all of those areas; we, in the Caribbean, cannot expect because of the smallness of our population, because where we have reached already we cannot expect other people to give us the gifts that they would give Ethiopia, Bangladesh, where people are actually dying, and they come down here and see people walking about with their nice shirts, nice pants, playing them soft, they only want soft work.

So that is the position, so that we have to be competitive we have to bring modern technology, we have to have a commitment to work. Now I am very worried and have been worried for a period of time about how competitive Barbados is in industry and tourism. Part of our problem in tourism arose because of the fact that our currency is tied to the United States dollar.

### **BENEFITS FROM US DOLLAR**

I'm not suggesting that there is anything wrong with that, because part of the reason why we have 1.3 percent inflation at the present moment is because we have been buying goods from other countries and we are getting the benefits of being tied to the United States dollar.

But on the other hand our tourist industry has to face competition in winter time from Mexico, Jamaica; and in summer time, from Europe and Africa. All of those countries in the last four years have changed the value of their dollar directly or indirectly in relation to North America. As a result, it has been a great struggle for us to be competitive on a cost factor.

Now in 1982, when I was Minister of Tourism, we had a review of the tourist industry in Barbados; a review with Roger Seymour, who was then president of the Barbados Hotel Association, and others. And we decided then that a major strategy change had to take place given the fact that the American dollar was moving and other currencies were dropping and we shifted our emphasis and promotion to United States so as to keep our competitive position.

But Jamaica and Mexico, subsequent to that, lowered the value of their dollar, you know, Barbadians, my friend, don't really appreciate and understand what has happened in the Caribbean Economic Community and Latin America recently.

Do you know that today it takes nearly six Jamaican dollars to get one United States dollar; in Mexico they had over 300 percent devaluation and we have to compete with them.

### PARING COSTS TO THE BONE

Now in order to compete, our management has had to pare costs to the bone; they have to look at energy; look at food costs and look at payroll costs and pare them to the bone; and one of the reasons why we have had some lay-offs in the tourist industry is not because of viciousness of management, it is not because of the BLP, it is because in order to compete, the unit cost has had to be lowered.

But I say this as a result of the other packages of programmes, help we brought them in energy savings, the consultancies that we gave them, the extension of the period of time for the repayment of loans, the refurbishing money, the additional money that we spent in advertising in North America and in supporting Caribbean Airways. We reached the stage where last year where we were within 3 000 visitors of our best year in 1979 and this year, despite the fact that the summer is softer than we would have liked, we will reach at least 370 000 visitors.

Now when the DLP was in power and Dipper was in charge and Peter Morgan was in charge, they were struggling to reach 250 000 and never reached it. So we are talking about a different ball game, a totally different ball game.

The BLP has lifted tourism in Barbados in the last ten years to a new elevation and they are going to have the gall, and audacity to criticise the BLP and one Frank Alleyne is going to say that he has remedies for tourism. Why didn't he supply them when Mr. Barrow and his party were in power and his party was in power?

Now, my friends, we will continue the assistance to tourism, but as a measure of the success that we have achieved so far, I can point to you two strong bits of evidence which will indicate that people abroad have got faith in us. Already I know that barring some unforeseen change this winter season is going to be a better one than the last one. And investors are showing their faith in the tourist industry in Barbados by coming in and re-opening hotels which were closed.

Club St. James will re-open this winter and 180 people who were not employed last winter will be employed. So we see a movement upwards and he (Frank Alleyne) talks in his speech yesterday, one of 34 pages, about trying to improve other amenities around Barbados where the tourists would recognise Barbados as a sophisticated place. He must not have gone around Maxwell Coast Road, or Maxwell Road or Dover or down in St. James. He must not have gone around there.

Because you will see the plans, that the Budget, both in October, last year, and this year set out very clearly that we would bring into force to improve the environment for tourists and Barbadians are already in place. Go down in Dover and see the first of the tourist markets that we have created and I hope that all our small

businessmen go in there and sell; but they must not sell pot, if they sell pot the police going to lock them up.

### **IMPLEMENTING STRATEGY**

Secondly, if you look around and see in Bay Street and on Rockley, a second and a third and they are six of them, and look at the work we are doing in other areas. So I think that is enough to convince you that we are implementing a strategy, a programme — not a crash programme — a programme for the improvement of these industries so that we will get employment.

Now the last area I am going to speak on is the question of industry. In industry, the Government created an industrial credit fund to supplement the efforts of the Barbados Development Bank and the efforts of the Industrial Development Corporation. We also expanded greatly the vote that we have given to the Export Promotion Corporation.

But we have a problem in industry and we have a problem that the new sunset industries, electronics is going through in the world a reduction in demand and Barbados' new employment from the '70s until now was concentrated heavily in this area.

Our advisors tell us and I am buoyed in this viewpoint by what I have read in my recent trip to Britain because a similar thing is going along in Ireland and in Scotland and on the west coast of United States. I am buoyed in my feeling that there will be an improvement toward the end of this year early into next year, but in the meantime, we will continue to try and exploit all of the opportunities that the Caribbean Basin Initiative provides for industry.

### **BLP DOERS, NOT TALKERS**

More work is being done on agro-industries, more work on data processing; more work is being done in the building industry and this is important. The cement plant that Mr. Barrow talked so much about for 20 years they couldn't get implemented, but it is supplying cement to Barbados, the rest of the Caribbean and even the coast of North America and in Puerto Rico and in South America. So the BLP, as doers, got that implemented; they talked about that for 20 years. We did it, put it into practice, demonstrated that we are doers, not talkers; so that my friends, I want to leave you with a couple of thoughts.

We have a programme which is gradually coming into force; you see the roundabouts being built; you see the highways being built. Well let me tell you something about the sidewalks, because we believe our people are people too, they must be removed from the middle of the streets and put on sidewalks like if they live in other parts of the world too.

Notice where they are in areas where the poor people live. Last Thursday, the Government awarded contracts for the first part of the Tenantry Road Scheme; we divided the tenantry roads into two sections, one section to be done by private contractors and the other section by Ministry of Transport and Works (MTW). Government awarded the contract for the ones for the private sector on Thursday.

MTW swears that it has started the others. So that we have a tenantry road programme, over \$7 million in improvements of the tenantry road programme to complement one of the greatest social pieces of legislation that anybody has ever introduced in Barbados, namely, the Freedhold Purchase for Tenants of Plantation and Urban Areas.

I am going to give you an update on it for if there is one thing that singles out the BLP from the DLP is this question of the Landlords and Tenants Freedhold Purchase Act. About 5 500 tenants it is estimated could benefit in the rural areas, 3 500 lots have already been surveyed.

Now my friends listen to this, this must go through, 3 500 have already been surveyed, 1 000 conveyances already granted, but under the Housing Credit Fund, a scheme that the BLP introduced, where we went to the United States and borrowed BDS\$20 million to provide mortgages for people earning less than \$16 000 a year; over 2 300 have borrowed BDS\$7 million out of that scheme.

And they say we have no record, that we are a wicked Government. My friends, the record of the BLP in the last nine years, under the distinguished leadership of our dear, revered friend who is no longer with us, is one of which we can be outstandingly proud and I tell you that I have only just started, I want my time too in 1986. Thank you, and God bless you.

BARBADOS

DLP 30TH ANNIVERSARY: BARROW ADDRESSES CONFERENCE

Party Views

Bridgetown SUNDAY ADVOCATE in English 25 Aug 85 p 1

[Text]

A new Democratic Labour Party (DLP) administration will be introducing a National Achievement Test to replace the Common Entrance Exam for children entering secondary school.

This is one of the areas of reform promised by the DLP which has indicated that "there is clearly the need for a renewed thrust in Education. The DLP is well placed to provide that impetus for change.

In a document, "30 Years and Onward," produced by the party and expected to be made public today as part of its 30th anniversary celebrations the DLP has pronounced on a number of things it will do if returned to power.

The DLP's annual general conference is taking place today at its headquarters, George Street, Belleville, and this is expected to be a crucial one, coming before the next general election constitutionally due by September next year.

Noting that nothing better highlights its efforts to create a more just society in Barbados than the emphasis which the party placed on education during the years 1961-76 when it held power, the DLP has spoken of major plans for education in its future programme.

Looking specifically at reforming the process of admission to secondary school, the DLP's document states the party will be:

- Discontinuing the Common Entrance Exam and substituting the National Achievement Test based on syllabuses and curricula prepared by the National Curriculum Development Council for the 11-year-old pupils in the subjects of English, mathematics, science and social studies;

- Admitting all students who attain the pass mark to a public secondary school, or awarding a full tuition grant to an assisted private school;

- Providing additional places at secondary level so that all children of

age 11 years can find places according to their abilities, attitudes and interests.

Although the plan as outlined in the document is not the party's "Election Manifesto" it deals at length with a number of educational matters.

The party states that it will change radically the emphasis in secondary education by making it "less literary and more oriented to the world of work and productivity. In particular, the secondary schools technical education programme will be completely restructured to gear the country more effectively for industrial and agricultural development."

This country's expensive education plant will be made greater use of, especially during the long summer vacation, while a major programme of nursery education will be launched for children between three and five years old.

On Agriculture the DLP said its policy of diversification will be re-activated urgently. While being critical of the Export Promotion Corporation's failing to have an agricultural component, adding that nothing had been done to encourage and assist the private sector in marketing of fish.

The party document noted that in the area of Trade and Commerce the incentives offered needed to be improved and has promised to do just that, stating that better and more relevant incentives must be given to local, regional and extra-regional investors.

It added that much more direct assistance must be offered to the manufacturing sector by way of lower factory rents, cheaper energy costs, assistance in re-scheduling accumulated debt, and some relief from the burden of taxes, levies, stamp duties and various and sundry fees.

In the vital tourism industry the DLP has indicated it will be reducing or eliminating some of the direct taxes and charges on visitors and lifting the burden of some of the government-imposed financial charges on the hotels so that they may have a chance to survive.

The party document emphasises that "unemployment amongst the young is the first issue the DLP will address when re-elected after the next General Election. The moment cannot come too soon for the situation of too many young people is critical."

#### Text of Barrow Speech

Bridgetown DAILY NATION in English 26 Aug 85 pp 12-13

[Text of speech by leader of the Democratic Labour Party Errol Barrow to conference marking the party's 30th anniversary at its Belleville headquarters on 25 August]

[Text]

OFFICERS AND MEMBERS of the executive council and general council of this great 30-year-old mature political organisation, delegates to this conference, members of our party, specially invited guests, distinguished visitors and friends.

This morning I addressed the conference as I am required to do by our Constitution as president for the time being of the Democratic Labour Party (DLP) when I delivered the report from the general council for the year's activities which we have just concluded.

You also received reports from the general secretary on the work of the executive council and from the deputy leader of the Opposition on the performance of our parliamentary group. Financial reports duly concluded the purely domestic and internal organisational matters which concern you on these occasions.

This afternoon after having satisfied our inward and physical hunger, we have been intellectually refreshed by contributions made by our tried and trusted friends and companions in our struggle for social justice and economic freedom in the Caribbean in the persons of Comrade Michael Norman Manley and Frank Leslie Walcott.

By the rousing applause with which you responded to them I am convinced that you will go on your separate journeys at the end of the day stimulated and inspired to greater efforts in the cause of solidarity of all our people but primarily on behalf of the downtrodden and the oppressed. I wish publicly to express my personal thanks to both and to admit my eternal indebtedness for their support.

I consider myself fortunate to be able to resolve what at first blush would appear to be a dichotomy in that I spoke to you earlier and now rise to speak again.

You listened to the president and chairman of the general council of the party this morning Sinn Fein and Apar Jal domestically and for us alone. For your ears only.

This afternoon I am speaking as political leader and for all the world to hear. Coram populo. There is no secrecy over who we are; where we have come from; what we stand for or where we are going.

There are no latter day socialists or fifth angels amongst us. We are they who are coming out of great tribulation; out of systematic victimisation; out of economic deprivation; we are they who intend to remove fear and tremor from the hearts and minds of our young people by reasserting the sovereignty of our nation and by restoring the sense of dignity and self-respect which every Barbadian man and woman and every child at home and abroad felt and enjoyed before their economic and social freedoms were torn from them page by page, step by step, by the collection of political opportunists and cynical bandits who have subverted the original aims and principles of an early labour organisation and are now masquerading under the title of its founders for their own personal gain and financial aggrandisement.

It has never been any part of our style either in our manifestos at election time or on our public platforms or excoriate the other people for their misdeeds. We have been vocal on issues which adversely affect the general populace.

Our has never been a party for beating of the chest or indulging in campaigns of slander against our adversaries. We have leaned over backwards to present a positive image to the electorate and we have frequently repressed in the national interest matters which we felt would reflect adversely on all Barbadians if they should become publicly ventilated.

Not so the bandits. Parliamentary privilege has been used as a shelter to defame private persons who do not share the same perverted views of society as the political directorate and heap vulgar abuse on and impeach the professional integrity of members of the Opposition despite appeals to the presiding officers for a return to decency and standards of rectitude.

The prostitution of the media has been facilitated by the flagrant abuse of the power of withdrawal of work permits and to quote the present Prime Minister speaking of the late Prime Minister, I quote, "the law of libel was his friend". In this atmosphere truth and justice can never sprout from under the damp cloggy soil of repression far less flourish.

The highly qualified well-educated young people of the constituency of St. John have had to resort to the device of giving addresses of relatives living in other parts of the island when applying for jobs in the public service. To that degree even have the public officers been subverted in this country.

The society has become polarised to the extent that there are ominous rumblings beneath the surface. The front line is no longer only in Sharpesville and Notting Hill, the front line stretches from Belleville to My Lords Hill. At no time between 1948 and 1985 have the battle lines been more clearly drawn between the welfare of the people and the interests of the few.

We were far on the road to achieving a level of understanding in this country where every man, woman and child felt that he or she counted for something. Where he or she felt that here in this country existed possibilities for self-realisation and fulfilment. Where mendacity and dependence were not regarded as the inevitable fate of those persons who were not born to wealth and position.

Not so any more. Survival is the main preoccupation of the masses. Otherwise respectable women find that they have to do favours in order to provide food for their children.

We have reverted to the bad old vestry days where people lined up for 50 cents but the largesse is doled out on afternoons in Tweed-side Road instead of in the morning at Temple Gardens.

### THREAT TO SOCIETY

Unemployed and destitute persons are a threat in many ways to the stability of this or any society. A person with a job is a free person. A person without a job becomes cynical after a time and does not consider that he owes the society the responsible disposition of his voting power. That is why all of us must work primarily to eradicate the scourge of unemployment.

It is a matter of enlightened self interest. The former president of the International Bank for Reconstruction and Development, Mr. Robert McNamara, once spoke of the unproductive poor who instead of contributing to the national output impoverished us all.

Unemployed relatives and strangers not only fail to contribute by ways of taxes to the national revenues but impoverish their relatives and friends by reducing their disposable incomes which they have to share with them.

It is therefore a matter of top priority that the Democratic Labour Party take urgent effective measures to set the people to work again. We can take no political satisfaction that unemployment in this country under the present regime is at a dangerously high level.

Some of the measures which we propose have been set out in our anniversary booklet.

There is a school of thought which supports the idea that we should not let the other people know what we propose to do. In this school I have never enrolled. I am a Barbadian and my politics is not conspiratorial to be sprung on a surprised electorate only at election time. My policies are the same yesterday, tomorrow and for evermore. I do not believe in gimmicks. In human behaviour and economic inter-relationships — there are only so many scenarios. What is often lacking is the political will and ability to pursue the right remedies.

I have no hesitation in declaring what we will do because I know from experience that even after you have told them that, they don't know how to do it.

### **FREE EDUCATION**

Just as they didn't know how we were going to introduce free secondary education right up to the day before school opened in January 1962 and so insisted that it could not be done.

I must now turn to two matters which have been promoted to a level of national discussion recently in the Press of this island. Those of you who have worked closely with me will know that I do not allow myself to be provoked into conducting debates on public or private issues in the columns of the Press.

My political and legal reputations unlike some of my opponents' have never depended on the fabrication of the media but rather on my direct performances in real terms.

If the media do not make you, they cannot break you. Consequently even well-meaning and honest journalists find it difficult to secure interviews or responses from me as they will all confirm, chiefly because even in public life I am a private person. If my name never appears in the Press even if I won a prize of great value I would remain completely unconcerned.

When I was serving in the Royal Air Force, the only thing the Press had to say about me gleefully was that I had been killed in action three times.

But when the British News Services relayed the information that I was commissioned as a pilot officer in the field, your Press couldn't take it so they reported that it was someone else's son who had been so distinguished. They disavowed the minister of the Gospel who has never disclaimed his paternity.

I was called to the bar and earned my degree with neither the notice or assistance of any of the local or any other media. Since being in Opposition I have travelled to Australia where I was elected vice president of the West Indies Players Association.

I have travelled to Tanzania, Taiwan, Nigeria, Rome and San Francisco on business without any retinue paid for by the taxpayers.

I have not been to Peking nor any country in the Eastern bloc because I had no clients or calling in any of those places. I hope that when I am called to my reckoning, since I do not require or need any outpourings of hypocrisy or glass-enclosed shrine, that they will omit to even mention my name except to demand if anyone tries to place me outside the laws of Barbados a coroner's inquest with full disclosure of the reasons for my withdrawal from this mortal scene.

My mortal remains after incineration may be scattered from an aircraft in the Caribbean Sea without any of the ghoulish and undignified caterwauling that passes for services in one of our main places of political public entertainment.

All of this is a personal explanation why I have not commented before today on the recently held conference on the Latin American and Caribbean debt problem which I attended in Havana between July 30 and the third day of August this year.

### **EX-PMs AT CONFERENCE**

This conference was attended by over 1 200 persons from Latin America and the Caribbean including a large number of ex-presidents of countries like Mexico, Venezuela, Dominican Republic,

former prime ministers like Mr. Michael Manley and myself, several bishops of the Roman Catholic Church, priests of the Anglican Churches, head of the evangelical movement in Puerto Rico, capitalist owners of the conservative Press in Latin America and others.

The reason why governments were not active in the conference was because the governments were legally responsible for incurring the heavy debt burden and could not be expected to deal with the very serious implication in full and frank discussions.

In 1975 Michael Manley and I urged at the United Nations Organisation that a New International Economic Order should be promoted.

In his letter of invitation in 1985 the president of Cuba stated: "The analysis of the debt must be linked to the promotion of the New International Economic Order adopted at the UN but ignored at the same time, despite the constant demands for global negotiations that the underdeveloped countries continue making."

It is quite clear that the burden of the debt is so heavy that many countries in our hemisphere will never be able to repay the commercial banking system. The current debt owed by Latin American and Caribbean countries is of the magnitude of \$360 000 million and the interest payments alone call for a transfer of \$40 billion annually from the underdeveloped countries to the private banking interests mainly of the United States.

It is an over simplification to suggest that the Havana conference was a conspiracy to repudiate the debts incurred by the Third World countries although it is clear that many of them simply cannot pay.

President Castro himself clearly expressed the view that alternative solutions must be found and that there should be a dialogue between creditors and debtors.

### **KEEPING ORDER**

Since I had personal views that may have distressed some of the delegates or the hosts of the meeting, I refrained from expressing my opinions before that pluralistic gathering but contented myself with the role of keeping order at the session at which I was invited to be chairman.

Here in Barbados, I have to state unequivocally that each debtor country must decide the approach which will do the least damage to the respective economies.

In the first place some of the debt should never have been incurred at all. Governments and bankers negotiated the debts. People and taxpayers from here to eternity are being called upon to repay. Many Latin American governments were sold and sometimes bribed by money-lenders to incur debts which although they may have fattened the pockets of the bankers and their lawyers, have done nothing to increase the productive capacities of the borrowing countries or to improve the general well-being of their citizens.

Governments borrow. People repay. A case in point is the Central Bank building, which in order to imbue it with a spirit of righteousness, Her Majesty the Queen will be invited to plaquette sometime in October. Many of the military regimes in Latin America and the Caribbean borrowed money for arms and militaristic purposes which could only be employed against their own people who are now being called upon to pay. Here in Barbados as well.

It is clearly not in the interest of this country to proclaim that all debts should be repudiated since we are both creditors and debtors. We are in dire need of the \$130 million owed to us either by the Caribbean Multilateral Clearing Facility or the government of Guyana or by both.

When the Democratic Labour Party peacefully turned over the government in September 1976 the total external debt of Barbados was \$49.1 million and the national debt was \$258 million.

I have no intention of repudiating that debt because we have a hospital, Deep Water Harbour, many schools, The Caribbean Development Bank, our share of the University of the West Indies capital cost, the East Coast Road, the Pine Hill Dairy and other physical productive assets to show for it.

Today the foreign indebtedness of every man woman and child is \$1 600 per capita with a foreign debt of \$457 million and a total net debt of \$1 billion and a debt service charge of \$105 million out of revenue this year as compared with \$19 million in 1976.

### **EXAMINATION REQUIRED**

A serious examination of the debt problem therefore is required before we are plunged into a depression more serious than that which afflicted us from 1929 onwards. There is no single simplistic solution. But I can say here and now that the friendly governments such as Canada and the international institutions who mainly assisted with worthwhile projects have nothing to be ap-

prehensive over the good sense of responsibility of the Democratic Labour Party.

The money sharks and influence brokers, however, who have shared out patronage on a vast scale while extorting exorbitant conditions will have to bear the full scrutiny of public examination.

No wonder their sycophants are worried over the Havana conference. The Democratic Labour Party is a free and independent organisation owing allegiance to no foreign country or local vested interest other than to the people of Barbados itself.

The next media debate concerned the entry of Mr. Philip Goddard into the political arena. This causes me neither surprise nor distress. This is a free democratic society and Philip Goddard is free to associate himself with any group which he considers will best protect his personal interests, political and social prejudices and family investments.

I wish to state, however, that despite rumours circulated by the Barbados Labour Party adherents I have had no discussion with Philip Goddard at any time in my life concerning his becoming a member or running as a candidate for the Democratic Labour Party. Neither have I authorised anyone to approach or speak to him with such object in view.

Anyone who wishes to associate with the DLP with a view to seeking public office, must first

(a) apply for membership;  
(b) demonstrate an interest in representing people in and out of election time;

(c) subscribe to our philosophy of democratic socialism;  
(d) convince the executive council that they are not merely office seekers or opportunists but share our genuine concerns.

We do not pick our people up off the street.

By none of these criteria has Philip Goddard qualified himself but his candidature for the BLP has clearly defined the type of party they are and the interests which they have all along represented.

### UP-COMING ELECTIONS

Sometime within the next 12 months the people of Barbados will be called upon to go to their polling stations to choose a government to manage the affairs of this country for a period of five years from the date of return of the writs.

That is what an election is about. There are two major political parties in this country and both of them have had the opportunity to demonstrate their ability or lack of it to manage the affairs of the country in which we live.

The record of the Democratic Labour Party is one of which we can justly be proud. The record of the other people is one of which I am as a Barbadian deeply ashamed.

In their time we have witnessed sharp increases in crimes of violence, drug peddling, interference with the due process of law, over taxation, rising unemployment and all the ills that flesh can bear to despite our woes there has been on the part of our political masters a truculent vaingloriousness, a disregard for all standards of ethical behaviour and a lowering of the moral of civil establishment while boosting the militaristic ambitions of the uniformed militia.

The invasion of privacy, unlawful detentions, cover-up of white collar crime — these have all been on the increase.

Democratic elections require a purification of the electoral process. The appointment of the electoral boundaries commission will not in itself guarantee that the electoral lists will not be perverted by unscrupulous enumerators. Already we have had to protest the conduct of some of these persons and removal and substitution has been sometimes effected.

In the last analysis, a victory can be ensured only by the high quality and dedication of our candidates. I need to be convinced that people who offer themselves as candidates understand the nature of the battle we face and are determined to put a maximum effort to ensure a victory for the Democratic Labour Party.

We have not space on board this shuttle for people who are looking for social status or economic benefit. The money is on the other side. The sacrifices are on our side. No candidate for the DLP is to consider he is taking a shot at being an MP like it is some kind of lucky dip or Let's Go To The Races sweep.

We shall have to evaluate our performances day by day and week by week. Those who are weary, those who are languid, should go to the Lord and be at rest. There will be no rest for the valiant. No turning back. No time for self-doubt. No time for self-pity. No time for mistakes.

Mistakes can be detected.

Mistakes can be corrected.

But I'm asking you — for Heaven's sake —

Please don't make the same mistakes.

23 October 1985

## Party's General Council

Bridgetown BARBADOS ADVOCATE in English 29 Aug 85 p 3

[Text]

Six persons have been elected to serve on the Democratic Labour Party's General Council for the 1985-86 period.

They are: Mr. Haynesley Benn, Mr. Don Norville, Mr. Astor Watts, Mr. Mark Todd, Mr. J.C. King and Mrs. Sylvia Alleyne.

The DLP held its annual general conference last Sunday and Mr. Errol Barrow was re-elected as party

president and political leader.

Meantime, Mr. Barrow will be among a number of speakers scheduled to address the public at a political mass meeting organised by the party and being held at Cleavers Hill, St. Joseph, on Sunday starting at 7.30 p.m.

Other speakers will include Dr. Erskine Simmons, Mr. Harold Blackman and the candidate for the constituency, Mrs. Maisie Welch. Chairman will be Mr. Reynold Kellman.

CSO: 3298/1

BARBADOS

U.S POSITION ON BARBADOS' OFF-SHORE ROLE CRITICIZED

Bridgetown DAILY NATION in English 4 Sep 85 p 4

[Column by Editor for North America Tony Best: "From North America": "The Unthinkable"]

[Text] WHEN Barbados became the first Caribbean basin country to sign an exchange of information agreement with the United States, it did so knowing full well why it was taking that important step.

For one thing, it wanted to benefit from the convention tax provision of the Caribbean Basin Recovery Act, a section of the CBI legislation that allowed Americans to write off most of the expenses incurred in organising conventions and meetings in designated countries.

As a destination which relies, to a great extent, on tourism to bring in much needed hard currency, Barbados saw the convention tax as a kind of a tonic for the tourist industry, one which would open up the lucrative incentive travel market to the island.

For another, the administration in Bridgetown was understandably concerned about the nation developing a reputation as a place where drug money could be laundered.

"We operate a scrupulously clean business," said Barbados' Minister of Agriculture Dr. Richard "Johnny" Cheltenham, after heading the delegation which negotiated the double taxation treaty and the exchange of information agreement with the United States Treasury Department. "We have no fear of cooperating with the American authorities when it comes to people breaking the law by seeking to launder money."

Small wonder, then that Barbados' Ambassador to the United States, Dr. Peter Laurie, became upset and used the words "ridiculous" and "absurd" to describe a recent newspaper account of a statement attributed to Mr. Charles Morley, the chief investigator for the permanent subcommittee on investigations of the United States Senate.

According to the *Chicago Tribune*, one of America's well-

known papers, Mr. Morley had mentioned Barbados as a Caribbean country on which the Congress and the Reagan administration should consider imposing sanctions, particularly the reduction of airline flights, if it did not cooperate with United States efforts to curb money laundering and to identify income tax evaders.

"Reducing airline flights from the United States to such tax haven countries as the Bahamas, Bermuda, Barbados and the Cayman Islands would have a devastating impact on their tourist industries," Mr. Morley was quoted by the paper as saying.

If the Senate subcommittee investigator did in fact list Barbados in the group of tax haven Caribbean countries which should be penalised along the lines suggested in the *Chicago Tribune* story, then he was either guilty of being an uninformed official who was capable of recommending the unthinkable or he had ignored the clear and consistent record established by Barbados in keeping out illegal money from its shores.

For if there is one thing that can be said for the Governor of the Barbados Central Bank, Dr. Courtney Blackman, and others involved in directing the nation's offshore banking programme, it is that they have often gone beyond the call of duty to ensure that the people involved in international financial transactions,

particularly the setting up of off-shore companies, were neither criminals and nor had criminal intent.

Indeed, the complaint one often hears about Barbados is that its stringent screening of applicants for offshore banks are not only keeping out criminals but the innocent as well.

But apart from trying to keep its nose clean, so to speak, Barbados should be concerned about Mr. Morley's statement because the idea that flights should be cutback was only one of several actions proposed by the Senate panel and which could cause undue and unfair harm to Barbados' economy.

Here are some of them:

- United States corporations doing business in tax haven countries, including Barbados, would be required to treat income from those countries as reportable income for tax purposes in the United States. This proposal, if implemented, could discourage American firms from investing in Barbados' manufacturing sector.
- Loans from tax havens would be reportable as taxable income in the eyes of the people at the Internal Revenue Service (IRS).
- United States banks would be required to report all money transactions to and from tax haven countries, a move that would expose people undesirable public scrutiny.

While United States Authorities have every right to be concerned about the estimated US\$20 billion which Americans are

believed to be funnelling through offshore banks in the Caribbean, Europe and the Far East every year, they also should ensure that they don't become over-zealous as they try to rectify the problem.

Lumping Barbados in the same bag with, say, the Cayman Islands or Panama when it comes to laundering money or tax evasion is, to use the words of the nation's ambassador in Washington, absurd indeed.

The Cayman Islands, for instance, has more offshore companies than it has people.

Early this year, the number of offshore firms in the British territory stood at 36 000, more than double the population of 17 000. Back in 1981, the number of offshore companies there was 15 000.

Barbados probably has less than 200 offshore companies operating from its soil.

The IRS estimates about US\$10 billion passes through the Cayman Islands every year and a sizeable amount of that money is believed to be illegal profits from drug dealings.

At the same time, offshore companies are so numerous in Panama that officials there don't even bother to count them anymore, according to United States investigators.

"Panama is one of the best havens in the world for criminal money," one investigator complained. "Anyone holding dirty money has a company."

The Spanish-speaking republic is attractive because its laws ensure tight security in banking transactions.

A person's bank account and any association he or she may have with a company registered in Panama is kept secret by law.

Barbados' approach is much more open and that accounts for the comparatively small amount of money which offshore companies have so far brought into the country.

CSO: 3298/1

BARBADOS

BANKS REPORT PLUSES IN BALANCE OF PAYMENTS, GROWTH

Central Bank Report

Bridgetown BARBADOS ADVOCATE in English 31 Aug 85 p 1

[Text]

For the first time in over 20 years, Barbados' Balance of Payments (BOP) figures for 1984 show a surplus — \$24 million. This means that last year the country earned \$24 million more than it spent on goods and services from other countries.

This has been revealed in the just released BOP statistics from the Central Bank of Barbados.

The Central Bank's summary of the statistics stated that a \$65 million surge for 1984, over 1983, in the island's invisible exports, caused largely by a rapid rise in tourism receipts, was mainly responsible for the surplus.

It also noted that exports were boosted by higher earnings from sugar and electronic components, while at the same time imports were sluggish, causing the merchandise trade deficit to narrow.

The decline in the trade deficit was \$60 million the result of the rapid export growth and little movement in imports.

Exports expanded by almost one quarter on the strength of a 26 per cent rise in sales of electronic components and a 15 per cent increase in sugar receipts.

The summary stated that sales of electronic components, which had risen by 57 and 118 per cent in 1982 and 1983 respectively, continued to benefit from the strong demand for these items in the United States.

Even though average sugar prices fell in 1984, it was noted, output rose moderately, allowing earnings to reach \$64 million.

Imports were said to have risen by a mere six per cent, reflecting in the main higher purchases of raw materials for the manufacture of electronic components.

Consumer imports fell as consumers reduced spending on motor cars and other durables. Imports of capital goods were also lower since there was little new investment and the construction sector remained depressed.

For tourism, the bright spot on the Barbadian economy, arrivals grew by 12 per cent to reach 368 000, nearly the same as the record level of 1980.

This large increase in arrivals boosted gross earnings by 13 per cent the first growth of any substance in four years. United States visitor arrivals rose by 23 per cent and this group now accounts for about one third of all tourists since 1982.

The statistics also show that Barbadians travelling abroad on vacation and business spent \$46 million a little more than the \$43 million of 1983, but some \$6 million less than the record \$52 million of 1982.

The Central Bank said that other factors responsible for the favourable BOP position during 1984 were the some 50 per cent increase in inflows of funds to cover local operating expenses of additional diplomatic and other foreign representatives located in Barbados; a 17 per cent increase in earnings by seamen, farmworkers and other Barbadians working abroad and increased net inflows for management fees, agents' commissions and communications for the increasing sophisticated service sectors.

IDB Report

Port-of-Spain TRINIDAD GUARDIAN in English 17 Sep 85 p 4

[Text]

**BRIDGETOWN, Mon., (Cana):**

**THE BARBADIAN** economy registered its first real growth in four years last year, expanding by little over two per cent, the Inter-American Development Bank (IDB) reported here today.

The expansion was due largely to good sugarcane harvest and a substantial increase in tourism, the IDB added.

But the bank reported that continued trading difficulties in the region generated a decline in manufacturing which in turn led to higher unemployment.

The IDB's appraisal of Barbados' economic performance is contained in its Economic and Social Progress in Latin America document — a 441-page report detailing the performance of bank members in the hemisphere the past year, and making projections for their performance this year.

On the prospects ahead, the IDB predicted that economic expansion in the United States and other industrialised countries should support continued growth in tourism and electronic component exports.

The bank said tourism should grow by six per cent, with the United States market again spearheading visitor arrivals.

But the IDB warned of continued sluggishness in manufacturing, unless there is some improvement in regional trade.

It also warned against expecting any substantial improvement in the island's sugar industry, and concluded that all these factors suggest that 1985 economic growth will be similar to that of 1984.

**DEFICIT WORSENS**

Reviewing the 1984 performance, the IDB said that Barbados' reserve position improve somewhat during the year, inflation declined slightly, but the fiscal deficit worsened.

The sluggish growth of the overall economy was not enough to provide traditional revenue to match increased Government expenditure.

Foreign financing of the public and private sectors was well below 1983 levels, but Government demand for more domestic credit increased the pressure on the banking system, the IDB added.

Tourism and sugar performed creditably in 1984, with sugar revenue up 12 per cent on 1983 and visitor arrivals up by a similar margin during the year.

But manufacturing was severely depressed because of stagnation in regional markets, and sluggish domestic demands.

Crude oil production was up 67 per cent but the foreign exchange saving on energy was only \$4,000,000 because of a buildup in fuel stocks and the increased energy consumption due to the start-up of the cement plant in north Barbados.

The IDB described Government's economic policies as being geared to balance-of-payments stability and economic recovery.

BARBADOS

WORKERS UNION HOLDS 44TH ANNUAL DELEGATES CONFERENCE

Call for Contract Extensions

Bridgetown SUNDAY ADVOCATE in English 1 Sep 85 p 1

[Text]

Workers may soon have a longer wait between one pay hike and the next. The Barbados Workers Union wants the duration of collective agreements extended.

BWU General Secretary Frank Walcott said that the BWU is proposing this as one way of altering the current state of unemployment and securing steady employment for workers.

The proposal got the support of Labour Minister Mr. DeLisle Bradshaw yesterday at the 44th annual delegates conference of the BWU at Solidarity House.

Mr. Bradshaw said that he shared the sentiment of the BWU's draft resolution that in times of relatively low inflation and economic recession, long time spans for collective agreements could help stabilise the economic environment.

Mr. Walcott told the conference that the BWU's Executive Council was "anxious to see the workers back to work" and was taking new measures to bring this about. He hoped that when the union discussed the proposal with employers that it would get the co-operation necessary for the measure to be effective.

The BWU is also seeking to provide employment through the construction of more houses at Mangrove, St. Philip. Mr. Walcott said that this project which will be carried out in conjunction with a housing developer will begin soon.

He said: "I hope it will find the kind of take-off it deserves and assist in the stimulation of employment which is so important." The BWU has already constructed and sold several houses at Mangrove.

On the subject of Government's annual subvention to the BWU, Mr. Walcott said the union was not going "cap in hand" to beg anyone for funds. He said the housing and education projects of the BWU spoke for themselves and made out their own case for the kind of subvention required from Government.

Mr. Bradshaw, in his address, said that he intended proposing the transfer of the union's subvention from the estimates of the Ministry of Education to his ministry from the next financial year.

He said that while he could not say what would be the amount of future subventions he wanted to see an increase in the present subvention to the union.

Bridgetown SUNDAY SUN in English 1 Sep 85 p 1

[Text]

**IF Barbados manufacturing is to survive, there must be more research and planning, says economist, Frank Alleyne.**

It can only enable officials in the industry to anticipate and influence lasting change, he says.

The suggestion was made yesterday by Dr. Alleyne at the Barbados Workers' Union's (BWU) 44th annual delegates conference at Harmony Hall.

The recommendations on rebuilding manufacturing, which had recorded the highest number of job losses in recent times, is among the strategies needed, according to the economist, to lower Barbados' high unemployment.

#### FOUR POINTS

Dr. Alleyne, however, suggested four points on revival in the short term for manufacturing:

- bilateral political initiatives particularly in trade relations between Barbados and Trinidad and Tobago;
- increased availability of working capital to bona fide manufacturers;
- effective policing of negative lists pertaining to CARICOM; and
- increased trade thrust through the commercial diversion of embassies and trade offices.

As for the restructuring of tourism, the economist made a ten-point recommendation:

- reduction of fiscal impositions of the industry;
- fixing of firm and fair industry rates in relation to room, food and beverage prices;
- re-examination of public utility charges such as electricity and water;
- greater attention to training in preparation and presentation of dishes from local foods;
- development of non-traditional

agriculture to provide a higher portion of visitors' food requirements.

- banning of craft and souvenir imports from extra regional sources, and increased provision of facilities to assist young entrepreneurs in catering to the visitor market for craft and souvenir items;
- provision of appropriate management training at all levels of the industry particularly owner-managers of small-medium sized properties;
- enhancement of visitor facilities catering particularly to outdoor life;
- provision of additional resources to the Board of Tourism to enable it to improve its effectiveness; and
- reconstitution of the membership of the Board of Tourism to provide industry representatives with an opportunity for participation in the activities of an important advisory body.

#### SHORT-TERM MEASURES

Dr. Alleyne said these too were short-term measures to maximise visitor expenditure and retain locally as high as possible a portion of that expenditure.

He said solutions to the problems of the industry would still require "the widest regional co-operation and planning if we intend to avoid creating a situation where the last state is worse than the first".

Of sugar Dr. Alleyne said its short-term prospects were not bright.

"Its medium term prospects are gloomy," he said, "but with certain adjustments the industry could have a bright future."

Dr. Alleyne said if agriculture was to survive and develop, its inability to attract young persons must be thoroughly investigated.

The economist stressed that any attempt to solve unemployment through public works projects would only undermine the balance of payments position.

"Economic strategies should emphasise resuscitation of tradeable goods, and a necessary condition for successful exports thrust is a transformation in the psychological make-up of the dominant group with the entrepreneurial class," he said.

BARBADOS

ST JOHN DISCUSSES ADVANCES, PLANS IN AREA OF AGRICULTURE

Land Tenure System

Bridgetown DAILY NATION in English 4 Sep 85 p 1

[Text]

**PRIME MINISTER BERNARD ST. JOHN yesterday announced a new type of land tenure system for Barbados.**

It will take the form of an agricultural lease system for livestock and food crops whereby Government will provide the land and the farmer provide the livestock or crops.

Mr. St. John made the disclosure after an extensive tour of the Scotland District with Minister of Agriculture, Dr. Richard Cheltenham, Member of Parliament for the area, L.B. Brathwaite, and officials of the Ministry of Agriculture and the Barbados Agricultural Development Corporation (BADCO)

He said Government was hoping to develop the type of system in which the leasee and family would have economic unity and would be able to farm in such a way that would be unburdened by having to pay the capital cost of the land.

Stating that such cost took away too much money from such farmers, Mr. St. John continued: "If we have the land and we reform it and reshape it and lease it to farming I believe that we are moving toward a modern type of land tenure system which will come to Barbados. It has happened in other parts of the world."

However, Mr. St. John observed that the argument for this type of system would be whether it would be four, 15, 20 or 100 acres needed for the economic farming units. This he said depended on the type of farming being engaged.

"If you are going to have livestock you will need a larger area, if it is going to be cane we will have to determine the economic unit needed for that; if it is tree crops we will also have to see what economic unit is needed," the Prime Minister said.

The Prime Minister noted that within the Scotland District and when the Springhall Land Lease Scheme was taken into account, it was his feeling that Government was building up the knowledge and the background information for such an agricultural lease system to come into operation.

He said he objected strenuously to having a large area of land under Government control with no particular system nor any particular definite date when Government was going to get out being the proprietor and let others come in and carry on with the operation.

"A much greater effort on the part of Government to bring land to the people who are actually working it will be made. I am not going along with the view that Barbados can overnight throw all the land it has in sugar cane. This is a process that has to take place against the background of how much of our sugar we have preferential markets for and how much of the other crops we can grow for which we have markets.

"What I say is that there is a sufficient amount of land available in Barbados in Government ownership and idle that any genuine person who wishes to farm can get a convenient unit. What we have to do is to determine by our experimentation what is a convenient economic unit for a person to farm," Mr. St. John said.

Agricultural Census

Bridgetown DAILY NATION in English 4 Sep 85 p 1

[Text]

PRIME MINISTER BERNARD ST. JOHN believes the agricultural diversification efforts in the Scotland District have reached the stage where a marketing unit to oversee the exploitation of crops for commercial purposes can be established.

He also disclosed that Cabinet had agreed to a submission from the Ministry of Agriculture for an agricultural census of the area.

This, according to him, will start next year, and they would be using modern satellite information (pictures) and "on-the-ground work to have a census of what is going along here, to provide the essential background information for the potentiality of the marketing effort.

The census will be carried out by the Ministry of Agriculture, and the Statistical Department with technical assistance from the Food and Agriculture Organisation (FAO) of the United Nations.

However, the Prime Minister pointed out that they were experiencing some problems with the conservation efforts at the Scotland District because of the indiscriminate grazing by livestock.

"We do have a problem of

public relations with the community. All of the effort at conservation can come to nought if indiscriminate livestock grazing takes place. We wish to give the community the assurance that Government is very willing to devote a considerable part of the grassland area to community livestock growing on controlled conditions.

"But, we must insist that the fruit that is grown is harvested to help repay this debt; that the livestock are grazed in areas that are demarked to prevent erosion and to prevent expenditure in the future," the Prime Minister said.

He stated they were now working on the unit, which would help to convince persons in the community that the district was their environment and that everyone could benefit from it, provided there was discipline... "and provided that we understand that it is the taxpayers' money that has been expended".

There would be no case for a free for all, the Prime Minister added.

Earlier, Mr. St. John had pointed out that apart from the resources of sand, limestone and clay, the Scotland District also had income generating capacity for livestock growing as well as food crops.

CSO: 3298/3

BARBADOS

BRIEFS

NEW VENEZUELAN ENVOY--Bridgetown, 13 Sep (CANA)--The Barbados Government has announced the appointment of former journalist Oreste De Giacomo Torres as the new Venezuelan ambassador to Bridgetown. The announcement did not say when Giacomo Torres, currently ambassador to Czechoslovakia, would take up his posting. He succeeds Jose De Jesus Osio, who left the island in July after completing his tour of duty. Giacomo Torres is a former senator and deputy in the Venezuelan National Assembly. [Text] [Bridgetown CANA in English 1005 GMT 13 Sep 85 FL]

CSO: 3298/3

CAYMAN ISLANDS

BRIEFS

LICENSE REVENUE INCREASE--Grand Cayman, 13 Sep (CANA)--Financial Secretary Thomas Jefferson has told the Cayman Island's Legislative Assembly that revenue from bank and trust company licences is still increasing, despite a drop below expectations last year. He said that at 9 September there were 480 licences issued, an increase of 21 this year, bringing in over 4.63 million CI dollars. A further 17 applications were under consideration. Jefferson said the increase demonstrated the confidence the international financial world had in the Cayman Government and its people. A shortfall in revenue of 94,250 dollars last year had been largely caused by U.S. bank mergers resulting in the surrender of licences, he said. Even so, there had been a net increase of seven licences last year, Jefferson added. [Text] [Bridgetown CANA in English 2005 GMT 13 Sep 85 FL]

CSO: 3298/7

COLOMBIA

## MAYORAL ELECTION BILL FACES SECOND ROUND IN CONGRESS

Bogota EL TIEMPO in Spanish 14 Sep 85 p 19-F

[Text] The slim margin by which the popular election of mayors was passed in the first balloting and the reduction in President Betancur's capacity to pressure congressmen warrant the prediction that this bill will hardly succeed in its second round with Congress.

The Liberal leaders, meeting last Tuesday, agreed to submit a proposal to postpone the discussion of the popular election of mayors for another 2 years; which indicates that, if the motion is accepted, this institution will remain buried until it is taken up again in an uncertain future.

There has been talk for many years in Colombia about the popular election of mayors and the possibility of including that institution in the Colombian political system; but its discussion has been halted because the proposal was defeated in Congress or because more urgent current issues have arisen.

In the recent past, it was Alvaro Gomez Hurtado who brought up the debate again, and, finally, President Betancur was the one to propose it in his election campaign.

The popular election of mayors was submitted to Congress in a draft legislative act which is part of the package delivered by the government with the generic title "democratic openness" and it includes reforms which, in President Betancur's opinion, expand the area for the citizens' participation in making decisions of various kinds.

Many years ago, Congress was not evincing so much excitement and controversy concerning a proposal. From the hand of Minister Jaime Castro, the bill for popular election of mayors passed "by the skin of its teeth," in the congressional debate; showing that, despite the expressions of support that the measure received from various political sectors, the real fact is that what is said publicly does not correspond to the true intentions of senators and representatives.

## It Passed Miraculously

During the period when the bill was circulating in Congress in the first balloting, one noted the difficulty among congressmen from both parties in accepting this innovation, and several talks were required among the political leaders to reach the initial agreement which allowed for its approval in the Chamber.

In the Senate, the situation was far more difficult. As the bill progressed, the difference (rather, the opposition) between what the party spokesmen were saying officially and what congressmen of all movements were saying in the corridors became more obvious. It was even claimed that the president himself was pressuring the congressmen directly to cast their votes in favor of the bill.

Whether pressured or not, the Congress of the Republic approved in the first balloting the bill which is regarded by the government as fundamental for the success of the peace process; because it is an essential part of the democratic openness to which it committed itself at the time of the signing of the cease-fire agreements with the guerrillas. For example, today, the FARC [Revolutionary Armed Forces of Colombia] are requesting an extension of the truce, in the hope that the government will carry out those reforms, among which the popular election of mayors is the ace in the deck.

## The Leaders Support

Now that the second balloting on the bill is beginning, it is to be presumed that the (verbal) position which the leaders of the parties and the present candidates have adopted in the past will be maintained.

If so, the Liberal and Conservative Parties would agree to support it, as would Alvaro Gomez (the proponent) and Luis Carlos Galan.

Virgilio Barco has handled this issue cautiously. At the end of last year, during a trip which he made through Magdalena Medio, the Liberal candidate said: "The popular election of mayors is proposed as a panacea, and could become another disappointment, and another merely outward. legal attempt to bolster the municipalities, without ensuring suitable participation by the community either."

This statement is not backing for the measure, nor definitive rejection. Later on, during the period preceding the election of the Liberal candidate, Barco asked the Liberal council members for their opinion on the subject, and obtained as a result a lengthy response in favor of the popular election of mayors.

Former President Pastrana Borrero has repeatedly stated that he favors the measure, while Carlos Lleras Restrepo has expressed serious doubts about the feasibility of establishing it under the present political circumstances. Turbay Ayala, in turn, is of the opinion, that "it will only serve to cause further disappointments," because "the problem (of the municipalities) cannot be changed by merely turning into popularly elected officials those who, for 100 years, have been freely appointed and removed as governors."

## The Power of BB

The draft legislative act is now entering the final stretch and has formal consensus, but real opposition in Congress; because several congressmen consider the popular election of mayors unfeasible, for the following reasons: The country is not "ripe" for this; the ruling is unconstitutional, because it would elect mayors popularly whereas the governor is appointed by the president; it would create antagonism in the executive branch of the government; the Mafia's access to politics would be facilitated; patronage practices would be fostered; and the subversives would be given control of the municipalities in which the guerrilla groups wield some influence.

A poll taken by the National Consulting Center shows the other side of the coin: The majority (76 percent) of the present council members and mayors all over the country are in favor of the popular election of mayors.

This being the case, one realizes that the second balloting on this bill will be marked by greater anxiety than it experienced during the first vote; because the imminence of the measure's approval could prompt the undecided congressmen to vote against the proposal.

On the other hand, President Betancur's capacity for pressure has been further debilitated by the normal deterioration caused by the approach of the end of the term; so that a particularly devious handling awaits his star proposal.

2909

CSO: 3348/967

23 October 1985

COLOMBIA

## IDB REPORT OPTIMISTIC ON NATIONAL LONG-RANGE OUTLOOK

Bogota EL TIEMPO in Spanish 16 Sep 85 pp 3-D, 5-D

[Text] In its annual report, the Inter-American Development Bank [IDB] announced that Colombia, beset by the same economic problems that are striking at Latin America, but to a lesser extent, will have liquidity problems over the short term, but will enjoy encouraging prospects from the effect of coal and oil exports over the medium term.

The report noted that Latin America began reversing the negative trend in its economy experienced during the past 3 years with a 3.1 percent growth in 1984, at a cost of greater unemployment, lower wages and a worsening of poverty, with the aggravating factor that the outlook for the rest of the decade is not promising, and there will be no major, difficult changes.

It added that the growth in the gross domestic product was backed by more exports to the United States and Japan, and higher rates of devaluation of the domestic currencies with respect to the dollar; and the internal economic adjustment programs are just starting to show favorable indicators.

Colombia has not escaped this situation, despite the fact that, in the IDB's view, its problems with payment of the foreign debt, fiscal and external imbalance, investments and positive wage levels have been fewer than those of the rest of the region. Nevertheless, it will have to continue coping with the stringency of the adjustment plan with additional liquidity limitations over the short term. The bank observed that, starting in 1986, the brightness from the new exports of hydrocarbons and coal will help to clear the picture.

Perseverance in monetary control, spending and investment will bring shrinking effects on demand, production and employment. The consequences of the greater devaluation applied in 1985 will be felt more intensely in 1986. The resumption of inflation is another worry. The IDB continued, remarking that the basic feature will lie in the method for minimizing the cost of the adjustment and reconciling the financial imbalances with structural problems; and the positive outlook due to mineral exports must be linked with "reasonable policies."

## Report on Colombia

The IDB report on Colombia states:

### Recent Economic Situation

The evolution of the Colombian economy during 1984 was marked by a period of incipient recovery in the first half, and another of weakening, with new signs that the economy would stagnate during the second half of the year. This process took place in the context of severe imbalances in the external sector and in the government's finances, as well as a considerable distortion in the financial sector. Faced with this situation, the government initially adopted a plan of action based on expansive fiscal and monetary policies and protection for the native industry, at a time when there was a drastic reduction in international reserves. A more accelerated exchange adjustment was also made, which, with the curb on imports, contributed to a major reduction in the balance of trade and in the current account of the balance of payments. Subsequently, during the final quarter of the year, a change occurred in the direction of the economic policy, with the adoption of restrictive fiscal and monetary measures. This caused the consolidation of a process of streamlining public spending and raising fiscal revenue, which made it possible to start reducing the fiscal deficit.

Under these circumstances, the gross domestic product (GDP) rose about 3 percent during 1984, which compares favorably with the average growth of 0.9 percent per year during 1982-83. The economic recovery observed between the second half of 1983 and the first half of 1984 manifested itself primarily in the manufacturing and construction industry sectors, where the activities protected by the policy of restricted imports and by the allocation of reactivation credits and special credits benefited. A certain amount of improvement was also noted in the agricultural-livestock sector, owing to the advancement of export crops. Mining continued its accelerated growth, stimulated by the incorporation of new oil deposits and the operation of coal mines. The recovery process slowed down during the second half of 1984, partly because of the major exchange restriction and stricter control of imports. This led to a situation marked by shortages of imported goods and input which, combined with the more accelerated devaluation of the currency and the increase in taxes and rate adjustments, brought pressure to bear on prices toward the end of the year. The consumer price index rose 18.3 percent in 1984, compared with 16.7 percent in 1983.

Moreover, the fleeting recovery of the manufacturing and construction industry was reflected in the creation of additional jobs. Nevertheless, the latter were insufficient to absorb both the income from the work force and the unemployment caused by the recession. Under these circumstances, the unemployment rate in 1984 reached 13.4 percent, in contrast to 11.8 percent recorded in 1983.

In the external sector, a constant drain on international reserves was noted. After a reduction of \$1.7 billion in 1983, the additional loss of foreign

exchange was \$1.3 billion in 1984; and hence the balance of international reserves at the year's end stood at close to \$1.9 billion, equivalent to 5 months of the value of imports of goods in 1983. The trade deficit was cut from \$1.5 billion in 1983 to \$560 million a year later. This substantial improvement was caused by a 15 percent increase in exports (after 3 consecutive years of decline) and an 11 percent reduction in imports, as a result of a stricter control thereof. The favorable progress of exports was due to the increase in coffee sales and the initiation, albeit minor, of coal shipments, as well as the recovery of non-traditional exports to developed countries, which to a large extent offset the decline in sales to the neighboring countries. Nevertheless, the weakening of the current account persisted, owing to the high interest payments and the drop in income from investment of the reserves. The main problem in the balance of payments, however, was the decline in the net flow of foreign financing, particularly that coming from the private international banks.

At the end of 1984, the balance of the public and private foreign debt amounted to about \$11 billion, equivalent to 32 percent of the GDP. Of that total, 66 percent related to debts of the public sector, and the rest to the private sector. In 1984, the coefficient of the debt service in relation to exports of non-factorial goods and services was 39 percent, compared with only 18 percent in 1980. Although the aforementioned indicators are manageable, the persistent deterioration in the external accounts prompted the government to adopt measures to ease the burden of the debt service. Hence, in May 1984 a mechanism was established to enable the indebted private enterprises to defer and pay in national currency a large portion of the payments on their debt service. Later, at the year's end, the government announced its intention of initiating negotiations to refinance part of the private sector's foreign debt.

Moreover, in view of the difficulty in procuring new foreign financial resources from the private international banks, at the beginning of 1985, consultation meetings were begun with the commercial banks and the multilateral financing agencies, in order to procure those funds.

Despite the efforts expended by the authorities to curb public spending and raise revenue through the tax reform started in 1982 and reinforced during 1983, in 1984 the central government's overall deficit increased to the equivalent of 4.4 percent of the GDP, compared with 3.8 percent reached in 1983. It is estimated that, during those years, the consolidated public sector deficit amounted to the equivalent of 7.5 percent and 6.8 percent of the GDP, respectively. With the decline in external financing resources and the reduction in the income of the Special Exchange Account, it was necessary to resort to bank credit and reactivation credits from the Bank of the Republic to finance the consolidated deficit. In addition, part of the financing was covered by the sale of National Savings Bonds.

Furthermore, the banking system's portfolio of doubtful collectibility reached very high levels, owing to the low profits and the high level of debt among

business firms. During 1984, there was also an intensification of the sale of assets from the financial system in foreign currency. In addition, the expectations of devaluation and the greater external financial income return fostered a negative figure in the balance of payments private capital account.

### Economic Policies

In view of the presence of both external and internal imbalances, the policies established during 1984 were aimed at closing both gaps so as to produce more stable effects on the economy. At the beginning of the year, the government's strategy was intended to influence the factors causing the economic recession through a series of measures in the monetary, fiscal exchange, financial and price and wage areas, combined with stimulation of the productive activity in specific sectors. During the final months of the year, however, a shift occurred in the handling of the economic policy, converting the short-term goal of economic reactivation into a short-term one, and giving priority to control of the fiscal deficit and of international reserves.

In the external area, the economic policy was aimed at adopting measures to curb the egress, and generate greater entry of foreign exchange. For this purpose, a group of instruments was resorted to, covering areas ranging from general aspects, such as the management of the exchange rate, curbing of imports and promotion of exports to more specific measures, such as the maximum quotas for those traveling abroad, an incentive for gold production and action aimed at easing the burden of the private debt service, indicated previously.

In the realm of exchange, the system of consecutive mini-devaluations was continued, but at a faster rate, which rose to 28 percent per year, compared with 23 percent reached in 1983. The government's goal is to recover the level of the 1975 real rate. To intensify the curb on imports, 95 percent of the tariff positions were transferred to the prior permit system; tariffs were raised; and the granting of a single import tariff for capital goods was eliminated. In addition, starting in mid-1984 the allocations of foreign exchange for import licenses among all the economic sectors, including the public one, were limited to only \$250 million per month. That sum represented 25 percent less than the monthly average for 1983. To stimulate exports, the subsidy of the Tax Refund Certificate (CERT) was raised and the mechanisms for credit to promote exporting activity were expanded. Additional measures were also adopted to develop new commercial operations, including exchange systems such as barter and compensation agreements.

The monetary and financial policies were originally intended to give an impetus to the economic reactivation process with a moderate monetary expansion for the benefit of the productive sectors, at the same time taking into account the goal of price stability. In this context, there was a reduction in bank cash reserves and special credit quotas were created directed toward specific sectors and toward activities such as the textile and iron and steel industries, severely damaged by the current situation. Similarly, the rate of yield from deposits in the constant value system was raised and measures

were adopted to solve capitalization problems among the financial middlemen. On the other hand, interest rates continued to be high in real terms. The authorities recognized that the circumstances prevailing on the market were making it necessary to maintain its levels internally, to prevent a greater deterioration in the balance of payments.

The fiscal policy was also geared to the same goals and, for that purpose, it was necessary to establish the bases for recovering the tax capacity and streamlining spending. In 1983, the government promoted an extensive tax reform, with the introduction of major changes in direct taxes and the incorporation of new sectors into the presumed system. During 1984, the Value Added Tax (VAT) was introduced, and the tax on fuels was raised; while at the same time austerity measures were adopted with regard to spending. Toward the end of the year, greater emphasis was placed on control of the fiscal deficit; and for this purpose the National Congress approved a group of measures aimed at partially alleviating the large deficit anticipated for fiscal year 1985. As part of that package, new taxes were created, for example, an 8 percent tax on imports, except for the food categories, and the application of a 10 percent VAT was established for over 40 products which had previously been exempted.

Insofar as the policy on income was concerned, both the minimum wages and those of government employees increased in real terms during 1984; which means that the adjustments made exceeded the inflation rate. This policy, combined with the one for maintaining a certain level of fiscal deficit, was initially aimed at reactivating the overall demand. Nevertheless, this orientation was changed in early 1985, granting wage adjustments of only 10 percent, on the average, for state workers, which was far below the increase in the cost of living.

#### Prospects

The new direction of the economic policy, intended to curb the fiscal deficit, based on drastic cuts in running expenses and public investment, with a monetary austerity, will have shrinking effects on the overall demand, production and employment. Consequently, in 1985 a lesser growth is expected in the gross domestic product than that attained last year. In the external sector, it is to be expected that there will still be an imbalance of a certain magnitude in the current account of the balance of payments, owing to the high cost of services; although it is possible that a substantial improvement may be achieved in the commercial account, in comparison with last year.

Nevertheless, the economic prospects over the medium term are more promising, with the development of the energy and mining resources, starting in 1986, particularly with the increase in oil production, which will make the country self-sufficient in hydrocarbons again, and with the initiation of large-scale coal exports. One infers from the foregoing that over the medium term, the external sector will offer very favorable opportunities for growth, on the assumption that reasonable economic policies are executed. Moreover, the

effects of a more accelerated devaluation in 1985 should be felt with greater intensity from 1986 onwards. Those effects, combined with a more vigorous policy to promote non-traditional exports, will make it possible to achieve a virtual equilibrium in the balance of trade for 1986. Similarly, the income from hydrocarbon exports will have a favorable effect on the balance of trade starting in 1986, and especially those of coal, starting in 1987. When this happens, the surplus in the commercial account will make it possible to keep the deficit in current account at relatively low levels.

In the fiscal area, the government has given greater priority to reducing the deficit and attaining the established goals starting in 1985; which would mean a substantial improvement in public finances. To attain the proposed goals, however, additional efforts will be required, for which purpose new measures in the fiscal area aimed at alleviating the government's financial problem during 1985 have been submitted for approval by the National Congress.

In summary, Colombia's economic prospects are encouraging over the medium term, although it is possible that the country may face liquidity problems over the short term. There are also indications of a resumption of inflation, an area which, because of the decline that occurred during 1983-84, had become one of the accomplishments of the economic policy. Hence, it is important that the handling of the economic policy over the short term be compatible with the medium and long-term development goals, in a context of stable prices. The key question is how to minimize the cost of the adjustment and how to reconcile the financial imbalances with problems of a structural nature.

## Sinopsis estadística\* (1)

|  |            |                                    |        |
|--|------------|------------------------------------|--------|
| Extensión territorial (Km <sup>2</sup> ) (2)       | 1.138.338  |                                    |        |
| Población: Total 1984 (74,7 % urbana) (3)          | 28.473.000 |                                    |        |
| Tasa anual de crecimiento demográfico, 1970-84 (4) | 2,1        |                                    |        |
| Natalidad (1981) (5)                               | 30,0       |                                    |        |
| Mortalidad general (1981) (6)                      | 5,9        |                                    |        |
| Mortalidad infantil (1981) (7)                     | 45,7       |                                    |        |
| Años de expectativa de vida (1981) (8)             | 62,5       |                                    |        |
| Afabetismo (1981) (9)                              | 81,0       |                                    |        |
| <b>Fuerza de trabajo por sectores (1980) (11)</b>  |            | <b>(Porcentajes) (10)</b>          |        |
| Agricultura (12)                                   | 34,5       |                                    |        |
| Minería (13)                                       | 0,6        |                                    |        |
| Manufactura (14)                                   | 16,1       |                                    |        |
| Construcción (15)                                  | 6,3        |                                    |        |
| Otros (16)   | 42,5       |                                    |        |
|  |            | 1982                               | 1983   |
| <b>Producción real (18)</b>                        |            | <b>(17) (Tasas de crecimiento)</b> |        |
| PIB total (precios de mercado) (19)                | 0,9        | 1,0                                | 3,0    |
| Sector agropecuario (20)                           | -1,9       | 1,8                                | 2,0    |
| Sector minero (21)                                 | 1,8        | 13,2                               | 14,3   |
| Sector manufacturero (22)                          | -1,4       | 0,5                                | 6,3    |
| Sector construcción (23)                           | 4,0        | 5,1                                | 4,7    |
| <b>Gobierno central (25)</b>                       |            | <b>(24) (Porcentaje del PIB)</b>   |        |
| Ingresos corrientes (26)                           | 8,1        | 7,9                                | 8,2    |
| Gastos corrientes (27)                             | 8,7        | 9,0                                | 9,8    |
| Ahorro corriente (28)                              | -0,6       | -1,1                               | -1,6   |
| Gastos de capital (29)                             | 3,2        | 2,7                                | 2,8    |
| Déficit o superávit (30)                           | -3,8       | -3,8                               | -4,4   |
| Financiamiento interno (31)                        | 3,2        | 3,8                                | 3,5    |
| <b>Moneda y precios (32)</b>                       |            | <b>(17) (Tasas de crecimiento)</b> |        |
| Precios al consumidor (33)                         | 23,9       | 16,7                               | 18,3   |
| Oferta monetaria (34)                              | 25,4       | 25,6                               | 23,2   |
| Crédito interno (35)                               | 32,6       | 32,7                               | 37,8   |
| Público (36)                                       | 156,3      | 169,8                              | 222,3  |
| Privado (37)                                       | 24,9       | 26,7                               | 26,3   |
| <b>Tipo de cambio promedio (38)</b>                |            |                                    |        |
| (unidades de moneda nacional por dólar)            | 64,09      | 78,85                              | 100,82 |
| <b>Balanza de pagos (39)</b>                       |            | <b>(40) (Millones de dólares)</b>  |        |
| Exportaciones de bienes (FOB) (41)                 | 3.215      | 2.970                              | 3.415  |
| Importaciones de bienes (FOB) (42)                 | 5.405      | 4.464                              | 3.980  |
| Balanza de mercancías (43)                         | -2.190     | -1.494                             | -565   |
| Servicios netos (44)                               | -872       | -1.673                             | -1.753 |
| Saldo en cuenta corriente (45)                     | -2.893     | -3.003                             | -2.114 |
| Capital oficial (46)                               | 383        | 853                                | 1.120  |
| Capital privado (47)                               | 1.463      | 274                                | -221   |
| Variación de reservas netas (- aumento) (48)       | 846        | 1.723                              | 1.261  |
| <b>Deuda pública externa (49)</b>                  |            | <b>(40) (Millones de dólares)</b>  |        |
| Total  | 9.287      | 9.987                              | n.d.   |
| Deuda desembolsada (50)                            | 6.078      | 6.958                              | 8.090  |
| Servicio de la deuda (interés y amortización) (51) | 936        | 1.035                              | 1.144  |
|  |            | <b>(10) (Porcentajes)</b>          |        |
| Coefficiente del servicio de la deuda (52)         | 21,4       | 27,1                               | 27,0   |
| Coefficiente del interés de la deuda (53)          | 13,4       | 16,2                               | 15,7   |

\* En los casos necesarios, los renglones de información presentados en este cuadro están definidos en la lista de fuentes que aparece en la página 246. Cualquier aclaración o interpretación deberá ser referida directamente a la fuente correspondiente. (54)

\*\* Estimación preliminar. (55)

n.d. No disponible. (56)

Key to Chart:

1. Statistical Synopsis
2. Territorial area
3. Population: Total 1984 (74.7% urban)
4. Annual rate of demographic growth
5. Birth
6. General mortality
7. Infant mortality
8. Years of life expectancy
9. Literacy
10. Percentages
11. Work force by sectors
12. Agriculture
13. Mining
14. Manufacturing
15. Construction
16. Others
17. Growth rates
18. Real production
19. Total GDP (market prices)
20. Agricultural-livestock sector
21. Mining sector
22. Manufacturing sector
23. Construction sector
24. Percentage of the GDP
25. Central government
26. Current revenue
27. Running expenses
28. Current savings
29. Capital expenses
30. Deficit or surplus
31. Internal financing
32. Money and prices
33. Consumer prices
34. Money supply
35. Domestic credit
36. Public
37. Private
38. Average exchange rate (units of national currency per dollar)
39. Balance of payments
41. Exports of goods (FOB)
42. Imports of goods (FOB)
43. Balance of trade
44. Net services
45. Balance in current account
46. Official capital
47. Private capital
48. Variation in net reserves (-increment)

- 49. Foreign public debt
- 50. Debt paid
- 51. Service on debt (interest and amortization)
- 52. Coefficient of service on debt
- 53. Coefficient of interest on debt
- 54. \* In the necessary instances, the categories of information shown on this chart have been defined in the list of sources which appears on page 246. Any explanation or interpretation should be made referring directly to the pertinent source.
- 55. \*\* Preliminary estimate
- 56. n.d. Not available

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CSO: 3348/967

COLOMBIA

BRIEFS

PLAN ENVISIONS 480,000 JOBS--Today, Labor Minister Jorge Carrillo Rojas will submit to the CONPES [National Council for Economic and Social Policy] an economic plan to create 480,000 jobs, through the construction of the Atrato-Truando canal, backing for agroindustry and fishing, and the determination of the number of workers required to operate the coastal trading vessels. In disclosing the proposal that he will submit to the head of state and the economic team, the official also announced that he does not agree with the bill recently presented to Congress to generate jobs subject to the elimination of certain social benefits. Carrillo Rojas remarked: "Employment can be created without resorting to the stoppage of social benefits, because this would be a course of action that would not lead to the bolstering of the labor-management alliance that must be established to consider the solution to the country's major social problems." The minister also noted that the agreements recently signed in the country have far exceeded the limit of 10 percent, imposed by the government; for which reason he refrained from stating whether, at next Monday's meeting with the labor confederations, priority would be given to the revision of that limit, which has been requested by the Democratic Trade Union Front since May of this year. In conclusion, Carrillo said that, next week, he will attend the ANDI [National Association of Industrialists] assembly in Cartagena, and there establish his position on the regulations which protect workers' rights and the strengthening of the labor movement. [Text] [Bogota EL TIEMPO in Spanish 13 Sep 85 p 12-C] 2909

CSO: 3348/967

DOMINICA

DLP PRESSURES GOVERNMENT TO RESUME BROADCASTS OF PARLIAMENT

Port-of-Spain SUNDAY GUARDIAN in English 15 Sep 85 p 4

[Text]

**BRIDGETOWN, Sat., (Cana):**

THE Opposition Dominica Labour Party (DLP) plans to step up the holding of public meetings islandwide over the next few weeks and organise a demonstration in the capital to pressure the government into resuming live radio broadcasts of Parliamentary proceedings, a spokesman said here today.

DLP executive members and representative for the Paix Bouche constituency, Rosie Douglas, told reporters the decision of the Eugenia Charles administration to halt live coverage of sittings of the House of Assembly undermined the democratic process and could lead to extra-parliamentary and other revolutionary activity.

In a country (like Dominica) where you do not have the large reading public as you have in Barbados, ...the question of participatory democracy, the question of mass participation, the question of involvement in the democratic process is seriously threatened in Dominica at the present time, the left-wing politician told a news conference.

The dispute reached a head during last month's budget debate when the six DLP Opposition members walked out of Parliament after the Government decided the entire proceedings would not be aired live. The govern-

ment said some Members of Parliament misuse radio time.

Douglas said DLP representatives had a meetings with Prime Minister Charles on the issue, but government had failed to respond by yesterday as promised and the party would resume agitating for the resumption of live broadcasts.

Douglas, brother the DLP leader Michael Douglas, said he contested the July 1 general elections on a United Dominica Labour Party (UDLP) ticket for tactical reasons because some DLP members feared his leftist stance could have jeopardised the party's chances of victory.

Douglas, who openly professes close ties with radical countries including Libya and North Korea, was branded a Communist by campaign speakers for the ruling Dominica Freedom Party (DFP). He denied being a Communist today, describing himself as a left social democratic politician.

Douglas, intransit through Barbados, said he officially represented the DLP in Parliament and was speaking on its behalf.

He said DLP Parliamentarians planned to turn up for the next sitting of the House of Assembly on September 23, but the boycott would remain in force unless government changed its mind.

CSO: 3298/1030

DOMINICA

BANANA MARKETING CORPORATION DEEP IN DEBT, NEEDS HELP

FL111955 Bridgetown CANA in English 1607 GMT 11 Sep 85

[Excerpts] Roseau, 11 Sep (CANA)--The Dominica Banana Marketing Corporation (DBMC) says it needs over EC1 million dollars (one EC dollar : 37 U.S. cents) annually to service its debt.

General Manager of the DBMC Eddision James, speaking on a call-in radio programme last night, said however that the industry was emerging from its severe financial difficulties into a healthier state.

He said that the corporation needed growers to upgrade both the quality and quantity of bananas sold on the main British market, in order to give the industry the kind of base that would allow it to look after itself and not to depend on aid.

At present, Dominica exports 32,000 tons of bananas annually and James said that it is imperative that this figure rise to 50,000 tons.

James said that while the corporation wanted to pay growers more for the bananas sold, it was finding it very difficult because of what he termed an extremely burdensome debt.

We need EC1.2 million dollars a year to service the debt, he said, adding that servicing is the single most important factor in our ability to pay farmers a bigger price. The total debt of the DBMC was not given, but earlier this year it was estimated at EC15 million dollars.

Also participating in the one-hour programme was the Chairman of the Dominica Banana Growers Association (DBGA), Garnet Didier, who called for the implementation of effective policies and schemes to help the farmers meet production targets.

Bananas account for 70 percent of Dominica's foreign exchange earnings.

CSO: 3298/8

DOMINICA

BRIEFS

DLP DEMONSTRATION THREAT--Roseau, Wed. (CANA)--The opposition Dominica Labour Party (DLP) said today it will stage a "peaceful demonstration" during the visit of Queen Elizabeth to protest government's decision to ban the live broadcast of Parliament. DLP leader Michael Douglas told reporters that the demonstration is aimed at internationalising the entire issue. "We have made it clear that the government does not leave us with no alternative, but to demonstrate during the Queen's visit. "We obviously mean no disrespect to the Queen, but of course the Queen's visit allows you the opportunity to draw international attention to our plight as far as live broadcast is concerned," Douglas said. The DLP has walked out of Parliament on two successive occasions to dramatise its opposition to an end to the eight year old practice of airing parliamentary broadcasts live. The party says the issue is fundamental in a country without a large reading public--there is only a weekly paper here. [Text] [Port-of-Spain EXPRESS in English 3 Oct 85 p 35]

WORK PERMITS ISSUE--Roseau, Wed (CANA)--The Dominica Government warned today that it was not "automatic" to grant work permits to foreigners seeking employment here and urged employers to follow the proper procedures. A statement issued by the Legal Affairs, Immigration and Labour Ministry said that government viewed "with much concern" the practice of applicants for work permits proceeding to take up work prior to the approval of their application. "This undesirable tendency seems to stem from the false assumption by prospective employers that the granting of a work permit is automatic." [Text] [Port-of-Spain EXPRESS in English 3 Oct 85 p 35]

CSO: 3298/8

GRENADA

BLAIZE LEADERSHIP SCORED; CABINET SHAKE-UP PROPOSED

St Georges THE GRENADIAN VOICE in English 7 Sep 85 p 4

[Article by Anthony James, "Mr Blaize Is Not the Answer," in the regular section "The People's Forum"]

[Text] Washington, D.C.--Although it is only 7 months since the newly elected government was sworn into office, it has become pretty obvious that Grenada won't make it under the leadership of Mr Blaize.

Of the 14 elected officials, 5 are men with legal training and an additional 3 hold academic degrees of an M.A. or better; Since there are currently 7 ministries, it means that this cabinet is by far the most scholarly in recent history.

The Prime Minister, in the person of Mr Blaize, is supposed to be the experienced politician--the leader--the general. He is supposed to be the man primarily responsible for describing the path that will eventually make Grenada a model society. He is the man to whom the younger and inexperienced ministers ought to turn for guidance and counsel; but as ugly as it may sound the exact opposite is true, and that is because the Grenada of 1985 is beyond the comprehension of Mr Blaize.

Approximately 2 years ago Grenada managed to remain 133 square miles in area and at the same time dominate news broadcasts around the world. During this very period, Grenada also managed to embody itself into world history in a rather ugly fashion; and when the prime minister fails to see the need, or refuses to act with precision to have his embassies reflect the policies, philosophy, and ideology of the New Government, it means that we do have a critical problem on our hands.

It is far too soon to forget the role that the United States played in stopping Grenada's holocaust of 1983 especially when their Marines are still protecting our shores; so when Mr Blaize chose to go to England to shake hands with Ms Thatcher rather than make a trip to Washington, meet with the President and the Congress of the United States, to express love and appreciation among other things, it was clear evidence that our priorities were badly aligned.

Washington is the heart of the free world, and if the events of 1983 enabled us to secure a position in that capital, there is absolutely no reason why we should be running away from it.

On many occasions we have been told that Grenada is woefully short of qualified personnel, yet still the prime minister saw it fit to place one of his elected officials (a lawyer) "in the doghouse," simply because that energetic young man dared to vent his frustration with "the Blaize style of politics."

Maybe it is unfair to expect anything of substance from this prime minister at a time when Grenada is possibly the most complex society in the English-speaking Caribbean. Add to that the sudden elevation into World Affairs, and the parenting rights supposedly held by the 2 Superpowers.

Coming from those infamous years under the past 2 administrations, it is an embarrassment to present this kind of leadership as our alternative. Changes at the very highest levels are imperative. For this reason, let us reshuffle the Cabinet.

(1) The ministries assigned to Messers Alexis and Brizan should include Foreign Affairs and Finance respectively. These units should not be oversized and the gentlemen in question should be given a relatively free hand to develop, to negotiate it necessary, and to implement both foreign and domestic policies.

(2) Mr Blaize would be restricted to simple and non-demanding tasks. In short, his duties would be strictly ceremonial.

(3) Mr Ben Jones would be confined to Legal Affairs.

(4) Mr Tillman Thomas should be assigned a ministry which would be created out of Communications and Works.

The above adjustments are reasonable, fair, and practical. They are not only necessary but also urgent. No patriotic Grenadian should even consider holding the country hostage in light of such glaring deficiencies. With a little less pride, a lot more guts, and a sense of patriotism, we can get the job done with the above format. The talent is there, the opportunities are there, but unfortunately, the prime minister is not ready.

CSO: 3298/9

GRENADA

GOVERNMENT URGED TO TAKE FIRM STAND ON NASSAU TRADE ACCORD

St Georges THE GRENADIAN VOICE in English 14 Sep 85 pp 2, 10

[Text] President of the Grenada Chamber of Industry and Commerce, Mr Brian Pitt, has commented on the failure of CARICOM member states to implement the Nassau trade agreement by the deadline of 31 August 1985.

The Nassau Measures, which were intended to remove some of the man-made barriers to intra-regional trade were agreed to by CARICOM Heads of Government in July 1984, and were originally to have been introduced by all member states by 1 January this year.

The last Heads of Government meeting in July agreed to an extension and a final implementation deadline of 31 August. To date, at least four territories--Trinidad & Tobago, St Lucia, Antigua/Barbuda and Belize--are still outstanding.

"It is time," said Mr Pitt, "that we in Grenada took a firm stand on this and other related issues."

Trinidad, as the largest market for CARICOM goods in the region is the key country, and the main reason for the failure of other territories to implement the Nassau Measures.

Earlier this year, Grenada implemented the agreement by reducing the duty on selected goods manufactured in the region and increasing rates of duty on specific items imported from extra-regional sources. Although these actions accommodate CARICOM and facilitate trade within the region, in some instances, the net effect has been increased costs to the Grenadian consumer.

With Trinidad's failure to implement the agreement, restrictions on the importation of Grenadian made products are still in effect causing serious problems for those local manufacturers who depended heavily on the Trinidad market. As a result, manufacturers continue to cut back on production and lay-off workers.

Mr Pitt also noted that nothing has been achieved with regard to the visa situation despite high level discussion between governments. Grenadian nationals continue to suffer undue hardships, inconvenience and expense in obtaining the

visa required to travel to Jamaica and Trinidad and Tobago. "Nationals of both those countries travel freely to Grenada for purposes of business and pleasure," he said. Yet, our open door welcome to them is not being reciprocated in the true spirit of Caribbean unity and cooperation."

The President of the GCIC called on the Government of Grenada to take action on both the trade and visa issues. He added "so far we have kept our side of the bargain, we have been patient and accommodating."

"Now we must question whether the goals and objectives of CARICOM have any true meaning or relevance given the protectionist policies of member states, and act in the best interest of Grenada and Grenadians."

CSO: 3298/9

GRENADA

STRIKE BY GAIRY-CONTROLLED FARMERS 'PARTLY SUCCESSFUL'

Government Comment

FL271944 Bridgetown CANA in English 1859 GMT 27 Sep 85

[Excerpts] St Georges, 27 Sep (CANA)--Grenada's Labour Minister Dr Francis Alexis says an agricultural workers strike reportedly called for next Tuesday by a trade union led by Sr Eric Gairy is doomed to failure.

I can confidently expect that it will end the way the massive demonstration ended in St Georges last Saturday, with six blind men trying to lead a crowd of six, he said, referring to demonstration last Saturday by the leftwing Maurice Bishop Patriotic Movement (MBPM).

Alexis also told a news conference the Labour Ministry had received no word of any dispute at any estate that could give rise to a strike.

The union behind the reported strike plan is the Grenada Manual Mental and Intellectual Workers Union (GMMIWU), led by Gairy, a former prime minister.

Alexis said his government was making a comprehensive and frontal assault on the indignities to which agricultural workers traditionally have been subjected and, in the face of this, he added, he was not surprised that those who say they have been leading agricultural workers are panicking.

They know only the politics of reaction and criticism, and when they see their feet being cut from under them, what else can they do but talk about strike, he said.

The purpose of the strike is to press for improved wages and working conditions for employees on banana, nutmeg, and cocoa estates here.

A Telex to CANA's Barbados headquarters signed by Sir E. M. Gairy said the union had submitted pay increase proposals to all agricultural employers last 8 April. Last week, the statement said, the government bypassed the union and offered the workers 25 percent increases. The union wanted 12 and 11 dollars per day for male and female field workers, respectively, and 60 percent increase for other categories.

Alexis said previous governments had destroyed labour statistics, and this proved a major handicap in providing accurate employment figures. But he estimated that unemployment had fallen by around five percent to 29.5 percent.

He said work permits were not issued to non-nationals with skills available among Grenadians either at home or abroad.

The Labour Department was policing work places to ensure that all foreign workers had work permits, he said, disclosing that as a result of the operation, five persons were charged with working without a permit.

### Strike's Effectiveness

Port-of-Spain TRINIDAD GUARDIAN in English 1 Oct 85 p 5

[Text]

#### ST GEORGE'S, Mon., (Cana):

GRENADA Government officials today acknowledged at least partial success in a strike called in the important agricultural sector by a union controlled by former Prime Minister, Sir Eric Gairy.

One government official said that, at least, one-third of the island's 23 state farms were not working. Detailed reports from the other farms were still being awaited here, but the official said it would appear that, at least, some of them have also been affected by the strike.

The official is also awaiting details of the effect of the strike call on privately-owned farms, some of which are also said to have been hit.

Preliminary reports indicate that the strike appears to have been especially effective in the northeast of the island, said the official.

Sir Eric's Manual, Maritime and Intellectual Workers' Union initially demanded minimum wages of \$12 and \$11 for men and women agricultural workers.

But the "Grenada Guardian", official publication of Sir Eric's United Labour Party, said in its current issue that the demands have been hoisted to \$15 and \$14 a day.

The union also wants guarantees of at least ten days' work in 14-day period.

The strike is Sir Eric's first test of

support in a sector of the economy which he dominated politically for much of the nearly 30 years he held power until he was ousted by a left-wing coup d'etat in March 1979.

His United Labour Party polled more than 30 per cent of the popular votes in the December 1984 general elections, most of these believed to have come from among rural agricultural workers.

The party won one seat, but promptly lost it when the elected member Marcel Peters disagreed with Sir Eric over boycotting Parliament, and announced formation of his own party.

The "Grenada Guardian" said that the union wrote employers in the agricultural industry since last April seeking increased wages.

The large majority of the employers, including GFC (Grenada Farms Corporation), never bothered even to acknowledge receipt of the unions letters, the "Grenada Guardian" added.

Farm wages now average \$7.50 for women and \$8.50 for men per day.

CSO: 3298/9

GRENADA

BANANA, COCOA SHORTFALLS BRING AID FROM EDF

FL262330 Bridgetown CANA in English 2050 GMT 26 Sep 85

[Text] St Georges, 26 Sep (CANA)--Grenada has negotiated the sum of EC1.5 million dollars (one EC dollar : 37 U.S. cents) from the European Development Fund (EDF) in Stabex assistance for the 1985 financial year to make up for shortfalls in earnings from the key export crops of cocoa and bananas last year.

According to a government spokesman, just over 1 million dollars would be given as price support to the Grenada Cocoa Association and for use on the three-year cocoa rehabilitation project which is aimed at replacing old trees with high-yielding trees.

The other half-a-million dollars, he said, would be given as price support to the Grenada Banana Cooperative Society (GBCS) which in recent years has been registering losses in export sales due mainly to the depreciation of the pound sterling.

Profits from cocoa sales have fallen from EC12 million dollars in 1979 to a loss of 134,679 dollars in 1983 and to a small profit of 897,000 dollars last year.

In the case of bananas, the loss is estimated at 5.4 million dollars for the 1981-84 period.

The government official also said that as a further effort to strengthen the agricultural base and restore farmer's confidence in the industry, 630,000 dollars have been given to cocoa and banana producers in the form of duty-free concessions.

In addition, he said 675 tonnes of fertilizer have been made available under a USAID scheme.

CSO: 3298/9

GRENADA

BRIEFS

TIES WITH GUYANA--St Georges, Fri (CANA)--External Affairs Minister Ben Jones says the Grenada Government intends to give the new leaders in Guyana time to settle down before taking any initiative to improve relations. Mr Jones was responding to a question on the state of relations with Guyana following the death last month of President Forbes Burnham. "We are allowing the present government in Guyana to settle down because clearly they have to settle down and take stock of their situation. As soon as they have done that, we will approach them with a view to improving relations," he said. Mr Jones stressed that Guyana like Grenada is a member of the Caribbean Community (Caricom) and the government wished to have good ties with all member states. Relations between the two countries deteriorated after the October 1983 U.S.-led invasion of Grenada to topple a group of leftist soldiers who had seized power in a bloody coup in which Marxist Prime Minister Maurice Bishop was killed. Guyana opposed the invasion and has refused to formally recognise the Herbert Blaize administration now in power here. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Sep 85 p 5]

CSO: 3298/9

GUATEMALA

TEACHERS RESPOND TO AUTOMATIC PROMOTION OF STUDENTS

PA041316 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 23 Sep 85

/Paid advertisement issued by National Teachers Council on 27 September in Guatemala City--ready by announcer/

/Text/ The National Teachers Council /CNM/, announces to the government, students and citizens in general that:

1. The government's unwise and hasty decision to approve an automatic promotion of students to the next higher grade, is harmful to the Guatemalan people's social and cultural development, violates the norms that regulates education, and affects parents and students' interests, particularly of those students who are completing their studies; because now they will automatically receive their degrees, as approved by decree.
2. The attitude assumed by the country's educational authorities--who are supposed to be teachers--who have approved such an unwise measure is inexplicable, taking into consideration that technically and legally, only the teacher can give the student a passing grade.
3. The CNM deeply regrets that the government has not given a favorable reply to our demand for a wage increase, although we explained to the authorities how it could be done, based on recommendations from professionals.
4. Government and private enterprise sectors which directly or indirectly have the control of the government and which are trying to perpetuate themselves in power, have tried to used our movement, which is strictly a labor movement, as a pretext to try to interfere with the electoral process, by approving dilatory measures that will incite violence and hurt the workers' dignity.
5. The CNM trusts that the Board of Directors of the honorable Association of Guatemalan Journalists /APG/ will give a prompt and favorable solution to our just demands, to which we are legally entitled, according to Art 53 of Legislative Decree 1485, which for the past 12 years has been ignored by the governments that have been in power.
6. As a humanistic and intellectual organization we are willing to hold a dialogue for social peace, to return to constitutionality and to maintain the teachers' granite-like unity as a result of this movement.

Therefore, in a general assembly of departmental delegates, we decided:

1. To categorically reject the automatic promotion of students approved by the government.
2. To strongly protest for the attitude assumed by the education authorities who have supported the automatic promotion, which is contrary to evaluation regulation 133-A.
3. To urge the government to give a favorable reply to the alternatives submitted through the commission in charge of mediation.
4. To categorically reject the statements issued by the government's public relations chief, who said that our movement is being manipulated to interfere with the electoral process.
5. To accept the mediation of the APG Board of Directors in charge of negotiations with the government.
6. To return to classes on Friday, 27 September 1985: a) but to continue with the general strike; b) not to teach nor carry out any educational activities until the government's resolution 875-85 is abolished; c) not to make any plans for the 1986 school period.
7. To go back to school under the conditions guaranteed by the government to the mediating commission, such as: a) to guarantee the physical safety and labor rights of the workers who have supported this movement; including its leaders; b) to immediately reinstate in their posts the teachers dismissed for supporting our demands; c) to submit for discussion the wage increase that the mediating commission will submit.
8. To understand that our return to classes is merely a truce while the APG Board of Directors participates in the mediation in defense of our position, which is against the automatic promotion of students.
9. To call all teachers of all levels, areas and branches, to maintain our unity and to support the guidelines issued by the CNM.
10. To reiterate our full support to school supervisors, and principals and administrative personnel, who do not wish to abide by ministerial resolution 1323-85, on the automatic promotion of students.

Guatemala City, 27 September 1985

CSO: 3248/18

GUYANA

VENEZUELAN REPORTEDLY URGED TO SETTLE IN ESSEQUIBO

FL301750 Bridgetown CANA in English 1614 GMT 30 Sep 85

[For another report on Guyana Foreign Ministry reaction to this development, see FBIS Latin America DAILY REPORT, Vol VI, No 190, 1 October 1985, p T 2]

[Text] Georgetown, 30 Sep (CANA)--A Venezuelan newspaper, EL EXPRESO, has reported that a group of Venezuelan citizens, calling themselves the Committee for the Re-acquisition of Essequibo, has initiated action to encourage Venezuelan citizens to settle in the disputed Essequibo territory which Venezuela is claiming from Guyana.

The paper, which is published in Ciudad Bolivar, said the committee was formed a year ago.

The newspaper alleges that one settlement had already taken place, and others are in the process of being established. The committee is reported to have made a call for Venezuelans to settle in the Essequibo.

A Guyana Foreign Ministry official said EL EXPRESO is a provincial newspaper and the report is not an official one.

The spokesman said the matter of Venezuela's claim to Guyana territory is already engaging the attention of the secretary general of the United Nations and he would not wish to prejudice his work.

Venezuela lays claim to nearly two-thirds of Guyana's territory, the mineral rich Essequibo region.

CSO: 3298/10

GUYANA

BRIEFS

RICE FARMERS' DEMANDS--Georgetown, Monday (CANA)--The Rice Producers' Association (RPA) has demanded a meeting with President Desmond Hoyte to put its case for a greater say in the running of Guyana's important rice industry. The RPA, which claims to represent most of the country's rice farmers, has attributed current shortage of rice in the country on the authorities' failure to give it some representation in the industry. The association criticised government's management of the industry, and noted that since the state took it over in 1964, acreage under rice cultivation had fallen 50 percent to 133,000 acres today. The RPA said the industry in Guyana could be substantially expanded, but this would require an increase in the acreage under cultivation. [Text] [Port-of-Spain EXPRESS in English 1 Oct 85 p 39]

ARMS, AMMUNITION ROUNDUP--Georgetown, Tues (CANA)--The Guyana Government has given unlicensed holders of firearms, ammunition or explosives a month in which to surrender them or face severe penalties. The amnesty, with an October 31 deadline, was made under an order by Home Affairs Minister Jeffrey Thomas, in an apparent effort to deal with an upsurge in violent crime here. The Government is known to be concerned about a recent series of gun-killings by gangs of bandits who have been kicking down doors, shooting householders and making off with gold and jewelry. A government statement said the amnesty is considered appropriate in view of proposed stiff penalties to be implemented for illegal possession of these materials. It is proposed to deal severely with persons in possession of any firearm, ammunition or illegally purchasing or acquiring the same, the statement added. Government said legislative measures will soon be introduced to increase penalties for these offences and in particular, to provide for mandatory imprisonment, in addition to fines. The reactivation of the death penalty--dormant for more than a decade--has been promised to help stem the crime wave. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 2 Oct 85 p 5]

CSO: 3298/10

JAMAICA

PNP OBJECTS TO SEAGA'S BROADCASTING DIVESTMENT PLAN

Port-of-Spain TRINIDAD GUARDIAN in English 7 Sep 85 p 5'

[Text]

KINGSTON, Fri., (Cana):

THE Opposition People's National Party (PNP) says it is fundamentally opposed to Government's new policy to divest sections of the state-owned Jamaica Broadcasting Corporation (JBC).

PNP General Secretary Dr Paul Robertson said the electronic media policy announced Tuesday by Prime Minister Edward Seaga as it related to the JBC was illegal and divestment proposals should be withdrawn.

There was no provision in the law which gave Government or the Prime Minister authority to arrogate the functions of the JBC Board or to divest its broadcasting licence, he said.

Mr Seaga announced this week that the JBC would operate a national FM Radio Service and television station with morning television being run by a private company from Monday to Friday for about three hours daily.

EARNINGS

The JBC AM Radio Service would be operated by other private interests which would also manage three regional radio stations, two of which were closed last week when about 80 staffers were dismissed.

Dr Robertson blamed managerial errors and

the public loss of credibility because of what he alleged was blatant JLP political propaganda projected in JBC's news reports and public affairs, for a drop in the station's listenership from more than 40 per cent in 1980/'81 to just over 20 per cent this year.

Dr Robertson said better management and radio programming could have improved listenership and commercial earnings. Profits earned from television could be used to make the corporation financially viable, thus negating the need to terminate the employment of experienced staffers, he added.

He said the PNP was concerned about the absence of any announced criteria by which the JBC services would be divested and added that this was an open door to corruption.

Dr Robertson also brushed aside references by the Prime Minister of excessive staffing at JBC, saying that this was caused by the corporation's recruitment policies over the last few years.

He also criticised the agency for breaking traditional labour practices by making workers with more than ten years redundant while retaining staff with less than four years service.

Mr Seaga also announced that a new public broadcasting corporation will be set up and the government will sell some of its 25 per cent shareholding in the second radio station, Radio Jamaica, among other initiatives.

CSO: 3298/1018

MEXICO

SOCIOECONOMIC TRAITS OF MIGRANTS, ATTENDANT PROBLEMS NOTED

Mexico City EXCELSIOR in Spanish 22 Aug 85 pp 1-A, 16-A

[Part 7 of a 7-part series by Felicitas Pliego on Sonora carried by EXCELSIOR, 16-22 September]

[Text] Nogales, Sonora, 21 August--Now, it is not only illiterate peasants who are crossing the border to the United States in search of better wages, according to a study prepared by the Interior Secretariat. Most of the undocumented persons have had primary and secondary schooling, and many of them own land. Moreover, the participation of Sonorans, Chihuahuans and Sinaloans in the total number of migrant workers has increased.

The seriousness of the economic crisis has also been shown in a reduction in the number of undocumented persons coming from the states in the southern part of the country: It is estimated that the trip to the border, including the waiting and payment to "guides," costs approximately 120,000 pesos. It has been noted here that there are increasingly fewer people who can pay this amount.

At the present time, between 60 and 70 percent of those attempting to cross the dividing line are Central Americans who, when expelled from the United States, remain on the border strip and displace Mexicans from jobs, both in the assembly plants and in domestic service. There is no official information concerning this, and no one has evidence, but everyone claims that "the Central Americans disguise themselves and pretend to be Mexicans...it is very difficult to uncover them."

It should be noted that there are no immigration controls either in Nogales or in San Luis-Rio Colorado. The guardposts are there, but deserted, as has been claimed since the time that Diana Torres was director of Immigration Services. This means that, whereas to cross over to the United States, those wishing to do so must examine their conscience, anyone can enter Mexico without any great trouble.

## The Case of the Central Americans

In the case of the Central Americans who pass themselves off as Mexicans, it is claimed that, when they are sent back from Tijuana, Mexicali or Ciudad Juarez, they return to Guadalajara, or cross the Chihuahua mountain range along the Janos road in an attempt to cross through minor border stations (which presumably are less watchful), such as San Luis-Rio Colorado, Nogales or Agua Prieta.

At the San Luis-Rio Colorado population office, we saw approximately 20 Guatemalan women, some of whom were making or receiving telephone calls. The officials in that office denied having seen Central Americans: "Once every 6 months a bus arrives with tourists," they remarked evasively.

They recalled that, on one occasion, it was said that there were clandestine landing strips between Hermosillo and Caborca, "but when we investigated, we didn't find anything" they claimed; and finally they admitted: "We tried to find out whether it is true that the Central Americans are eluding the border guards and leaving Hermosillo on regional buses for Cananea and Agua Prieta... we have been told that they go down as far as Guadalajara, travel to Zacatecas, Durango, Chihuahua and Ciudad Juarez, and return along the new Janos highway."

The residents of the border say that anyone who comes and persists gets by, but the populations of towns such as Tijuana, Mexicali and San Luis-Rio Colorado are constantly increasing. Every day, there are at least two buses with deportees at every border site: 60 or 70 percent of the occupants of each bus are Central Americans.

Those aspiring to be undocumented persons in the United States (according to the aforementioned study, which was prepared last year when the enactment of the Simpson-Mazzoli bill appeared to be imminent, with the resultant deportation of hundreds of thousands of our fellow citizens, fewer than 10 percent of the Mexicans are illiterate) are complaining that the national authorities treat them worse than the Americans do: "They don't allow us in the parks nor in their vicinity; they claim that we give a bad impression and that families will no longer come.

"And when we stay outside, in the shade of the bushes, they say that we are criminals or murderers...." We saw but few, because the previous day the police had driven them out of the park; most of them were youths with Central American features.

Their Mexican companions denied having seen any Central Americans there.

The border authorities comment that, when "there are many jobs there" the crossings are less difficult, and "we catch six per week at the most...they surrender to us already defeated."

It is noteworthy that Nogales is the most important site for the passage of Mexican garden produce to the neighboring country ("sometimes the prices are

set here"), and at the height of the season, between 1,500 and 2,000 trailer trucks pass through this town daily, in addition to railroad cars. Then, the undocumented persons have no problems in working: They are obviously the ones who load and unload the vegetables, while "la Migra" [the immigration authorities] pretend not to notice.

The long conflict on the isthmus is destroying the area's economy, which has forced the Central Americans toward the United States. It is estimated that a widespread war in the area would immediately increase the number of Latin Americans annually attempting to cross Mexico's northern border illegally from 1 million to 5 million. This may be one of the reasons that Washington has not invaded Nicaragua.

The aforementioned Interior Secretariat study also observes that most of the undocumented persons are between 15 and 39 years of age, with a greater concentration of those between ages 20 and 24, nearly all of whom are single males. The majority of those who have been turned back say that they will return to their place of origin. Only a quarter claim that they intend to try again.

2909

CSO: 3248/523

MEXICO

BRIEFS

RESTITUTION BY CONVICTED OFFICIAL--Guanajuato, Gto., 22 August--Raul Robles Alvarez, former finance secretary in the Enrique Velasco Ibarra government, repaid 700 million pesos, part of the money that had been appropriated through embezzlement, in order to seek a reduction in the sentence issued by the judge. The state's attorney general, Miguel Angel Garcia Dominguez, reported that, with that amount, Robles had reimbursed 1.6 billion pesos, as a partial sum, to repair the damage caused to the state treasury by the theft of large amounts of money from its holdings during his administration. Robles Alvarez was to be extradited from the United States, where he had fled after Enrique Velasco Ibarra's resignation from the Guanajuato government; but last Tuesday, he showed up voluntarily before the judge and turned over several properties consisting of land located in the Leon industrial zone, with a total value of 700 million pesos. The judge of criminal proceedings, Fidel Vazquez Medina, released him after the accused had paid 50,000 pesos in cash as part of the bail imposed on him. In this connection, the attorney said that, with the restoration of 1.6 billion pesos, the former official is not acquitted of guilt, and that he would only have the sentence issued against him by the judge reduced. [Text] [Mexico City EXCELSIOR in Spanish 23 Aug 85 STATES section p 4; for related article, see JPRS Latin America Report of 5 Oct 84 (JPRS-LAM-84-109), pp 83-84] 2909

FAZ SANCHEZ CASE TRANSFERRED--Yesterday, the seventh district judge of criminal proceedings, Fernando Hernandez Reyes, declared himself incompetent to continue the judicial proceedings against the former federal deputy from Sonora and former head of the National Confederation of Small Landowners, Salomon Faz Sanchez, accused of fraud perpetrated against BANAMEX [National Bank of Mexico]; and hence sent the records of the case to the first judge of Hermosillo. Judge Hernandez argued that, since the acts were committed outside his jurisdiction, he was abstaining from trying the accused. Nevertheless, Faz Sanchez' legal situation has not been changed, and his attorneys are now seeking his transfer to a jail in Sonora. He has been officially incarcerated in the Eastern Preventive Prison in this city, and it was said that, when the case records are in Sonora, an appeal would be filed with the judge who takes over the case of the decision that has deprived the former leader of his freedom. Yesterday, the records were delivered to the Federal Public Ministry attached to the seventh court, so that they might be turned over to the Hermosillo judge through the PGR's [Office of the Attorney General of the Republic] proceedings control administration. [Text] [Mexico City EXCELSIOR in Spanish 24 Aug 85 p 4-A] 2909  
CSO: 3248/523

NICARAGUA

FOREIGN TRADE MINISTER ON IMPACT OF EMBARGO

PA042359 Managua Radio Noticias in Spanish 1200 GMT 30 Oct 85

/Interview with Foreign Trade Minister Alejandro Martinez Cuenca by reporter Martita Garcia; place and date not given--live or recorded/

/Text/ /Martinez/ At this time we are not able to make a global analysis of the situation in 1985 because the year has not yet ended. Generally speaking, we believe that Nicaragua's exports amount to approximately \$330 million. We estimate imports at approximately \$780 million. However, it is still too early to make a final statement because exports and imports have not concluded for the year.

/Garcia/ Doctor, at this point in time /words indistinct/ of the economic effects of the U.S. trade embargo?

/Martinez/ If we were to analyze the effects of the embargo, we would have to do so on two levels. The first would be--as we said when the embargo was initiated--difficulties in the short term, because the embargo has meant finding new suppliers for imports, which is the most sensitive part of the situation. It has meant delays at some firms in obtaining replacement parts or raw materials, an immediate effect of the illegal embargo imposed on us by the U.S. Government as of 1 April.

On the medium and long term, we believe that as the country's productive sector sees that there are alternative markets that can purchase their products and that foreign trade is locating alternate markets to sell their products abroad, the effects will be reduced. However, we must establish that the embargo problem is only one more ingredient in the policy of aggression. This is what makes the effects of the embargo so negative; if it were only the embargo, we would discover that the effects could be easily dealt with. The problem of the embargo is that it reflects a policy of aggression that has been in effect for more than 3 years and has created great problems for our national economy. This embargo, the final drop of water, has only increased our problems.

From this viewpoint, our analysis is that on a practical level, if in the short term we see delays in some imports, in the medium term a new dimension has been opened to Nicaragua's international trade, and if we take advantage of this we will be able to solve the embargo problem. The embargo is part of an aggression policy and its global effects have been negative for our people and for the development of our national economy.

/Garcia/ How much does the triangulation (buying through a third party) required to purchase replacement parts and (?equipment) from the United States cost Nicaragua?

/Martinez/ The figures that we have establish that approximately \$150 million in products that were purchased from the U.S. market can be purchased from other countries at approximately 90 percent of this cost without triangulation. This means that these products can be purchased in Latin America, that we must turn to Europe, toward Asian countries that have the capacity to supply our needs without any type of triangulation. Added to this is that the dollar is losing its buying power on international markets, and imports from countries other than the United States are cheaper because the dollar has dropped. For the same value we can purchase many things, especially in European markets, more conveniently perhaps than we had done before the embargo. This is why we point out that an evaluation of what you describe as triangulation is very difficult to make, because it does not exist from the government's point of view. We are not doing this or implying it. We are only making the productive sector see the importance of seeking in other markets the possibility of substituting what used to be purchased from the United States.

/Garcia/ Could you tell us what markets we are exporting our most important product?

/Martinez/ The products most affected by the embargo, as I have said on other occasions, are bananas, tobacco, meat, and seafoods. These products are being exported to European and Arab markets; this is where /words indistinct/ nothing, where we have found the markets that have substituted the purchases that the United States used to make from Nicaragua.

/Garcia/ What prices are we getting on the world market?

/Martinez/ We cannot yet make a comparative evaluation of whether this is more advantageous or not. We can say that selling the way we used to sell such products as meat and seafoods, it could be that the U.S. market was more advantageous than the alternate market. However, the embargo has forced us to not only diversify our markets, but the manner in which we sell.

CSO: 3248/17

NETHERLANDS ANTILLES

## SURINAMESE RESISTANCE RESPONDING TO ASSASSINATION FEARS

The Hague WEEKKRANT SURINAME in Dutch 17-23 Aug 85 p 1

[Article by "one of our editors"]

[Text] Rotterdam--In recent days the Surinamese Liberation Council has set up its own guard service for its members after reports that a hit squad has arrived from Suriname with the assignment of getting rid of members of the Surinamese resistance in the Netherlands.

Council member Glenn Tjong Akiel informed journalists that this had been done because Dutch legal authorities had failed to protect the members of the Council. When asked, the Police said that because of the shortage of police manpower, to which is added the fact that this is vacation time, it was impossible to guard each member of the resistance permanently. Such protection has been provided for Council Chairman Henk Chin A Sen and for Rudolf Jankie, chairman of the Suriname Democracy and Human Rights Foundation, who are reported to be the first targets for attack. The hit squad is said to have arrived in the Netherlands via Brussels.

Seriously

Tjong Akiel said in a radio interview that he takes the reports seriously. He wondered whether the fact that the members of the team bore diplomatic passports was really reason enough for Dutch legal authorities to take no action. According to him "this is the umpteenth time that the criminal character of the regime in Suriname has been revealed." He pointed in this connection to the recent attempted murder in Rijswijk.

Legal Order

Replying to the question of whether these developments would not be reason for the Liberation Council to abandon its strategy of nonviolence, Tjong Akiel said: "We have always stated that we adhere to the Dutch legal order. We know that our followers see things differently. We do ask ourselves more and more how long we will still be able to maintain that point of view."

12593  
CSO: 3214/30

## NETHERLANDS ANTILLES

## CURACAO'S MARTINA FEARS GROWTH IN VENEZUELAN INFLUENCES

Willemstad AMIGOE in Dutch 12 Aug 85 p 3

[Interview with Don Martina, leader of the Netherlands Antillean opposition, by Frans Kok; August 10; place not specified]

[Text] The Antillean government is doing everything it can, with help from the Netherlands, to keep the oil refinery in Curacao. Now that Shell is definitely leaving, it means that the door is wide open for the Venezuelan state oil company. Not everybody on Curacao is equally enthusiastic about that. Former Prime Minister Don Martina is clearly concerned about the dangers that a large Venezuelan economic influence on Curacao might present. On Saturday AMIGOE reporter Frans Kok had the following interview with him before the start of the meeting between the States-General and Minister of Antillean Affairs Jan de Koning.

Willemstad.--[Martina] "The fact is that Curacao is a small island off the coast of Venezuela. Curacao is however of great importance to the region from an economic and strategic point of view. Thus it is understandable that it exerts a strong magnetic attraction on Venezuela. We must be very watchful in order to maintain our own identity."

"Jonkheer Van Lennep must therefore sound out carefully in Caracas just what the Venezuelans' real intentions are. Is it just a matter of keeping the refinery going so as to dispose of a surplus of oil, or is it a political maneuver to fill the vacuum in the Antilles?" Don Martina asks.

He warns against too great a Venezuelan influence on the fate of the Antilles. "The present government is putting all its effort on the attempts to save the refinery and is forgetting to think about the consequences of a Venezuelan takeover of the refinery. Economic power also means political power. It would be better for us if we oriented our policy towards the other small Caribbean islands. Why is that still not happening? We are still hanging on to Mother's apron strings and are showing too little interest in our own political future."

Martina is not willing to go too much into the concrete dangers threatening Curacao if Venezuela becomes dominant. But apart from the fact that Curacao would then become an appendage of its large and, until 30 years ago, very unstable neighbor, it is known that he fears that the black Curacaoenaars would then be viewed as second-class citizens.

Question: Would you go so far as to say, better a Curacao without the refinery than a Curacao with the refinery but under Venezuelan domination?

[Martina] "Let me put it like this: We are still in the middle of our decolonization process. Let's see to it that we do not drift into recolonization. We are now fighting against time to keep the refinery, but if we do not

watch out, blunders could be made. I wonder how far we should go in sacrificing our independent political future in the effort to keep the refinery open. A less prosperous island does not mean a less happy island. Shell is leaving, and we are being left behind in a balkanized region. Aruba's separate status is clearly also a concern for Venezuela."

"Once when I was in Caracas as prime minister, I said that for us sovereignty is not dependent on the size of our country. That right is not determined by size. You will, I said, have to respect that. And you will, given your own historic struggle for independence under Simon Bolivar's leadership. At that time they agreed with me, but we have to remind them of that continuously and point out that they have to adhere to the international norms and rules."

Question: The present Antillean government appears to be quite charmed by its contacts with Venezuela, but what does the average black Curacaoenaar think about Venezuela? Is it not true that it is the whites in Willemstad especially that maintain close relations with our neighbor and in the past hospitably allowed Venezuelan exiles to seek refuge on Curacao to wait for better times?

Martina: "There are two kinds of contacts with Venezuela: between Willemstad and Caracas, and between Curacao and Coro. Coro is right on the other side of the channel, and the population there is black and to a large extent descended from Curacao. So through the centuries there have been intensive contacts, although we have always been much more oriented towards the Netherlands than towards Venezuela."

We return to the problems surrounding the Shell refinery. Some people in the Netherlands see a return to the agitation of 1969, when part of Willemstad was burned to the ground, and peace was only restored after the Marines intervened. Martina explains that this fear is completely unfounded. The situation is now entirely different, he says. He thinks the word apathy is too strong, but there is not much sign of great rebelliousness. Rather a feeling of disappointment prevails. People realize that the island has terribly little room to maneuver in, he says.

Some workers, especially the educated ones, will probably depart for the Netherlands to seek work there. He does not have serious problems with that. After all, Curacaoenaars have a right to go out into the world to seek a living, and it is better in that case that they should go to the Netherlands. In that case it is possible to keep up contacts, and if new projects get going here, it is easier to fetch them back home, he says.

As for the rescue operation for the refinery, on Saturday, as that day's AMIGOE reported, Don Martina revealed a five-point plan. It is intended to prevent the Antilles from plunging into a reckless adventure. The Antilles should make a 1-year processing deal with Venezuela, by which Venezuela would continue to own the oil and the end products, and the refinery would only refine them. In the meantime the possibilities for the future would be investigated. "After all, we are talking about an operation with a turnover of 2 billion a year. The Antilles do not have the strength and the manpower to decide on short notice that they can take part of that over."

"I am curious to see what the Netherlands policy will be in this matter, and whether there really is a policy. Thus far I have the impression that Lubbers is on a different course from De Koning. It may also be that they are playing friendly cop-tough cop, because they swear at De Koning here and praise Lubbers. Still, Lubbers misinformed us 2 weeks ago when he said that the refinery could stay open, when he knew very well after a 3-hour talk with Oil Minister Hernandez Grisanti that no solution had been found, and that one could not be found either in the next 10 days during the discussions between Shell and PDVSA [Venezuelan Petroleum, Inc.]," Martina says.

PARAGUAY

OBSERVERS VIEW CURRENT POLITICAL SITUATION

PY181842 Paris AFP in Spanish 2158 GMT 17 Sep 85

[By Hugo Ruiz Olazar]

[Text] Asuncion, 17 Sep (AFP)--The banishment of the leaders of the Colorado Popular Movement (MOPOCO) leaders Enrique Riera, Alejandro Stumpfs, and Miguel Angel Casabianca was interpreted today by diplomatic sources in Asuncion as proof that government officials are more afraid of the members of their own party than of the opposition.

The internal struggle between the traditional and militant factions, which is wearing down the structure of the official Colorado Party for the first time during the 31 years of the government of General Alfredo Stroessner, is looked upon by local analysts, diplomats, and the opposition as a campaign to have one of Stroessner's relatives or a civilian succeed him.

According to analysts, the MOPOCO, a dissident group of the official party and member of the opposition coalition National Accord, is considered the greatest threat to the structure of the government party because in a democratic political opening, it might get the sympathy of Colorado Party members.

The analysts said that the constant vigilance imposed on MOPOCO dissident leaders since their return from 25 years in exile proves that the government fears the MOPOCO.

A lay Catholic Church representative explained his theory to AFP, a theory with which several analysts agree. It includes that militants (considered the party of General Stroessner); the traditionalists, and two factions that support Stroessner but want a civilian to succeed him.

The MOPOCO leaders, who, it is believed, will play an important role in the future democratic process not only because they were expelled from the government party when they called for free elections (in the first decade of the Stroessner government) but also because of their leadership and political ability.

The two factions that reportedly joined the traditionalists to face the militants in the struggle for power are the Authentic Colorado Movement, headed by young politician Mario Milciades Melgarejo, who has been arrested and banished several times, and the group headed by former Interior Minister Edgar L. Insfran.

According to official sources, Insfran was dismissed from the government because of his great charisma and ability to speak, which have won him great popularity. This created envy among the other party leaders. His popularity was comparable to that of Epifanio Mendez Fleitas, another leader separated from the party, who is currently in exile.

According to the theory, the bold and aggressive language used by the militants is part of a plan to take over the Colorado Party Executive Board to carry out the project of family succession of power just the way it was announced a few weeks ago by the rank-and-file leader, Mario Pastor Almada.

In a conversation with AFP, Almada said Stroessner's son, Lieutenant Colonel Gustavo Adolfo, will succeed his father because the people want him.

Almada also revealed that right after the 20 October municipal elections are held, a call will be made for large rallies with the participation of the candidate, who is not very well-known, to deliver a public message to the Colorado Party members in the country.

In the meantime, the opposition party made up of the Liberal Party and the Radical Liberal Party which, according to the National Accord, give the government an image of legality, have also broken down in the last few months and today, Percio Franco, the head of the Radical Liberal Party, and one of the opposition leaders in Congress, resigned.

Considering the serious divisions in the political parties that are going to participate in the October elections, the analysts believe there will be fewer voters this year despite the growth of the population in the last 5 years.

CSO: 3348/18

PARAGUAY

COMMENTARY ON INCREASED REPRESSION IN NATION

PA221924 Havana International Service in Spanish 2310 GMT 17 Sep 85

["Our America" commentary]

[Text] The oldest dictatorship in America, the one which has oppressed Paraguay for over three decades, has recently intensified its attacks on the opposition political groups. The regime arrested (Mario Abdon Saguier), secretary general of the banned Authentic Radical Liberal Party, when he was participating in a meeting at Itagua. Likewise, Enrique Riera and (Alejandro Stunz), members of the Popular Colorado Movement, were banished to the countryside following an arbitrary decision by the authorities, who claimed it was done for security reasons. The president of the Popular Colorado Movement asserted that dictator Alfredo Stroessner's regime has increased its repressive actions against his organization, and emphasized that the two stations which broadcast news about the movement were so intimidated that they stopped doing so. A few days earlier the journalists union had denounced the dictatorship's constant harassment of a local station, Radio Nanduti, as an effort to suppress the increasingly limited freedom of expression in that South American country. The radio station's director, Humberto Rubin, and journalist Oscar Acosta were arrested and accused of violating the law, simply because they had recorded and broadcast a speech by Julio Basualdo, leader of the opposition Radical Liberal Party. Radio Nanduti's employees, commentators, and reporters told the international news media about the difficult future which looms ahead for them in a country with enormous unemployment, following the closedown of the popular Paraguayan radio station, whose owner said on more than one occasion that his radio station held the ideal of liberty as its banner.

The situation is part of the economic crisis which is being withstood by the Paraguayan people and the corruption which prevails at every government level. The Catholic Church of Paraguay has echoed the people's feelings and condemned the administrative corruption and increasing deterioration of living conditions, which has a direct effect on the most downtrodden classes. The church also said that the Guarani people live in a permanent state of fear, insecurity, and constant repression. The Catholic Church recalled that for the last 30 years there has been a military dictatorship in Paraguay, which has dominated the country through terror and corruption, supported by civilian groups which are trying to give it a certain democratic

character. The ecclesiastical institution likewise said that General Alfredo Stroessner's dictatorship is totalitarian and is both directly and indirectly involved in all the matters concerning the citizenry's activities through an infrastructure of fear and government corruption.

The Paraguayan people's suffering as a result of the dictatorship's genocidal policy is worsened by the fact that 3 million of the country's inhabitants live in indescribably bad conditions, because the workers' salaries barely cover 40 percent of their basic needs. Eighty percent of the people are illiterate and the infant mortality rate has reached dramatic figures. This tragedy which afflicts Paraguay has prompted more than one million citizens to immigrate, particularly to neighboring countries. Such are the results of the terror and ambition in which this country of our America is constantly immersed by a small group of families, led by Stroessner.

CSO: 3348/18

PARAGUAY

FEBRERISTA REVOLUTIONARY PARTY ELECTS NEW BOARD

PY040138 Asuncion HOY in Spanish 3 Aug 85 p 8

[Text] The 14th regular convention of the Febrerista Revolutionary Party [PRF] concluded in the early morning hours of 2 September after 2 days of heated deliberations with the election of Dr Fernando Vera as the new PRF president. Vera is a former IMF economist, who is replacing officialist movement candidate Dr Euclides Acevedo.

Vera, 66, a candidate running under the slogan "Rafael Franco Institutional Recovery," defeated Acevedo, who ran under the banner "Modernism for a Change." Vera received 107 votes from the 199 electors qualified to elect the new officials, obtaining an edge of 16 votes over Acevedo's banner, which barely received 91 votes. [numbers as published]

Therefore, the new Executive Board is made up as follows: president, Fernando Vera; first vice president, Oscar Acuna Torres; second vice president, Arnaldo Llorens; Members: Igancio Iramain, Juan G. Granada, Raimundo Careaga, Francisco Orue Diaz, Victor Salomoni, Federico Robledo, Jose A. Duarte, Jaime Ortiz Duarte, Milciades Casabianca, Alcides Vergara, Oscar Merlo, Nelson Rojas, Pedro Fernandez, Ruben Lisboa, Eliseo Cabrera, Bernardino Caballero Calcena, Juan Emilio Bado, Federico Panderi, Nils Candia Gini, Cesar Baez Samaniego, Rita Alvarez, and Jose Galeano del Puerto.

The five other elected members, representing the interior of the country and running under the losing banner, are: Nimio Vera, Alberto Paiva, Elpidio Correa, Oscar Martinez, and Julio Cardozo.

CSO: 3348/16

PARAGUAY

RADIO NANDUTI'S RUBIN TESTIFIES IN BASUALDO CASE

PY092149 Asuncion Cerro Cora Sistema Nacional Television in Spanish  
0000 GMT 6 Sep 85

[Interview granted by Radio Nanduti Director Humberto Rubin to Cerro Cora Sistema Nacional Television's regular newcast "Hora 20"--recorded]

[Text] [Announcer] Humberto Rubin was summoned today to testify before the judge handling the case against politician Julio Basualdo who is being tried under Law No 209. During the following interview, Rubin explained what he told the judge.

[Begin Rubin recording] [in progress]. . . charges made by the investigative police because the truth is that it was just a simple interview with politician Basualdo, who said that the time had come for all liberals to confront the Colorado party with our hands, our feet, the necessary weapons so that [Rubin changes thought] in sum, it was another of the many meetings and many problems that all political parties have. I do not believe that the charges under Law No 209 affect me and I told the judge so.

The radio station has several newcasts. If I broadcast it [the interview] at 0600, I repeat it at 1100 at 1800, I cannot expect the listeners to listen to Radio Nanduti for 20 hours running. I repeat, abridge, or expand a report according to the station's criteria.

Now then, this gentleman at the investigations department probably considers himself to be a journalist or director and has no right to voice his opinion on why I coldbloodedly broadcast heated statements by a politician. I, particularly, believe there has been a misunderstanding. In the first place I think he was in too much of a hurry to call me a terrorist, to say that I use the station with subversive attitude. This is not true, this is a radio station that preaches peace, love, solidarity, that defends what is most important: the freedom of the press. What I told the judge was that this once again establishes precedents which show that freedom of the press exists, or at least should exist in Paraguay. The Constitution defends the right to inform. Basualdo's case was just another episode as far as I am concerned. I used the following example several times: tomorrow, for example, you or I broadcast information regarding the Shining Path group and then the Peruvian ambassador comes and accuses us of being

involved with the Peruvian Guerrilla. What do we have to do, we just broadcast information as soon as it is printed by the teletype machines or generates a public act as in the case of Basualdo who, probably out of fear, while in the investigations department, said that he had not authorized the recording of his statements to be broadcast. He even said that he did not know that his statements were being recorded. Since when does a journalist need any one's authorization to broadcast a recording of a public act? This is the first time in my life I have heard this. Now then, if it had taken place in a private home, where no one was allowed to enter, then I understand. But a public act? That day we interviewed members of the Colorado Party, liberals, radicals. I think that the mistake here was made by Pastor Coronel. Maybe, he considers himself a journalist and would like to direct a radio station. However, I am sure he has a lot of work at the investigative department so he should stay there.

CSO: 3349/17

PARAGUAY

JUDGE TO QUESTION BASUALDO, NANDUTI PERSONALITIES

PY041842 Asuncion HOY in Spanish 4 Sep 85 p 19

[Text] Liberal Radical Party [PLR] leader Julio Basualdo, Humberto Rubin, the owner-director of Radio Nanduti, and Oscar Acosta, a reporter for the same station, are involved in a trial for allegedly violating Law 209--which deals with the defense of peace and the freedom of people--in Asuncion. Basualdo is an alternate member of his party's executive board and also the president of party committee No 9 headquartered in the Obrero neighborhood.

Judge Juan Carlos Valenzuela Jimenez will question Basualdo this morning at 1000. It has been reported that the PLR leader, who was arrested by Investigations Department personnel, is now in the Tacumbu prison. Rubin and Acosta will be questioned on 5 September and on Thursday, 5 September [as published], respectively.

The judge ordered that Basualdo be arrested and that the two journalists be summoned for questioning. In a note sent to General Francisco Alcibiades Britez Borges--the chief of the Asuncion Police--Investigations Department Chief Pastor Milciades Coronel reported the arrest of Basualdo.

The note, now in the hands of the judge, states: "The investigations have revealed that on 22 August 1985, Radio Nanduti broadcasted a speech by Basualdo, who said, quote: Companeros, we must confront the Colorados with our hands, our feet, with or without weapons, as a tribute to these PLR people who are suffering starvation, misery, and persecution, unquote.

"It is clear that these words, uttered during a political meeting attended by some 40 people, instigated violence, advocated struggle, and stirred up hatred among the Paraguayan people. Article 148 of the Penal Code and Article 4 of Law No 209, which is aimed at defending democracy, classify this type of conduct and establish the proper punishment."

The Investigations Department note adds: "However, it is particularly alarming that Radio Nanduti should have become involved in the case through its reporter Oscar Acosta. Even if it were possible to justify the attitude of Basualdo, because he spoke during an agitated political meeting, there is neither explanation nor justification for the attitude of Radio Nanduti.

In fact, the next day the station coldly decided to broadcast the part of the speech that was clearly most inciting, in an openly subversive attitude that should be accounted for before the judicial branch.

"Therefore, we are hereby handing over this individual to the police command, so that he may be put at the disposal of the courts. The responsibility of the director of Radio Nanduti and of reporter Oscar Acosta should also be established in order to clarify their involvement in the dissemination of expressions that advocate rebellion and stir up hatred among the Paraguayan people," the note says. The note, initially sent to the police chief, has been submitted to Juan Carlos Valenzuela Jimenez, the judge in charge of the 8th criminal district.

CSO: 3349/17

PARAGUAY

BRIEFS

LIBERALS REACT TO BASUALDO'S ARREST--Julio Basualdo, leader of the Radical Liberal Party [PLR], was placed at the disposal of the court yesterday morning, for having violated Law 209 and Article 148 of the Penal Code. Basualdo, who is an alternate member of the PLR executive board, was arrested for making statements, which allegedly violated the Penal Code, during a meeting of his party's executive board. Basualdo's arrest has caused marked uneasiness among the liberals. For this reason and in protest of the arrest, the Liberal and the Radical Liberal Parties decided yesterday, not to participate in congressional activities or in those of the Municipal Council, until Basualdo is freed. [Text] [Asuncion HOY in Spanish 30 Aug 85 p 12 PY]

JUDGE ORDERS BASUALDO'S RELEASE--Julio Basualdo, a rank-and-file leader of the Radical Liberal Party, was released this morning. Basualdo was tried for the alleged violation of Law 209. The judge ordered his release to the custody of his lawyer Enrique Simon. A note was sent to the national penitentiary to comply with the judicial order. Prosecutor Virginia Nunez Caballero advised Basualdo's release and her advice served as the basis for the judge's decision. A note was sent to the national penitentiary to comply with the judicial order. [Excerpts] [Asuncion ULTIMA HORA in Spanish 12 Sep 85 p 9 PY]

UNION LEADER DETAINED--Sebastian Rodriguez, the secretary general of the Drivers Union of the San Fernando S. A. Bus Line 21 Enterprise, was detained on the morning of 14 September by members of the Central Police Headquarters. HOY has been told that the reasons for his detention are not known. Nicolas Gonzalez Sastran, that sector's lawyer, visited Rodriguez at the Central Police Headquarters, where he is being detained. The duty officer told the lawyer that he did not know the reasons for Rodriguez' detention. The labor leader also made it known that he has not been told why he is being detained and that he is worried because his wife is going to give birth within the next few days. [Text] [Asuncion HOY in Spanish 15 Sep 85 p 12 PY]

AUTHORITIES RELEASE UNION LEADER--Sebastian Rodriguez, secretary general of the Drivers Union of the San Fernando S. A. Bus Line 21 Enterprise, was released shortly after noon on 17 September. The union leader was arrested on 14 September by Central Police Department personnel. On 16 September lawyer Marcial Gonzalez Safstran submitted to the court a plea for habeas corpus on Rodriguez' behalf. [Excerpt] [Asuncion HOY in Spanish 18 Sep 85 p 15 PY]

MOPOCO LEADER DETAINED--Miguel Angel Gonzalez Casabianca was detained by the police on 14 September when he returned to the country from Buenos Aires. The reason for his detention is not known, but it has been learned that he has been detained in the Central Police Headquarters. The political leader is currently the international secretary of MOPOCO [Popular Colorado Movement], which now has its directorate in the country since its members were allowed to return. Gonzalez Casabianca was one of the first MOPOCO members to return. He returned in December 1983 through the Argentine city of Posadas. At that time he was the organization's president. [Excerpt] [Asuncion HOY in Spanish 15 Sep 85 p 12 PY]

BRAZILIAN BUSINESSMAN DISCUSSES RADIUM PLANT--Eliseo Miguies Curvo, president of Brazil's Mineracao Corumbaense Reunida S.A., arrived in Paraguay together with a delegation from the Swedish Asea A.B. Company. Curvo said that the Paraguayan steel company Acepar "will become a seed that will bring other plants to the country. I myself intend to come with a group to install a 200,000 ton radium plant." He said that he has already made the first contacts for the installation of a plant to produce this radioactive metal. "I have the full support of the Paraguayan Government to do so," Curvo stated. [Excerpt] [Asuncion EL DIARIO in Spanish 17 Sep 85 p 7 PY]

CSO: 3348/16

23 October 1985

PERU

## GARCIA PRESENTS BALANCED BUDGET PROPOSAL FOR 1986

Lima EQUIS X in Spanish 16 Sep 85 pp 26-27

[Article from Economic Reality section: "Deficit Zero"]

[Text] The draft fiscal budget for 1986 submitted to Congress by the Executive Branch totals 52,050,188,000.0000 soles. This figure, although it is almost twice the amount authorized for this year, when expressed in 1985 soles, is 18 percent less than the amount approved during the last fiscal year of the Belaunde administration.

The first major difference between this draft budget and that of 1985 is that now the document sent by the Executive Branch does not contain an opening deficit. As may be recalled, on 24 August 1984, the Council of Ministers approved a draft budget which, according to the MEFC [Ministry of Economy, Finance and Commerce], contained an opening economic deficit of 543.700 billion soles, equivalent to 0.5 percent of the GDP; and for the latter a growth of 4.0 percent was predicted.

Another visible difference is the incorporation of a new chapter in the Annual Budget Law, entitled "Rules for Ethics in Public Spending."

This differs from the previous budget laws, whose contents only included a chapter entitled "Rules for Austerity in the Execution of Public Spending," rules which, moreover, were "bypassed" through special decrees which the MEFC granted left and right.

## The Assumptions

The main assumptions on which a budget projection is usually based are the rate of growth of the GDP, the inflation rate, the rate of increase in liquidity and the average exchange rate. Regarding the latter two, with the new economic policy they are considered basically frozen. There is, moreover, an explicit statement from the prime minister that they will not resort to the monetary program to finance public spending.

As for the first two, the projections have not yet been provided publicly, perhaps to avoid erroneous expectations regarding the economic agents, and

also because there is a desire to assess the tendency of the results which the recent measures have been bringing.

On the other hand, three specific assumptions have been published. The price of a gallon of 84 octane gasoline is considered equivalent to U.S.\$1.25, in other words, 21 intis. Consideration has also been given to the implementation of a wage policy that would gradually recover the public sector's purchasing power. And finally, and this is the most important, the foreign debt service has been programmed with a sum not to exceed 10 percent of the exports anticipated for 1986.

It is worthwhile dwelling a little on the debt problem. The service that must be paid in 1986 for debts contracted amounts to 29.530000 billion soles. Nevertheless, in the draft budget, based on a policy decision, only as much as 8.572000 billion soles will be provided.

This ostensibly very drastic measure is simply necessary. The amount of pending payments and the debt service anticipated for the next 12 months totals \$5.565 billion, in other words, a sum equivalent to 170 percent of the value of the exports estimated for 1 year; which gives a categorical, unequivocal signal of the impossibility of paying the debt on the agreed terms.

Furthermore, as Prime Minister Luis Alva Castro stated at the Conference on Foreign Debt organized by the municipality of Metropolitan Lima, the 320 million (approximately 10 percent of the exports) appropriated for the payment would be feasible managed. Priority would be given to the multilateral agencies, since the country receives from them a net capital flow. Eventually, there may be a payment of the commitments to the governments willing to provide advantageous lines of credit; but the payments to banks and other creditors will have to wait for a redefinition of their terms and conditions.

#### Sources and Uses

Insofar as the use of funds is concerned, the distribution of public spending can be viewed from two angles: the sectorial allocation and the allocation based on economic destination. As always occurs, the economy and finance sector takes the lion's share. This time, it collects 37.48 percent of the budget, slightly less than half of which is for the debt service. As everyone knows, the latter is channeled through the General Directorate of Public Credit (an MEF line agency), which purchases from the BCR [Central Reserve Bank], with soles, the dollars used for the payments to foreign creditors.

It is followed in order of social importance, by Education, Health and INADE [National Institute of Administration for Development]. For education, 11.3 percent will be appropriated; whereas 7.11 percent will go for health, and 6.55 percent for INADE. Nevertheless, the Ministries of Interior and War follow, with large percentages of 8.53 and 7.27, respectively.

As for the functional distribution, we do not yet know how the spending will be distributed among the 12 general items and the many other similar specific

items. But we do know the major additions: Running expenses (salaries, goods, services, current transfers, pensions, and interest and commissions) will absorb 67.3 percent; the cost of investment (studies, projects and capital goods) will be equivalent to 23.9 percent; and, finally, the amortization of the debt will dispose of 8.8 percent of the total spending.

As for the sources of funds, of the four which exist: income from transfers, debt, the government's own income and revenue from the treasury, the main one will be the latter, which will provide 91.1 percent of the total financing. As we know, the public treasury has a single running account in the Bank of the Nation, which receives contributions from the funds earmarked by the collecting entities, basically taxes and customs.

#### Requiem for the MAC

In 1982, Manuel Ulloa contracted the Spanish group, MAC to provide advice on the preparation of the public budget. At the time, it was claimed: "The new method is aimed at improving the allocation of public spending to the country's various sectors; so that the budget will better address the real priorities of the government's policy and be based less on the inflexibility stemming from previous decisions."

Everyone realizes that the result was catastrophic, perhaps not so much due to the advisory group as to the extensive waste and corruption among the Belaunde administration's governors and officials. There will be occasion to show that the MAC's methodology was only a remedy based on the technique of budgeting through programs; a technique which was established in Peru as early as 1962, through Decree Law 14260, which was later consolidated with Law 14816, known as the Organic Law on the Functional Budget of the Republic.

We all hope that now, Jorge Ordonez, current general director of the public budget, will successfully direct the work for programming, formulation, execution and evaluation of the budget. It is evident to me that on the eighth floor of the ministry on Abancay Avenue there is a desire to appropriate the spending on the basis of the anticipated results.

#### Chart 1

##### Debt Service

(millions of intis)

|              | Should Be Paid | Will Be Paid |
|--------------|----------------|--------------|
| Interest     | 10,313         | 3,995        |
| Internal     | 1,245          | 1,245        |
| External     | 9,063          | 2,750        |
| Amortization | 19,217         | 4,577        |
| Internal     | 1,646          | 1,646        |
| External     | 17,571         | 2,931        |
| Total        | 29,530         | 8,572        |

Chart 2

Unpaid Peruvian Foreign Debt as of 31-7-85

|                     | Debt in Arrears | Unpaid Interest | Total |
|---------------------|-----------------|-----------------|-------|
| Governments         | 575             | 75              | 650   |
| Private banks       | 1,924           | 300             | 2,224 |
| Suppliers           | 151             | -               | 151   |
| Socialist countries | 84              | -               | 84    |
|                     | 2,734           | 375             | 3,109 |

Chart 3

Sources and Uses of Funds

|                                | (millions of intis) | Structure |
|--------------------------------|---------------------|-----------|
| A. Total Income                | 52,050              | 100.0     |
| Current income                 | 47,945              | 92.1      |
| Treasury                       | 47,415              | 91.1      |
| Tax                            | 44,617              |           |
| Non-tax                        | 2,798               |           |
| Own income                     | 392                 | 0.7       |
| Income from transfers          | 138                 | 0.3       |
| Capital income                 | 4,105               | 7.9       |
| Debt                           | 4,105               | 7.9       |
| Internal                       | 60                  |           |
| External                       | 4,045               |           |
| B. Total Expenses              | 52,050              | 100.0     |
| Current expenses               | 35,008              | 67.3      |
| Capital expenses               | 12,465              | 23.9      |
| Amortization                   | 4,577               | 8.8       |
| Internal                       | 1,646               |           |
| External                       | 2,931               |           |
| C. Surplus (Deficit) in Budget |                     |           |

2909

CSO: 3348/969

PERU

APRA, IU BOTH FEELING INTERNAL PARTY STRESSES

Lima OIGA in Spanish 16 Sep 85 pp 12, 74

[Text] The misunderstandings regarding judicial moralization have exposed some splits within the government party. These disagreements had already been hinted when the director of the National Prison Institute took the notion to describe those accused of and sentenced for the common crime of terrorism as "political prisoners." It did not take long for his head to roll. However, an extremist sector of the party identified itself with the besmirched official. Needless to say, that radical fringe is headed by Senator Valle Riestra.

But those conflicts are actually nothing new. They date back before the election campaign, and have been skillfully controlled by Alan Garcia.

The internal quarrels or concealed estrangements are now based not so much on ideological differences as an arrogant style, which has aroused a great deal of resentment. The one most disturbed by President Garcia's drive seems to be Senator Luis Alberto Sanchez, who had already voiced his overt misgivings regarding the micro-regionalization undertaken by the government.

Sanchez, Napoleon and Mussolini

Last Friday, a lengthy interview with LAS [Luis Alberto Sanchez] containing sharp references to Alan Garcia appeared in the newspaper EL NACIONAL. The most obvious comment was the following: "(Alan's style) might remind one not only of Peron, but of many others. It might remind one of Napoleon, or many prominent figures of the right or left; it might remind one of Stalin, Mussolini or Churchill." The memorable parallels drawn by Sanchez did not prove overly kind to Alan, except for the allusion to the old lion of the British Empire.

While the Aprista Party is confronted with some internal disputes (which, for the present, are not jeopardizing the unity, which is far from being "monolithic," as one excited commentator claimed), the United Left [IU] is also suffering from the same disease, with symptoms that are probably more serious.

Two opinions from Mayor Alfonso Barrantes, political chief of the hilariously termed United Left, caused an upset and uneasiness within that group. The

first: agreeing with Alan Garcia that the captured terrorists are not political prisoners; and second: rejecting the dismissal of all the members of the Supreme Court.

The moderation shown by Barrantes (who seems to have given himself a bath of pragmatism in the difficult Lima City Hall) enraged the native communists. In fact, the Marxist bulletin, EL DIARIO DE MARKA, unleashed a very harsh campaign against Mayor Barrantes, collecting statements which ridiculed him and interjecting that, "with such posturing, he has made himself a follower of the government's reactionary positions."

The Aprista problem appears to be one basically of style. In IU, on the other hand, there are no generational disputes which hurt the pride of old members, but rather ideological clashes, which may possibly cause the unity to explode into a thousand pieces.

2909

CSO: 3348/969

PERU

BRIEFS

NEW GOVERNMENTAL APPOINTMENTS--Justice, inspector general of the Ministry: Pedro Luis Velarde Navarro. Industry, adviser to the vice-minister of commerce: Luis Neptali Santillan. Agriculture, regional director of the 11th Agrarian Region-Cajamarca: Jorge Chiclayo Domenech; regional director of the Third Agrarian Region-Lambayeque: Manuel Carbajal Chumioque; executive director of agricultural-livestock promotion of the National Institute of Agricultural-Livestock Research and Promotion: Oscar Arroyo. INADE [National Institute of Administration for Development], special projects manager and chief of the APODESA Program: Jose Perea Caceres; administrative manager: Alfredo Avalos Ramirez. Education, director of the National Symphony Orchestra: Carmen Moral Pomaredo (confirmed); director of the Folklore Center: Jose Maria Arguedas; director of the National Institute of Culture: Luis Alza Tejada; secretary general of the National Institute of Culture: Amelia Aranibar Fernandez Davila; conservation director of the Directorate of Cultural Heritage of the National Institute of Culture: Eulogio Tapia; director of the National Theater of the National Institute of Culture: Ernesto Bernardo Raez Mendiola; inspector general of the Ministry: Otoniel Alvarado Oyarce. [Text] [Lima EL COMERCIO in Spanish 11 Sep 85 p A-5] 2909

INTERIOR DEPARTMENT SUBPREFECT APPOINTMENTS--The Ministry of Interior has made the following appointments of subprefects: San Martin: Bellavista, Roman Rivero Saldana; Huallaga, Pedro Hidalgo Rengifo; Lamas, Alberto Saavedra Reategui; Mariscal Caceres, Julio Maldonado Pinedo; Moyobamba, Rodolfo Beas Pineda; Picota, Juan Tello Paredes; Rioja, Felipe Ruiz Vasquez; San Martin, Luis Garcia Hidalgo; Tocache, Saul Lopez Reategui. Tumbes: Zarumulla: Neptali Cruces Roman; Contralmirante Villar, Jose Demetrio Colan Gomez; Tumbes, Pablo Pedro Garcia Dioses. Tacna: Tacna, Regulo Quina Rivera; Tarata, Hernan Silva Telleria. Piura: Talara, Carlos Celi Navarrete; Sullana, Hermenegildo Echevarria Martinez. Pasco: Daniel Carrion, Americo Ledesma Garcia; Oxapampa, Julio Arias Dorregaray; Pasco, Jose Fano Jimenez. Moquegua: General Sanchez Cerro, Arturo Oviedo Oviedo; Mariscal Nieto, Amaro Cuellar Flor. Ucayali: Atalaya, Dorian Campos Vargas; Coronel Portillo, Policarpio Ramirez Falcon; Padre Abad, Luis Alvan Frech. [Text] [Lima EL COMERCIO in Spanish 7 Sep 85 p A-4] 2909

GENERALS, WAR MINISTER CLASH--The war minister, Jorge Torres Flores, reportedly had a bitter discussion with four division generals recently. The dispute is

said to have arisen when the list of those assigned to provinces was revised. This is a long-standing military problem, because some are vying for the more desirable posts, resorting to the likewise long-standing art of intrigue. But it is a problem which, it is claimed, had already found a solution in General Julia's ministry. A group of generals (all of division rank) who challenged Minister Torres' decisions expressed their dissatisfaction. They were immediately summoned to the office in the immense "little Pentagon" where they met for several hours with the war minister. The meeting was replete with table-rapping and tart interjections. It was learned that the group of ministers at odds with Minister Torres consists of Gen Enrique Lopez Albuja, chief of the personnel command; Gen Juan Malatesta Sebastian, director of the military academy; Gen Guillermo Monzon Arrunate, chief of the war college; and Gen Victor Gil Astete, inspector general of the Army. As was disclosed, the conflict is so unyielding that all four have requested their voluntary transfer to retirement. [Text] [Lima OIGA in Spanish 16 Sep 85 p 14] 2909

CSO: 3348/969

ST LUCIA

SLP OFFICIAL BACKS TALKS WITH PLP; EXECUTIVE NAMED

Modeste Comments

Castries THE VOICE in English 28 Aug 85 p 2

[Text] Secretary of the St Lucia Labour Party (SLP), Hilary Modeste has said that he is an advocate of the principle of dialogue between the Progressive Labour Party (PLP) and the SLP and that he is not totally happy with the composition of the new SLP executive.

Speaking to reporters outside the convention hall in Dennery Sunday he said: Personally, Hilary Modeste is not totally happy. I am not too happy because I believe that in the final analysis the people of St Lucia want to see a Labour Party that is united and I think the SLP has not come out in a way that gives it that mirage of unity."

Modeste said the essence of politics is "talking to other people" and that the SLP should not throw out through the window the possibility of establishing dialogue.

"I cannot say this I am totally happy. But I guess I have to accept the dictates of the delegates who are in fact the people who form the ultimate authority of the party," Modeste said.

Changes in Party Executive

Castries THE VOICE in English 28 Aug 85 p 2

[Text] A number of changes have been made to the executive of the St Lucia Labour Party (SLP). Delegates retained Julian Hunte as political leader by a vote of confidence, but Kenneth Foster was not re-elected to the deputy leadership.

The new Deputy Leader is Remy Lesmond who amassed 189 votes to Foster's 154 in what turned out to be the most interesting battle in the election of officers race. Thomas Walcott beat Charles Augustin to the post of party chairman. Deputy Chairman is Henry Marquis.

Hilary Modeste and Ellis Edward were re-elected secretary and assistant secretary respectively while Carlisle Jn Baptiste replaced Mrs Daphne Murray as treasurer. Trade Unionist, Lawrence Poyotte retained the post of public relations officer.

[THE WEEKEND VOICE of 31 August 1985, page 1, carries a correction to the above report: We have been informed by the leader of the St Lucia Labour Party (SLP) that our short article on the new SLP executive printed in Wednesday's VOICE was not quite correct. The full executive is as follows: Julian Hunte, political leader; Remy Lesmond, deputy political leader; Thomas Walcott, chairman; Charles Augustin, first vice chairman; Victor Marquis, second vice chairman; Hilary Modest, secretary; Ellis Edward, assistant secretary; Carlisle Jn Baptiste, treasurer; and Lawrence Poyotte, public relations officer.]

CSO: 3298/1049

ST LUCIA

## SLP LEADER SEEKS DISCIPLINARY ACTION AGAINST DISSIDENTS

Port-of-Spain SUNDAY GUARDIAN in English 15 Sep 85 p 4

[Text]

CASTRIES, Sat., (Cana):

POLITICAL leader of the Opposition St Lucia Party (SLP) Julian Hunte has recommended the establishment of a disciplinary committee to consider action against dissident members.

Hunte's suggestion came in a report to the party's Central Executive at a meeting this week, the first since the SLPs August 25 delegates convention.

The move comes in the wake of statements made by two executive members-former party leader Peter Josie and secretary Hilary Modeste-favouring dialogue with the minority opposition Progressive Labour Party (PLP) on the latter's proposal for an accommodation in fighting the ruling United Workers Party at the next general elections constitutionally due in two years time.

PLP leader George Odlum, a former SLP member, last month announced that marginal talks on an accommodation had been held between members of both parties. But the SLP convention rejected the idea. Odlum has since disclosed that other SLP executive members had been in favour of the idea.

Hunte told the SLP executive that it was unfortunate and regrettable that there were forces outside the party that were now able to name leading members of the SLP as being their allies in a plan which is clearly aimed at weakening our party and decreasing its chances of winning the next general elections.

He added: A cause for further regret is that those who we know to be historical enemies of the SLP, who have attracted and opposed every leader of the SLP over the past 15 years, can openly boast of holding secret talks with unnamed members of the leadership of our party.

Hunte said that it was indiscipline that had caused the demise of the last Labour Party Government, which was forced to resign under public pressure in January 1982 after a traumatic shortened term of office

that was dominated by Odlum's unsuccessful challenge for the leadership of the government.

If the work of the party towards regaining the reins of government is to be successful, Hunte said, the first task of the executive is to prove itself willing and capable of instilling discipline among its members.

He said in his view, officials of the party and other executive members could not take public positions which conflicted with the party's official view expressed either at the annual conference, or as the executive committee's decision, under the guise that it was their personal opinion. If these conflicts of views were sincerely held, the way was open for the resignation of such persons from the SLP, Hunte said.

Calling for the appointment of a disciplinary committee, Hunte said this body would make recommendations to the Central Executive on the steps to be taken to discipline members who persisted in publicly opposing the decision's of the Party democratically arrived at.

These recommendations would include whether to remove these dissidents from the executive, suspend them from membership of the party or whether they could be endorsed by the executive as candidates for election to the House of Assembly.

Hunte said that until the party could speak with one voice and through the proper official channels of the party's executive, it would be unable to convince the electorate of its credibility as an alternative to the present government.

CSO: 3298/1032

ST LUCIA

WAR GAMES HIT; COMPTON CITES BENEFITS IN WAR ON DRUGS

Port-of-Spain TRINIDAD GUARDIAN in English 16 Sep 85 p 5

[Text]

CASTRIES, Sun., (Cana):  
SAINT LUCIA'S Police Chief says the military exercises will assist Eastern Caribbean countries in their fight against drug trafficking. Police Commissioner Cuthbert Phillips was commenting on what he said was misunderstanding among Saint Lucians as to exactly what the war games, which involve a mock invasion of the island, were all about.

A random sample of public opinion conducted by the state-owned Radio Saint Lucia showed general disagreement with the exercises which involve the armies and the military-trained Special Service Unites (SSU) of police forces of those countries without a defence force.

People said they did not think police work should be mixed with that of the military, that Saint

Lucia was too small to host exercises of this nature, that they saw no justification, and the funds should have been used for education and other social purposes instead.

Phillips said it was evident that certain persons in the community were seeing the exercises as preparing the special service units of the Eastern Caribbean for armed combat.

U.S. officials have stressed that the games should be seen as strengthening the defence of the islands against insurgents.

However, Phillips saw a greater role for the SSU in fighting the growing drug trade.

CSO: 3298/1032

ST LUCIA

## YOUTH COUNCIL ESTABLISHED, GOVERNMENT WITHHOLDS SUPPORT

PLP Backing

Castries CRUSADER in English 31 Aug 85 p 3

[Text] The St Lucia National Youth Council will be officially launched on 1 September 1985.

The National Youth Council which was established at the end of a weekend consultation in Soufriere from 12-14 April 1985 came into conflict with the minister of youth and sports.

A move by the Ministry of Youth and Community Development to disband the council came in for severe criticism in the local press and pressure from the youth groups all around the island thwarted the ministry's plan.

The launching ceremony takes place at the Civil Service Association Centre, Sans Soucis and is expected to commence at 2 p.m. tomorrow.

The CRUSADER expresses solidarity with and best wishes to the council, and calls on the youth of St Lucia to join hands with the council.

The minister of youth was requested to deliver an address at the ceremony, but to the utter surprise of many, rejected the offer.

Lansiquot Statement

Castries THE WEEKEND VOICE in English 31 Aug 85 p 4

[Text]

**MINISTER responsible for Youth Affairs, Romanus Lansiquot, has said that his Ministry will not give support to the National Youth Council (NYC) which is to be launched here tomorrow. He further adds that anyone who supports the launching of the group is an enemy of the Western World and the Government of St. Lucia.**

Lansiquot made his Ministry's position clear in a statement issued to THE VOICE Thursday, and states that as Minister for Youth it is "my duty to guide St. Lucia's youth in order that they may develop to be upright citizens."

Referring to the NYC as being 'hastily' formed, Lansiquot says that St. Lucia has come a long way since the Grenada affair was a "hot bed for leftist elements which caused Grenada and the rest of the Caribbean much discomfort."

The statement continues: "It is interesting to note that the "first" act of the NYC was to send five young St. Lucians to Moscow to attend the Youth Festival.

"The Ministry for Youth Affairs therefore cannot and will not give support to the National Youth Council (NYC) for the following reasons:

(1) The N.Y.C. was hastily formed at a National Consultation organised by the International Year of the Youth (IYY) National Committee which was held to provide a forum for discussions on problems affecting young persons in St. Lucia.

These problems were identified as drug abuse, unemployment, teenage pregnancy, Juvenile delinquency, and vandalism among other problems.

(2) The National Consultation which was attended by a mere 175 participants was intended to seek ways and means to solve these problems.

(3) It must be noted that the Consultation objective did not include the formation of a National Youth Council at that time as it was realised by the Ministry that a great deal of preparatory work had to be done before the establishment of a National Youth Council.

(4) It was always the intention of the Ministry that the matter of a National Youth Council was to be addressed at a time when representatives of all organised groups islandwide would be present.

(5) The formation of the NYC at the Soufriere National Consultation was therefore ill-timed and therefore not properly constituted.

"Since the ill-fated formation of the NYC, the Ministry for Youth Affairs has communicated to the president expressing the view that prior to the formation of any National Organisation certain formalities and procedures would have to be observed:-

1. There must be a constitution setting out the aims and objectives, the criteria for membership as well as the general structure of the organisation.

2. All interested groups from different parts of the island must have the opportunity to study such a constitution.

3. A special meeting of representatives of all groups islandwide must be convened to ratify the constitution and then a special meeting or conference must be held for the formation of the organisation.

"Having followed these steps, then and only then, can one say that the said organisation is properly constituted.

"It is important to note that none of these procedures were followed by the "hastily" formed NYC and therefore the Ministry for Youth cannot co-operate or give any assistance and support to that body.

"The Ministry for Youth Affairs can only recognise the NYC when all of the procedures mentioned earlier are met.

"In the meantime, the Ministry for Youth has written to the Ministry of Education, all National, Regional and International Agencies requesting that no support or assistance be given to the NYC as presently formed.

"To give support to the NYC as presently constituted would be tantamount to legalising a matter which is already null and void.

"As Minister for Youth, I am committed towards assisting all organised groups, I am also committed in assisting our youth in preparing themselves to be good citizens.

"My role as Minister is not to confuse, mislead, to make our youth believe that it is wrong to accept help from the Western World ... Countries like U.S.A., Canada, the UK and that it is better for our youth to be aligned to Eastern Countries like Cuba and the Soviet Union whose only interest is to provide guns and ammunition to destroy our people.

"As I see it, the so-called NYC and the NPC are, one of the same and are committed to promoting "doubtful" ideologies in our wonderful, stable and peaceful community.

"Anyone who supports the formal launching of the NYC tomorrow, which as already explained was hastily formed and not properly constituted, is an enemy of the Western World and the Government of St. Lucia.

"The Government will not sit idly by and allow the important strides made to improve the quality of life of our youth "snatched" away by a small grouping of young persons with "doubtful" motives and who are fuelled by outside interests.

"The Ministry of Youth Affairs will continue to offer hope and opportunity to all young people.

"With the Grenada experience still fresh in our minds we need always to safeguard ourselves and this responsibility must be shared by all honest thinking St. Lucians."

ST LUCIA

MALLET: PART OF NASSAU TRADE ACCORD WILL BE IMPLEMENTED

Positive Actions

Port-of-Spain TRINIDAD GUARDIAN in English 21 Sep 85 p 5

[Text]

CASTRIES, Fri., (Cana):

TRADE AND Industry Minister, George Mallet, says that in the spirit of regional co-operation, Saint Lucia will begin implementing part of a 14-month-old agreement to increase intra-Caricom trade.

Saint Lucia, Antigua and Barbuda, Belize, and Trinidad and Tobago, had not implemented any aspects of the Nassau Understanding when the third deadline of August 31 passed.

The agreement calls, among other things, for increases in the rates of duty on specified imports from outside Caricom (Caribbean Common Market), a dismantling of trade restrictions, and in the case of the so-called Lesser Developed Countries an increase in the value added requirement for their goods to qualify for duty-free treatment.

Mr. Mallet said Government would implement all but the tariff package of the agreement, despite current unfavourable trade balances, particularly with Trinidad and Tobago.

"We will continue adherence to Article 21 of the Treaty annex, which prohibits import restrictions on Caricom goods, (raise the value added) from the Less Developed Countries from 20 to 30 per cent, and reduce by 50 per cent the import duty rates on scheduled products imported from the more developed countries.

The minister pointed out that

Saint Lucia has achieved the accord's prime objective of diverting trade to Caricom neighbours without immediately increasing tariffs on non-Caricom goods.

In spite of not increasing the duties by 15 per cent as is required, we have in fact achieved the objective of those proposed increases. We should divert trade away from extra-regional to Caricom sources, but we are in the spirit of co-operation with just one exception in that we will not immediately amend the customs tariff.

"We will do this following a further assessment on an itemised basis of those products which will be subject to the increase."

He said the new arrangements will not necessarily benefit local manufacturers now affected by Trinidad and Tobago's protectionist policies.

Review of Trade Issues

FL231540 Bridgetown CANA in English 2153 GMT 22 Sep 85

[Text] Castries, 22 Sep (CANA)--The St Lucia Government says it finds it "extremely difficult" to make "further costly concessions" in the interest of regional trade.

But the government reaffirmed its support for a multilateral approach to the resolution of nagging trade problems in the 13-nation Caribbean Community (Caricom).

The government's position was outlined in a statement by Trade Minister, George Mallet.

The statement was issued at a time of concern about the failure of four Caricom countries — St. Lucia, Belize, Trinidad and Tobago, and Antigua and Barbuda — to implement the Nassau Understanding, an agreement to lift community trade barriers and extend tariff protection to selected Caribbean products.

Mallet said St. Lucia had no desire to finalise all the legalistic arrangements required by the accord reached in Nassau, The Bahamas, and not adhere to the free trade provisions of the Caricom treaty.

Said Mallet: "To do so would be to make a mockery of the Nassau Accord and at best would reflect merely an obsession with its trappings but not with its substance."

St. Lucia has been complaining that while buying more from Caricom countries its exports to the grouping have

been falling.

Mallet said: "An analysis of the most recent trade statistics indicates that whilst St Lucia's total exports are reaching unprecedented high levels, we are going through our worst trading experience in Caricom within recent years.

"Exports, particularly to the more developed countries of the region, have dropped to critically low levels, whilst imports from the region have continued to rise."

Noting that this pattern had begun emerging as far back as 1983 when payments and licensing difficulties in the community were beginning to worsen, the statement said that the Nassau Understanding made at the fifth Heads of Government Summit in July 1984 had set out the steps which were to have been taken by all countries to remove restrictions to trade which had been introduced in breach of the Caricom treaty.

But Mallet added that since the Nassau Summit there had been certain developments which called into question some of the implicit measures on which the accord was based.

For instance, he said, there had been further devaluations of the Jamaican dollar, making St Lucia's exports to Kingston less competitive with domestic products or extra regional imports, except coconut oil.

In fact, in the case of coconut oil, Mallet said, Jamaican importers had, so far this year, not purchased any St Lucian supplies, even though Kingston had been allocated part of St Lucia's surplus.

Also, access to the Trinidad and Tobago market had steadily grown more difficult, Mallet said, particularly in the case of garments. He added: An 18-month ban was placed on imports, although it was stated that special allowances would be made for Caricom imports.

In recent discussions with his Port-of-Spain counterpart, Mallet said, St Lucia was assured that the twin-island republic would favourably consider the granting of licenses for garments up to certain limits, for the remainder of this year. But Mallet said that he had had no verified evidence of the issue of licenses as promised, despite comments to the contrary from Port-of-Spain.

He said St Lucia's drop in exports to the more developed Caricom countries had continued this year.

Exports to Jamaica for the first half of the year dropped by 2.6 million East Caribbean dollars (one EC dollar--37 U.S. cents), compared with the 1984 half-year and exports to Trinidad and Tobago by another EC 2.8 million dollars.

Said Mallet: In other words, between 1983 and June this year, our exports to these two Caricom countries fell by 16.8 million EC dollars.

In the meantime, he said, St Lucia has sought to achieve not only the most important objective of the Nassau Understanding--which is the increasing access of Caricom goods to the St Lucian market--but had also taken steps to bring about the diversion of imports from extra-regional sources to Caricom countries.

Declared Mallet: What St Lucia has, in fact, done is to make concessions to some of its sister states in the region, over and above its commitments under the Treaty of Chaguaramas (which established the Caribbean Community), as part of an understanding that those member states that had been denying St Lucia exports the right of free access to which St Lucia is entitled under the treaty would be induced to honour their obligation under the treaty.

Mallet said that against this background, and considering the adverse effects of recent events in the region on employment and St Lucia's economy generally, the question to be asked was whether the total cost of implementation of the Nassau accord would be unreasonable for St Lucia to bear.

He said his government had the responsibility to shield local consumers from the excessive harm that could result from tariff increases, if there was no guarantee of reciprocity or any certainty that all other Caricom states would adhere to their obligations.

Accordingly, he said, the St Lucia Government finds it extremely difficult to make further costly concessions than it has already done, when St Lucian exporters are faced with certain impediments imposed by some Caricom governments designed to prevent our exports from enjoying the free market access to which they are entitled.

He said St Lucia strongly supported the multi-lateral approach for the solution of trading problems, and remained committed to the process started at the heads of government level for the restoration and reactivation of Caricom trade.

And notwithstanding the island's current adverse Caricom trade balance, Mallet said, his government would take steps to implement all but one of the provisions of the Nassau Understanding (the tariff package) in the spirit of regional cooperation.

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ST LUCIA

REPORT ON JOSIE SPEECH TO TRADE UNION MEETING

Castries THE VOICE in English 21 Aug 85 p 3

[Article by David Vitalis]

[Text]

**PETER Josie, President of the Seamen, Waterfront and General Workers' Trade Union, has called for greater commitment and unity of the working class movement here to achieve economic liberation and an improved standard of life for "all our people."**

Addressing the Union's Biennial Conference of Delegates Saturday — three weeks after being re-elected to the presidency, defeating St. Lucia Labour Party (SLP) political Leader, Julian Hunte — Josie said that in this International Year of the Youth there can be no greater commitment that can be made by us parents than to agree to sink our arbitrary and petty differences and to unite the working class movement across party political lines and the age stratum of society.

### WITNESS

He charged that after five years of political independence "we are yet to witness the emergence of the new St. Lucian man or woman" adding that a call made in 1980 for all workers to join a trade union of their choice "has now been muted by what many experts believe is a tragedy that still defies comprehension."

Referring to Hunte's failure to gain control of the Union, Josie admitted that there were various shades of political forces constantly at work inside and outside his organization before declaring: "I suspect that there was as much outside interferences in these elections as in the past. It has obviously done some persons

some political good to have the leader of the St. Lucia Labour Party humiliated by the defeat at the hands of organised labour. It must also bring into question the reasoning of those who advised the Leader on such a course. But in the Union that is not our problem. We see things in black and white only. There are no greys. An employer cannot represent himself and his employees with equal loyalty."

According to Josie, the economic and political climate over the last two years was heavily stacked

against the worker virtually paralysing his Union. The struggle for better union representation, adequate compensation for work done, fair treatment at all times, and job security, Josie added, were not his personal struggle.

Let us not look back in anger," he told delegates, "Let us neither look forward with fear of apprehension. Let us, rather, look around us today and begin now the process of unity for the sake of the youth, for the sake of St. Lucia, indeed for our own survival in this hostile 'dog-eat-dog' climate of economic mismanagement and decline."

### SCHEME

The construction of a new union building and the establishment of a group insurance scheme, Josie pointed out, were important areas needing attention over the next two years. He revealed that at least one friendly agency was prepared to assist the union with its building plans, and that a specific officer of the union will be assigned to the task of coordinating social security efforts for all union members.

ST LUCIA

PROSPECTS FOR BANANA EXPORTS TO ENGLAND BRIGHTEN

Port-of-Spain TRINIDAD GUARDIAN in English 2 Oct 85 p 5

[Text]

**CASTRIES, Tues., (Cana):**  
SAINT LUCIAN banana growers and managers of the vital foreign exchange-earning industry believe there is a good chance for the island to increase its fruit exports to Britain.

But they concede that the quality of banana exports to the lucrative and highly competitive British market will have to be improved.

They gave their assessment of the prospects for the island's number one hard cash earner shortly after an 11-day tour of Britain's banana operations.

The tour by the 21-member party was organised by the Barbados-based British Development Division and the British High Commission here. It was aimed at making people in the fruit industry more appreciative of the quality and other demands of the United Kingdom British buyer.

The Saint Lucians said that with the popularity of small bananas increasing among British consumers the prospects for major increases in shipments — at premium prices — from the island, Dominica, Grenada and St. Vincent were good.

Saint Lucia Banana Growers Association general manager Michael Lansiquot, who was in the touring party, described the visit as very successful.

He said it was going to have "a great effect on the approach of most of our banana growers on the question of top quality exports."

He added: "We were able to see for ourselves that the general quality of Saint Lucia's bananas is comparable to that of the competition, but there is this minority that is so bad that it seriously affects the overall value of our fruit."

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23 October 1985

## ST VINCENT AND THE GRENADINES

## HOUSE SPEAKER RESIGNS; CONSTITUTIONAL QUESTION RAISED

## Mitchell Request

FL201345 Bridgetown CANA in English 0000 GMT 20 Sep 85

[Text] Kingstown, 19 Sep (CANA)--Prime Minister James Mitchell today said he had asked Speaker of the House of Assembly (lower house of Parliament) Alwyn Denny to resign because of alleged irregularities regarding his personal affairs.

Denny and Deputy Speaker David Bonadie tendered their resignations on Wednesday.

In a letter to Denny dated 17 September, the prime minister said that the irregularities may reflect on the government, which elected Denny to the office of house speaker.

Mitchell's disclosure came soon after Denny announced that he had tendered his resignation to stem what he called baseless allegations contained in a vote of no-confidence filed against him by the opposition.

## Issue of Legality

Port-of-Spain EXPRESS in English 1 Oct 85 p 39

[Text] KINGSTOWN, Monday, (CANA) — The *Star* newspaper here, organ of the opposition St Vincent Labour (SVLP) says the resignation of Speaker of the House of Assembly Olin Dennie, could raise several constitutional questions because Dennie submitted his resignation to Prime Minister James Mitchell as Leader of the House, instead of to the Clerk of the House as is the correct procedure.

The *Star* said in its weekend edition "the constitutional issue raised here is whether or not Mr Dennie's letter of resignation was submitted in accordance with the provisions of the constitution?"

The *Star* suggested

that if the procedure was wrong then Dennie could in effect still be Speaker of the House.

The newspaper said the House could not elect another Speaker.

The situation has been made more complicated because the deputy Speaker also resigned at about the same time.

The *Star* asked "has Dennie resignation taken effect and has the office of Speaker become vacant?"

"When these questions arise to be debated in the House of Assembly who will be in the chair?"

ST VINCENT AND THE GRENADINES

BRIEFS

ATTACK ON MILITARIZATION--Kingstown, 27 Sep (CANA)--The opposition JUSTICE newspaper in St Vincent and the Grenadines says the Caribbean is now another step further along the dangerous path to militarisation and war following the staging of the military exercises in St Lucia two weeks ago. In a front-page story, the newspaper, organ of the small left-wing United Peoples Movement (UPM), said the exercises represented another stage in the tightening U.S. grip on the region, all under the guise of guarding against a threat to security, the paper observed. Who is therefore threatening us? the paper asked, the right? It accused regional governments of allowing themselves to be manipulated into providing a smoke screen for cynical U.S. plans because of their fear of the might and power of the United States. [Text] [Bridgetown CANA in English 2047 GMT 27 Sep 85 FL]

CSO: 3298/12

SURINAME

FOREIGN EXCHANGE SHORTAGES FORCE FIRMS' CLOSINGS

Rotterdam NRC HANDELSBLAD in Dutch 23 Aug 85 p 10

[Excerpt] The Hague/Paramaribo, 23 August--Surinamese business circles expect that a number of firms employing hundreds of workers will soon have to close down, despite a decree forbidding the firing of workers. Many companies are experiencing great difficulties because of the lack of foreign exchange required to import raw materials and parts.

The Surinamese government revealed earlier this week that foreign exchange reserves amount to only 1.2 million Surinamese guilders, and that the situation is so precarious that it will not be possible to import anything in coming weeks.

The economic emergency is now affecting also those firms that up to now had always taken priority in the distribution of import permits. Varossieau, the paint company, has given its personnel 3 weeks' vacation because there are no raw materials to use for production. The cattle fodder company VESU stopped production 2 weeks ago for the same reason. Further, there are problems in the cement industry, which cannot import any replacement parts for broken-down cement mixers.

The crisis is affecting the banking and insurance sectors as well. For some time now the private banks have not been accepting any more savings deposits. They are not in a position to pay interest because of the lack of investment opportunities. The banks have already had to deposit hundreds of millions of Surinamese guilders with the Central Bank interest-free.

The Canadian insurance company Manu Life is closing all but one of its offices in Suriname. Manu Life, which has operated for decades now in Suriname, is writing no new policies because the foreign exchange rules do not permit any premium money to be transferred to Canada.

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SURINAME

## BRIEFS

WARNING BY PWO'S CRUDEN--Paramaribo: at the triennial congress of his PWO [Progressive Workers Organization] union federation, Chairman Ramon Cruden announced that he will not run for reelection in 1988. He and his board have just been reelected for another 3-year period. Cruden gave those present an overview of developments over the past 3 years, and as part of this he also discussed PWO's role in what is happening in the country. He pointed out the danger threatening the union movement "because of the irresponsible behavior of some union leaders." He warned of the consequences and predicted problems within the union movement within 6 months. Workers will have to pay the price. Cruden consequently appealed to workers to watch out for their interests and not to let themselves be misused. [Text] [The Hague WEEKKRANT SURINAME in Dutch 24-30 Aug 85 p 1] 12593

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END