

APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000200090036-1

1 OF 1

FOR OFFICIAL USE ONLY

JPRS L/9150

18 June 1980

Latin America Report

(FOUO 14/80)

FBIS FOREIGN BROADCAST INFORMATION SERVICE

FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

For further information on report content
call (703) 351-2643.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF
MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION
OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

FOR OFFICIAL USE ONLY

JPRS L/9150

18 June 1980

LATIN AMERICA REPORT

(FOUO 14/80)

CONTENTS

ARGENTINA

Columnist Surveys Current Labor, Political Concerns
(Eduardo J. Peredes; LA OPINION, 27 Apr 80) 1

Pegoraro on Broad Range of Issues Concerning Yacyreta
(Jorge Alberto Pegoraro Interview; LA OPINION,
10 May 80) 6

Central Bank Intervention Received With Apprehensions
(Oscar Delgado; CONVICION, 27 Apr 80) 10

Recovery of Financial Sector Termed 'Very Gradual'
(Daniel Fernandez Canedo; LA OPINION, 4 May 80) 12

New Foreign Investment Activity Less Than Moderate
(Jose Angel Martelliti; LA OPINION, 4 May 80) 14

COLOMBIA

M-19 Announces Support for Proposed National Strike
(IPS, 31 May 80) 17

CUBA

U.S. Campaigns To Discredit Cuban Revolution Assailed
(Victorio M. Copa; PRELA, 9 Jun 80) 19

Latin American Economic Meeting Condemns IMF Policies
(PRELA, 7 Jun 80) 21

Briefs
Nicaraguan Youth Movement's Role 23

- a -

[III - LA - 144 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ECUADOR

Vice President Interviewed on Political Situation
(Osvaldo Hurtado Larrea Interview; CAMBIO 16,
25 May 80) 24

EL SALVADOR

Human Rights Official Asks Europeans for Support
(Angel V. Ruocco; PRELA, 16 May 80) 27

Salvadorans in Venezuela Protest Human Rights Abuses
(Sergio Medina; PRELA, 29 May 80) 30

GUATEMALA

Revolutionary Organizations Praise Castro in Letter
(PRELA, 27 May 80) 32

PANAMA

Labor Leader Condemns U.S. Maneuvers in Caribbean
(PRELA, 1 May 80) 33

PERU

Assets of Peruvian Armed Forces Detailed
(DEFENSA, Mar 80) 34

URUGUAY

Arismendi Outlines Economic Policy
(DPA, 30 May 80) 37

- b -

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ARGENTINA

COLUMNIST SURVEYS CURRENT LABOR, POLITICAL CONCERNS

Buenos Aires LA OPINION in Spanish 27 Apr 80 p 11

[Article by Eduardo J. Peredes]

[Text] One of the greatest aspirations of the military government is to achieve laying the groundwork to be used so that Argentine labor unionism will not engage in partisan politics. Practically speaking, so that it will not be a uniting factor for an election victory obtained by upsetting the economic power that it formerly had with control of the funds for social works in exchange for a good share of political power expressed in public posts and considerable effects of pressure on the economy.

That aspiration by the military government is shared necessarily by any politician who feels that democracy is a way of life and not a method for arriving at government authority. Peron, who was everything except democratic, never was concerned over having an organized political party, inasmuch as he had the monolithic support of worker power through the former CGT [General Labor Confederation]. The deceased leader amused himself with the vicissitudes of the political and women's branches. His constant concern was for labor unionism, both for election purposes when he was formally in office and for conspiratorial purposes when he was in exile. He also invented that matter of "the backbone of the movement" and he was not exaggerating, although he was very careful to point out to them that they should not confuse anatomical conditions to the point of believing that they also were the brain. Augusto Vandor tried to be the brain in addition to the spinal column. We are well aware of how he wound up.

Any general confederation of workers, anywhere in the world, is organized as a trade-union body with partisan political objectives and not for a better defense of the rights of labor. It may be a communist, Christian, democratic, socialist or any other confederation, but it will always respond to an ideological line tied to a political party, regardless of whether or not the system in which it operates is democratic.

1

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

In Argentina, the CGT was a Peronist organization, for Peronism, by Peronism. The machinery was set up powerfully and even its cases of splits in favor of Marxist groups, like the case of the CGT of Argentinians commanded by graphic arts unionist Raymundo Ongaro, languished in class-oriented attempts when faced with the power of the Peronist labor union machine. Although it can be argued that Peronism, without the CGT, is a political force capable of winning, it is much more true to state that Peronism, with the support of the CGT, cannot lose. Therefore, the Peronists in the political leadership, who are dreaming of another 1973, are constantly preaching on the need for "monolithic unity of the organized worker movement," a dialectic phrase summarizing basically the simplicity of speaking of a Peronist CGT, guarantor of election victory in exchange for incalculable portions of political and economic authority.

The week served to see the labor union efforts in an attempt to formalize single heading of the leadership, taking as circumstantial excuse the appointment of worker delegates to the next assembly of the International Labor Organization in Geneva, a world forum involving everyone -- government, businessmen, workers -- because of its importance to the international relations of the three political power groups in a republic mentioned above, a situation that does not vary because of the artificial status of the present Argentine State. But, although the subject matter of the ILO requires the labor union sectors to take the bull by the horns, the political factor of unity sought after in the middle of a situation of absolute internal division surrounds the trade union deliberations.

That division did not emerge from the order of the new Law on Trade Union Associations that prevents the establishment of third-degree bodies, or confederations. The divisionist stirrings date back to the time of the Lopez Rega administration and intensified starting in March 1976, in view of a question common to every labor union leader: What to do with regard to a system of military government authority absolutely different from previously familiar ones and with regard to the military backing of an economic policy that makes no pacts with labor unionism either on wage policy or on ideological philosophy?

Grounds for doubt to be taken well into account. Actually, the same perplexity observed in labor unionism prevailed in the business and political fields, in view of the unusual nature of the rules of the game. But, from the political point of view, the trade union sector was the one that seemed definitely called upon to have to change attitude, in order to survive.

Without the basic sponsorship of the leadership of the Metalworkers Union within the framework of the 62 Peronist Organizations, the CGT needed neither interventions nor special legislation to become a rubber stamp. And for the sought-after labor union unity to become a utopia.

The topic now consists of the game of "I take on more, I take on less," between the subgroups of the National Labor Commission, the Group of the

FOR OFFICIAL USE ONLY

25 and the Group of the 20, which formed the CUTA [Unified Leadership of Argentina Workers], as politically ephermeral as its acronym is cacophonous in sound. Informed sources report that another CUTA will be established on Wednesday with a majority and exercise of the office of secretary general of the moderate group of the CNT [National Labor Commission], capable of appointing delegates to the ILO without major problems.

But the situational topic vanishes before the political reality of Argentine labor unionism. Its unity is without motives, if there is no political plan to which a confederated labor union force can give ideological, proselytist, economic and mass activist support. Let us see.

There are not even remote signs of organization of a party from the government authority that may need a pact with labor unionism.

All the member groups in CUTA lay claim to its Peronist ideology, but with such a degree of shades that could just as well serve the right as the left.

There is no proselytizing machinery to offer, because there is no election race.

With the new law on social works there are no large sums of money to mobilize for political purposes.

There is no rank-and-file activism of a sort to propose mass action with a predetermined objective.

In short, the conclusion is reached that, under the present circumstances, labor union unity is not only difficult but also would serve absolutely no purpose.

Profit and Ethics

The commander in chief of the Navy, ADM Armando Lambruschini, stated, last Thursday in the first annual luncheon offered by the Association of Directors of Enterprises and Marketing, that profit is one of basic driving forces of economic progress, but that this zeal may become a social cancer, if the great ethical rules, the basic principles of justice and the simple but ironbound rules of common sense are forgotten. An idea current in much modern political thinking and even with the deep ethical roots of our religion, because that principle is the basis for what is today called the social doctrine of the Church in an eagerness to put a label on things, because actually it does not respond to a doctrinary principle but rather it is derived logically from a religious dogma oriented toward the dignity of man as an ethical guide to salvation of the soul. On the other hand, other religions have no dogma linking the temporal with the divine.

Records show that the head of the Navy has already expressed that kind of thinking on other occasions, but in these times of failing banks --

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

not all, of course, but some with a large volume of unbacked transactions -- and of investors and savers who have a hard time seeking to collect their guarantees, the topic of profit and ethics takes on a special dimension.

Double aspect: the private economy aspect of a business type and the private or state financial aspect dependent on the management and effectiveness of laws. The great majority of private business are developing favorably. But in some an excessive desire for profit is restricting investment on modernization for seeking production efficiency and also wage flexibility, to the detriment of the system of production and, therefore, of general well-being. But the problem of the four banks liquidated by the Central Bank in view of their impossibility for coping with the lack of control of their administration is still more serious, because the affront to the citizens in general is direct.

In this connection, the policy of Dr Jose Alfredo Martinez de Hoz is one of characteristic indifference. The Law on Financial Bodies, the attitude of the private economic groups managing the banks and the results are there. In that respect, whoever does not conform with the rules of the game specified by law, fails and the guarantee funds brought in end up by palliating, without regard for the effects on the nervous system of savers, of those who placed their money, believing, on the basis of the experience of their grandparents, that a bank is a bank and nothing better than a bank for keeping money.

From the financial body downwards, the law and its effects are irreproachable, because they measure responsible and irresponsible persons with the same yardstick and without compassion. Responsible persons have no problems. Irresponsible persons do have problems, insofar as they have time to be able to go to the United States to live, while lines of desperate persons form up in front of the formerly pompous branches.

But what happens if we view the effects of the law from the saver's point of view to the fate suffered by the financial bodies? Because it is the same law that makes possible spectacular interest offer races that turn the saver into an inexperienced speculator who has no way of having confidential information on financial ruin and hastens to the bank that makes him the best offer and then, later, is deceived.

From the technical point of view, the law is good, because it has sufficient force to bring about the scandalous downfall of anyone who does not comply with it. But from the social point of view, it is open to question, because it lays the groundwork for a bidding competition in which an adventurer baits the hook with the tasty percentage lure finally bitten by the common man, induced to pour his capital where he is led to believe that it will be best and, of course, time finally shows that it was not.

FOR OFFICIAL USE ONLY

It is realized that Martinez de Hoz is not the father of each saver and that in a free economy society each one selects whatever bank he wants and, therefore, runs the risk that he wants. But if a change is sought in the way of thinking, it would seem better to implement legal structures that will make the people cautious and not structures that, owing to the weight of the former way of thinking, lead thousands of persons to the vaults of the economic criminals.

That saying that when one is burned by milk he cries when he sees a cow is true, but it does not seem fair for the innocent person to suffer more than the guilty party. Even if the risk is run that no one will want to drink milk any longer, even though it has just come out of the refrigerator.

Dialog

Americo Ghioldi was with General Harguindeguy at the political dialog table, accompanied by two of his colleagues -- a more radical than socialist term -- Emilio J. Giannoni and Raul Dellepiane. Topnotch people, as mediocre executives say.

As was to be expected, it was a sensible, serious contribution, from which two innovative factors emerged. One was a piece of advice -- they advised against forming an official government party -- and a new institutional figure, by proposing the future establishment of a semipresidentialist system of government that will include a president and a prime minister.

Ghioldi knows because he is Ghioldi, but he knows more because he is old. He has seen very many attempts made to form official parties that were absolute failures in the light of the results. This does not rule out the possibility of the establishment of new parties, but not necessarily with the blessing of the government, although they may receive a bit of assistance.

But the veteran social-democrat's wisdom emerged in the second topic that may imply constitutional continuity -- with a simple reform of the Law on Ministries -- with the present government system. It would not be difficult, in time, to go from the military junta-president system to one consisting of a president and prime minister and it would give rise to the same virtue, in the long run: preservation of the presidential figure in view of possible government crises, just as, at present, the top leadership of the Armed Forces is preserved with the institutionalization of the fourth man.

COPYRIGHT: La Opinion, 1980

10,042
CSO: 3010

5
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ARGENTINA

PEGORARO ON BROAD RANGE OF ISSUES CONCERNING YACYRETA

Buenos Aires LA OPINION in Spanish 10 May 80 p 7

[Interview with Jorge Alberto Pegoraro, executive director of the Binational Agency, by Estela Araujo; date and place not given]

[Text] Yacyreta is having a crucial year. This is the year when major bidding for the principal project, for the supply of turbines and generators, and for the spillway floodgates is scheduled to take place. The bidding will open in early June, and it is expected that construction will begin on the project at the beginning of 1981

Meanwhile, the permanent town of Ituzaingo, on the banks of the Parana River, is undergoing a transformation. Construction has already begun on its modern school, and some of the 250 housing units planned for completion have been finished. Soon the inn will be finished, and the entire population of the small town is working like ants on various tasks and projects to make room for the thousands of workers, technicians and engineers who are beginning to show up on the Argentine and Paraguayan sides of the great Yacyreta dam.

Engineer Jorge Alberto Pegoraro patiently and kindly answered a series of questions by LA OPINION regarding this issue. His broad experience in this field includes serving as general manager of the state Water and Energy Enterprise (1966-71); director of the North Patagonia Hydroelectric Company (HIDRONOR) at the beginning of the El Chocon projects (1967-69); president of the Salto Grande Mixed Technical Commission (1968-72); and, as of 1978, executive director of the Yacyreta Binational Agency.

[Question] President Jorge Rafael Videla's visit to the province of Misiones, and his tour through the town of Ituzaingo, in Corrientes, call attention to the issue of Yacyreta as a binational project of great importance. What are the latest steps that have been taken in executing this project?

[Answer] Since the differences between Argentina and Paraguay regarding the placement of the dam and the calculation of compensation for flooded land have been overcome, Yacyreta has moved ahead at a pace we could call dizzying. A series of stages must be completed before the project can

FOR OFFICIAL USE ONLY

actually begin, so that we can meet the schedule set forth by the two governments. The schedule is as follows: the first kilowatt of energy should be delivered by the end of 1986, and the whole project should be finished by the end of 1990. In accordance with this plan, we have finished drawing up all the specifications for the bidding on the most important items of the work, such as the main civil construction projects. We have called for bidding on these items by the five eligible consortia. These international consortia should present their offers to us on 2 June. This is the most important bidding of the whole project, and one of the most important we have ever seen in our country.

[Question] What steps have been taken in obtaining complete financing; that is, what loans do you have so far?

[Answer] The loans contracted last year were with the Inter-American Development Bank and the World Bank, each for \$210 million. They are not very large considering the total cost of the project, but they do have great value as a credit reference, a guarantee for obtaining other loans on the world capital market, and those loans could be very large.

I would like to emphasize the loans we call export credits, or the credits granted by the principal machinery exporting countries to the Yacyreta Binational Agency. They will enable us to pay whatever supplier wins the corresponding bidding, in cash.

[Question] The loans are contingent upon the bidding . . .

[Answer] Certainly, these loans are what we call export credits, or also "buyer's credits," because it is the Binational Agency that obtains the loan as a buyer. These credits are finalized when the results of the bidding are known, and they are utilized when the manufacturer in a given country wins the bid. Then the contractual clauses of the loan are negotiated, but we already have letters of intention stating the amounts and conditions set forth. You may recall an offer by the U.S. Eximbank which received a lot of publicity, a 20-year loan with a 10-year grace period (during which there is no payment for amortizing the debt) and an interest rate of $7\frac{3}{4}$ %. We think that today on the world money market interest rates are running at about 18 to 20 percent in dollars.

[Question] Among the difficulties that are plaguing all projects along the Parana River, not just Yacyreta, there is the problem of tropical diseases. You have made some statements about this matter, and I would like you to clarify them.

[Answer] This is something which worries us very much at the Agency, because obviously Yacyreta must be a source of progress and benefits in all areas, not just in the production of electrical energy. It would be very serious if a disease such as schistosomiasis were to break out in the sphere of influence of Yacyreta Lake. For that reason, we have specialists in that field working for the Agency. We have signed agreements with the

FOR OFFICIAL USE ONLY

public health departments of both nations, as well as the World Health Organization, and as a consequence studies are being made to ensure that this disease, which has plagued some projects in Brazil, will not reach Yacyreta.

[Question] The problem is not just limited to the snails that transmit the illness; it also includes people who are hired to work on the project.

[Answer] That is a question of preventive medicine. We are going to set up a strict system of health control beginning with the worker's arrival at the project and continuing throughout his presence there, so that any pathological symptom can be detected immediately.

[Question] President Jorge Rafael Videla said: "We are a nation, not a group of provinces." Although he was not referring to Yacyreta when he said that, what is the attitude of the province of Corrientes toward this project? In your view, what are the benefits and the damages that the provincial economy could sustain as a result of a nationally beneficial project?

[Answer] In order to answer your question, I have to say that the damages are minimal or nonexistent. The loss of some productive land due to flooding, in the process of raising the level of the lake waters, could be considered damage. But these are small coastal areas that are not tremendously valuable. On the other hand, there are many positive elements, very positive.

Regional development is one of them. Ituzaingo has a population of 3500, and it has almost stood still in time. There has been little progress in this region in recent years, but now it is to become a city of 20,000 to 25,000 inhabitants with a modern infrastructure of hotels, hospitals, schools--in sum, everything needed by a very modern city of national prominence.

This will produce a considerable regional impact, and will allow the province of Corrientes to improve its economy. The installation of a core of people with a high standard of living and a completely modern infrastructure will be very beneficial to the local economy. Moreover, once the project is completed the area of Ituzaingo will undoubtedly be a major tourist attraction.

That is, a huge number of people will come every year to visit the project because of its magnitude. They will cross the river at the international bridge which is being built on the summit of the dam, and go over into Paraguay as well.

This will be a permanent communication link. Furthermore, with the total cooperation of local authorities, we are taking measures to stimulate an interest in tourism. Thus, during construction Ituzaingo will be a very busy city, and it will be just as bustling in the future when the work is done.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

[Question] How are relations between the province of Corrientes and the Yacyreta Binational Agency?

[Answer] We are working very directly and with friendly, understanding relations. The province has established a "special commission" whose chairman is Engineer Hardoy. That commission daily oversees and coordinates all the plans we are implementing.

[Question] After Yacyreta and Corpus there has been talk of an international agreement policy at the level of our foreign ministry. As president of the Argentine-Paraguayan Binational Agency, what effect does this new policy have on your actions?

[Answer] The relations we have with our neighbors and partners in this project are very good. Now that we have overcome that problem that everyone was aware of, we are working on a basis of common agreement and mutual understanding. In my opinion, this has resulted in better relations in Corpus, and therefore in our relations with Brazil. I think the Yacyreta agreement and the climate of Yacyreta are having a favorable influence on Argentina's international relations.

[Question] Well, you have turned the question around. Is Yacyreta a sort of spearhead for our new relations?

[Answer] I would not presume to say that much, but it has certainly had a beneficial effect on the improved relations with our neighbors.

[Question] President Videla's recent salute to his Paraguayan counterpart on his visit to Ituzaingo is an indication of the cordiality of relations between the two nations.

[Answer] In addition, we should add that there were three presidential meetings: one in Salta, another in Encarnacion-Posadas, and a third in Buenos Aires, during a short period of time. This reflects the excellent relations between the two countries.

COPYRIGHT: La Opinion, 1980

8926
GSO: 3010

ARGENTINA

CENTRAL BANK INTERVENTION RECEIVED WITH APPREHENSIONS

Buenos Aires CONVICCION in Spanish 27 Apr 80 p 12

[Article by Oscar Delgado: "Central Bank Took One Step Back and Two Ahead, but It Is Not Known Where It Is Going"]

[Text] There is no doubt that today everyone is waiting for the sun to rise on the beginning of the week with a mixture of excitement, fear and, perhaps, hope. Reason: to see how the financial market will react to the measures announced by the Ministry of Economy at around sunset on Friday. Will small-scale and medium-scale savers calm themselves and begin to return their pesos to less high flying banks and financial institutions? Up to what point did the arrests of officials or, at least, some of the intervened banks put people at ease or disturbed them, or both?

Because this surely will give rise to a psychosis in the psychologically exhausted savers, possibly some thought will be given in some office of the Ministry of Economy or of the Central Bank to issue a detailed report to public opinion, specifying responsibilities among the intervened banks. With regard to Friday's communique, three kinds of measures emerge definitely: intervention of the Los Andes, Oddone and International banks -- to which other smaller institutions are said to be about to be added --; a situational political solution intended for bolstering public confidence (increase in the amounts of personal deposits guaranteed by the nation to 100 million pesos, and an emergency guarantee of deposits in foreign currency for equivalent amounts, made up to last Friday), and a measure of structural nature like expansion of the Central Bank's powers, which, when the pertinent future law is signed, may sell or merge financial institutions, if it regards it as necessary for settling irregularities or for increasing their solvency to prudent levels.

This is the most important measure to those who most fear the state's participation in private business. It is also the one that is giving them the biggest headaches. The Central Bank can not only resort to the "final measure," but can also intervene directly in coordinating the banking system. It really is not a bad idea, provided decisions in that connection are made with the consensus of the financial community.

10

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Because the BIR [expansion unknown] case and the problems of the institutions just intervened did not come up but they did take on a catastrophic dimension -- at least in the image of public opinion -- to a considerable extent, because many Central Bank officials and employees appeared to be excessively indifferent to what many banking representatives and other observers, including, of course, representatives of the Armed Forces, suggested and feared.

Because, aside from the police aspect of these matters -- which may be present in some cases but not in others -- the absolute limit was reached when control was lost over certain policies on attracting funds and extension of loans initiated by some upstart bankers at the sound of the frenzied financial dance in 1977 and part of 1978, the same ones who, later, were unable to stop or restrain themselves.

But it is also true that the same Central Bank rules almost encouraged turning upaid loans into real revolving transactions and that modifications of that situation were made recently and almost suddenly. Because, when a contraction occurred in taking out loans in very many cases because of the nonrenewal of real delay transactions, too much money was left "in the air" (often, money attracted a high price).

Well then, the fact is that some of these bank failures resemble too much those accidents -- fatal at times -- suffered by mischievous children who are suddenly left without the necessary supervision of the nursemaid.

The idea of a Central Bank controlling with a strong hand is far from our head. Even farther from our thoughts is for this institution to manage the financial system from the top. But there is no doubt that savers, investors and borrowers have the right to demand a strengthening of the auditing functions of the central institution. It should also be more receptive in its directorate of concerns expressed by banking officials. Strictly speaking, if we are aspiring to a Central Bank independent of the political authority, it seems logical for it to have a more fluid relationship with all members of the financial community, without being an organ of the bankers and even less of a group of bankers.

One final concern: the situation for savers has also made officials neglect the fate of borrowers who now note much greater hardness on the part of managers with regard to their requests for loans or overdrafts required to maintain the pace of their activity. And it is not a question of defaulters. The fact is only that banks have become hyperprudent.

But this also brings up this question: What will turn up tomorrow?

COPYRIGHT: 1980 Conviccion

10,042
CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ARGENTINA

RECOVERY OF FINANCIAL SECTOR TERMED 'VERY GRADUAL'

Buenos Aires LA OPINION in Spanish 4 May 80 p I (Econ. Sec.)

[Article by Daniel Fernandez Canedo]

[Excerpt] The financial market finished up April under much calmer circumstances.

Although it cannot be said that the close of last month marked a period of normal transactions, the system was able to survive the most difficult period since the implementation of the Financial Reform in June 1977, although not without sustaining partial damage.

Actually, it is complicated to talk about the market in general because throughout the last week of the month the two sectors that have defined the market since shortly after the closing of the Regional Exchange Bank have held their ground.

In this manner, the sector of what could be termed large institutions (official and foreign banks and some national ones) finished up April without any difficulty in complying with the reserve requirements. The amount of deposits was surely much higher than in the beginning (the exact figures are not known). The other segment of the market, that of smaller institutions, really had problems in complying with technical regulations.

In recent days, there has been a rise of about 7 points in the transactions among institutions in the second sector of the financial circuit. On Wednesday the total amounted to the equivalent of 70 to 75 percent annually, for two days.

It is noteworthy that between the two segments of the market mentioned above, there was also an intermediate sector which ended April without any problem. However, it had no excess lending capacity, as did the larger institutions.

Setting aside for now the problems encountered by some institutions, it can be said that the market was calmer once it became generally known that there was once again an almost total guarantee of deposits.

FOR OFFICIAL USE ONLY

- The greater calm on the part of investors, traders and bankers does not imply, as one would logically assume, that the difficulties are over. In principle, the return of the total guarantee did not drastically change the behavior of the intervening factors in the market.

- The process of returning to normality will take time, and no one is discounting the possibility of continued variations.

- To date, bearing in mind that there have been few changes in the posted rates of the institutions, it is difficult to predict an escape for the agencies that experienced a significant drop in their deposits after the closing of the Regional Exchange Bank, because they would have to increase their rates in order to avoid losing most of the deposits. They must also deal with the return of the advances from the Central Bank of the Argentine Republic (BCRA) by means of circular RF 1051.

Thus, for a core of institutions the economic picture is not bright, but the BCRA may very well decide to be flexible on the return of the 1051 advances in order to contribute to the tranquility of the market.

If so, and if investors once more give more consideration to the interest rate than to risks, in the medium term the situation will probably return to a similar state to that of the pre-28 March period.

April has undoubtedly left its mark, and in many cases it was not very favorable.

COPYRIGHT: La Opinion, 1980

8926
CSO: 3010

FOR OFFICIAL USE ONLY

ARGENTINA

NEW FOREIGN INVESTMENT ACTIVITY LESS THAN MODERATE

Buenos Aires LA OPINION in Spanish 4 May 80 p IV (Econ. Sec.)

[Article by Jose Angel Martelliti]

[Text] According to recent figures provided by the Economics Ministry (Under Secretariat of Foreign Investment), foreign capital investments during the first quarter of the year reached \$96.1 million. That brings the total since 31 March 1977 to \$1.6305 billion. It is worth noting that 60.5 percent of this sum came from new capital contributions, 25.8 percent from reinvested profits and 13.7 percent, the remainder, from the capitalization of credits.

In this context, three economic sectors accounted for practically 55 percent of approved investments (gas and oil production, automobile production and mining), while more than 70 percent of these investments originated in activities by four countries (United States, Holland, Italy and Germany).

According to estimates published by the World Bank (Report on World Development, 1979), direct net private investments in developing countries from 1975 to 1977 reached the equivalent of approximately 15 percent of the net income from medium- and long-term loans in these areas.

This achievement came after a period of relatively restricted flows of capital on the international market--particularly during the decade of the sixties--with an average annual rate of 4 percent in real terms. That capital squeeze was due to controls exerted by most developing countries and regulations prevailing in some of the principal industrialized nations.

Greater economic growth and more pragmatic policies regarding transnational corporations in medium-income areas, as well as the jump in raw materials prices, resulted in a significant resurgence in the flow of capital during the seventies. The Federal Republic of Germany, the United States, France, Japan and England supplied more than 80 percent of the total capital flow between 1960 and 1976.

14
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Nearly 40 percent of foreign investment during the decade from 1966 to 1976 was channeled toward Latin America and the Caribbean. Some countries in the region have even begun to make direct investments in other countries of their own geographical area.

In recent years there have been changes in relations between the transnationals and developing countries, shedding new light on this controversial issue. In the first place, participation in capital stock is being replaced gradually by the establishment of supplier loans and credits. In the second place, direct management control by the parent company is being replaced by participation in administration, assistance agreements, participation in production and supply contracts.

These changes are partially due to the reaction of the transnationals to controls imposed by the host countries, and also to the increased competition by new transnationals that are more and more willing to adapt to the demands of these countries.

The economic policy of the host nation is of vital importance in the formulation of strategies designed to stimulate foreign investment. Studies on this issue indicate that such policies, as well as the economic structure and the degree of development attained by a country are much more important for attracting foreign investment than are special incentives, which in the final analysis are costly and often ineffective.

Argentine legislation regarding foreign investment was passed in March 1977. In general, it offers foreign investors conditions similar to those enjoyed by local investors.

In this sense, foreign investment is authorized in nearly all sectors of the economy, either in the form of foreign reserves, capital goods, capitalization of credits, know-how or reinvested profits. At the same time, foreign firms are allowed to sign loan agreements and technology transfer contracts with Argentine subsidiaries.

Registered investors have the right to remit all of their profits and to repatriate their capital, even if exchange controls are in effect at the time.

The latest reports on foreign investment levels indicate that they have reached a total of \$1.6305 billion between 1 March 1977 and 31 March 1980. The following conclusions, among others, can be drawn:

--Investments in the form of "new capital contributions" (60.5 percent of the total), have steadily risen in relative annual terms;

--On the contrary, funds originating in the "capitalization of credits" (13.7 percent) have behaved erratically during the period in question, with a definite tendency toward a smaller share of the total (29.8 percent;

FOR OFFICIAL USE ONLY

12.4 percent, 10.6 percent, and 0.3 percent in 1977, 1978 and 1979 and the first quarter of 1980, respectively);

--With regard to the "reinvestment of profits" (25.8 percent), there have been steady increases in absolute terms (US \$122.4, US \$135.1 and US \$162.8 million in 1977, 1978 and 1979, respectively), although this category's relative share in the total investments has been on the decline (45.4 percent, 29.9 percent and 20.1 percent in 1977, 1978 and 1979, respectively);

--During the period in question, the principal destination of approved investments has been the gas and oil production sector (24.4 percent of the total), followed in order of importance by the automobile industry (15.9 percent) and mining (13.8 percent). In the latter sector and the oil and gas sector, investments have come exclusively from "new capital contributions," while in the automobile industry 57.9 percent came from "new capital contributions" and 42.1 percent, the remainder, from "capitalization of credits." In both cases, given that the report does not specify, there was no investment from the "reinvestment of profits" category; and

--The United States is first among the countries of origin of approved investments, with 42.3 percent, followed by Holland (13.1 percent), Italy (8.7 percent) and West Germany (8.3 percent), among others. These four countries covered practically 75 percent of all investments.

With the exception of Italy, it is noted that most of these funds come primarily from the "new capital contributions" category.

Although an evaluation of the results obtained in terms of foreign investments over this period would be premature, given the lack of complementary information and the limited time available to observe its impact on economic activity, in principle we may make note of its low volume, even taking into consideration the better years. In 1979, for example, investment represented about 1.4 percent of the gross domestic product. Another consideration is the important relative position of reinvested profits.

COPYRIGHT: La Opinion, 1980

8926
GSO: 3010

FOR OFFICIAL USE ONLY

COLOMBIA

M-19 ANNOUNCES SUPPORT FOR PROPOSED NATIONAL STRIKE

PA012005 Rome IPS in Spanish 1815 GMT 31 May 80

[Excerpts] Bogota, 31 May (IPS)--The 19 April guerrilla movement (M-19), which became internationally notorious for having occupied the Dominican Embassy on 27 February and having held it for 61 days, today announced its support for the national civic strike proposed by various popular sectors.

The idea of a general halt in activities in repudiation of the high cost and poor standards of living of the popular sectors, was initially proposed by the National Labor Council [Consejo Nacional Sindical--CNS], which serves as coordinator of the four main labor unions.

The civic strike plan, for which a date has not yet been set, was also supported by political organizations, including the Communist Party of Colombia and the Firmes [a leftist group] movement.

Now the M-19 has also expressed its support for the pressure tactics. Support for the measure is noted in the May 1980 issue of the M-19's official publication. A copy of the bulletin was sent to IPS offices in Bogota today.

The cover of the M-19 publication carries the slogan: Against the state of siege, against the security statute, for increased wages and a freeze on prices, for the release of the political prisoners: national civic strike.

The editorial analyzes the events following the end of the occupation of the Dominican Embassy, which was described as a victory for the people.

The M-19 later reiterates its call for a dialogue with the various Colombian political sectors "in order to avoid a confrontation that has been looming for many years."

We believe that the country can still return to democracy, to a dignified life, without the state of siege, without a security statute, and without political prisoners, the M-19 says.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

For our part, the M-19 says, we are willing to talk, to discuss everything that concerns the welfare of our people and our country. On the other hand, we are also prepared, along with the people and by means of arms, to respond to the government minister's proposals of war and to wage the battle for our country's definitive independence.

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CUBA

U.S. CAMPAIGNS TO DISCREDIT CUBAN REVOLUTION ASSAILED

PA100248 Havana PRELA in Spanish 2236 GMT 9 Jun 80

[Article by Victorio M. Copa]

[Text] Havana, 9 Jun (PL)--A Cuban woman living in the United States said here today that the U.S. Government has systematically used persons who illegally left Cuba to wage campaigns to discredit the revolution.

"It has been a nearly 20-year campaign of slanders against the Cuban revolution," Maria de Los Angeles Torres, press and propaganda officer for the Antonio Maceo brigade told PRENSA LATINA and Radio Havana Cuba.

The young woman, who was sent to the United States by her parents in 1961 in the so-called "freedom flights," said U.S. officials treat those who hijack ships as "heroes."

"In their antirevolutionary campaigns, they (the U.S. officials) said these persons came to the United States for political reasons," Maria de Los Angeles Torres said.

However, she added, now Washington claims it cannot absorb the antisocial persons who imbued with the "American way of life" want to go to the United States. According to her, Washington increased its campaign of discredit following the triumph of the Sandinist front in Nicaragua, in order to undermine Cuban prestige.

The young resident in Ann Harbor, Michigan, close to the Canadian border, said most of the Cubans in the United States believe that the permanence of the U.S. Naval Base in Guantanamo to be a flagrant violation.

"Guantanamo, as well as Vieques, represents U.S. military intervention in the Caribbean and Latin America in general," Maria de Los Angeles Torres said.

She emphasized that the U.S. spy flights with SR-71 aircraft over the Cuban national territory are flagrant aggression.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

She criticized the racist wave existing in the United States, especially in Miami and said it is a maneuver used by ruling and financial circles to confront the economic crisis affecting the nation.

She also criticized the immigration laws since "they are applied selectively by the respective administrations to allow certain sectors to immigrate, for political reasons or because they need cheap manpower."

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CUBA

LATIN AMERICAN ECONOMIC MEETING CONDEMNS IMF POLICIES

PA090159 Havana PRELA in Spanish 2115 GMT 7 Jun 80

[Text] Havana, 7 Jun (PL)--The IMF has become "a police institution to get a financial stranglehold on the underdeveloped countries," the final report by the Latin American colloquy on the world economy has charged. The document was approved after 5 days of sessions held here by prominent Latin American economists under the auspices of the UN University.

The terms set by the IMF for its loans, the report says, respond to the most backward socioeconomic policies and are also intended to support unpopular regimes and to destabilize the governments committed to the cause of their peoples.

The participants think that the practices of the financial organization based in the United States are inexplicable. Some of the participants recalled the breakdown in the negotiations that the Jamaican government was holding with the IMF early this year.

The Latin American colloquy stressed the need to make a substantial increase in the flow of funds to the "Third World" under conditions that represent a real contribution to development.

A resolution--which had been proposed by Cuban President Fidel Castro and was approved by the latest UN General Assembly meeting--to increase development aid by no less than \$300 billion in this decade was emphasized here.

Several of the economists attending the colloquy said that the various efforts to reform the monetary system within the institutional framework created at the end of World War II are futile because the mechanism has been totally crushed with the dollar crisis.

Instead they suggested establishing a new monetary system on the condition that it be democratic, that it represent the entire international community and that it prevent domination by a country or group of countries to the detriment of the underdeveloped countries.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Oscar Pino Santos (from Cuba), president of the Center for Research on the World Economy, closed the sessions last night which had been addressed by Celso Furtado (from Brazil), Pedro Vuskovic (from Chile), Alonso Aguilar (from Mexico), Prof Frances Gerard de Bernis, who was a guest speaker, and other personalities.

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CUBA

BRIEFS

NICARAGUAN YOUTH MOVEMENT'S ROLE--Havana, 21 May (PL)--The Peoples Literacy Army [EPA] not only teaches the peasants but educates the student youth in the Sandinist spirit of love for the people, Nicaraguan Commander Carlos Carrion said. In statements made to the Cuban newspaper JUVENTUD REBELDE the Sandinist delegate for youth and literacy affairs explained that the 19 July Sandinist Youth Movement is being formed simultaneously with the development of the literacy campaign. Carrion said that at present this organization has 12,000 members, but at the end of the campaign this number will increase to 25,000 or 30,000. Commander Carrion also announced that the first congress, which will be very important for the organization's future, will be held next year. Carrion added that the foundations of this organization are not only being laid among the members of the brigade but also among the young peasants who are being taught to read and write so that the organization may take roots in the rural areas. The Sandinist leader said that the main objectives at present are the success of the literacy campaign, the political and ideological training of youth and the development of discipline. Carrion also stated that they will try to promote the organization among university students and that the first steps have been taken to form a children's organization. Our youngest generations have a great tradition of struggle and their great task at present is the literacy campaign and the other activities facing the Sandinist revolution, Carlos Carrion said. [Text] [PA222340 Havana PRELA in Spanish 0130 GMT 22 May 80]

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ECUADOR

VICE PRESIDENT INTERVIEWED ON POLITICAL SITUATION

LD271221 Madrid CAMBIO 16 in Spanish 25 May 80 p 87

[Undated interview with Ecuadorean Vice President Osvaldo Hurtado Larrea in Quito by Jose Fajardo: "Under Shadow of Dictatorship"]

[Text] Exactly 1 year after President Jaime Roldos Aguilera's election, following 7 years of successive dictatorships, Ecuador is facing a serious political crisis. The president was "sponsored" by Populist leader Assad Bucaram, who was unable to stand as a presidential candidate, owing to the military's veto. Instead, Bucaram backed his wife's uncle, Jaime Roldos Aguilera. Now speaker of the House of Representatives and holder of the majority of its votes, Assad Bucaram is now confronting his "protege" and obstructing his bills.

This crisis is taking place just as the Spanish king and queen are due in Ecuador. The conflicts within the Bucaram family--"tribal fights" according to one Ecuadorean liberal politician--have degenerated to the point where Minister of Government Carlos Feraud is being subjected to a political trial.

In fact the conflict between Bucaram and the president has placed the head of state in "legislative o position." This is why Roldos Aguilera is considering the possibility of holding a referendum which would make it possible to dissolve the chamber and hold further elections to neutralize the vast power of his "former godfather" Assad Bucaram.

Vice president of the republic Osvaldo Hurtado Larrea discussed the serious situation in depth in an interview granted to CAMBIO 16's special correspondent Jose Fajardo.

Referendum the Solution

The vice president believes that a referendum is the only option for "radically" resolving the confrontation between the executive power and the legislative p wer. "It is the only way," he emphasized, "in which the Ecuadorean people can return to the ballot boxes and express their opinion. The previous

24

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

elections were invalidated to some extent, because many deputies ran to support the government and now form part of the opposition."

"In a democracy," he added, "the people are entitled to revoke the mandate which they gave their representatives and which has not been properly discharged."

CAMBIO 16: But, Mr Vice President, a period not less than 120 days would be required for calling the referendum, and several more months for holding the elections. Would not that political vacuum be dangerous for a country which is still "in the shadow of the dictatorship"?

Oswaldo Hurtado Larrea: The dangers undoubtedly exist, especially since passions seem to carry more weight than a sense of history for some politicians. If we political leaders do not succeed in resolving the situation through consensus, it is natural for us to have recourse to the source of sovereignty.

CAMBIO 16: It is being said that the greatest danger would be to give President Roldos special total and dictatorial powers for several months.

Oswaldo Hurtado Larrea: It seems to be essential for the president to be granted powers to dissolve the chamber, I believe that would help resolve the problem. As far as the president's legislating is concerned, that is an institution which already existed in the previous constitutions. According to the 1946 constitution, the president had powers to legislate through emergency decrees. Moreover, I believe that the president is a judicious and democratic man, who will not use those powers arbitrarily.

CAMBIO 16: Mr President, what do you believe are Mr Assad Bucaram's aims? Some of the government's supporters maintain that, since he has not achieved power, he is seeking to destabilize the government and benefit from this situation.

Oswaldo Hurtado Larrea: Mr Bucaram could answer this question better. It should be borne in mind that a minister is currently being interpellated in the chamber in an obvious desire to destabilize the government. And over the last few weeks there has even been talk of impeaching me--the vice president. Some people have even talked about impeaching President Roldos. If a minister is interpellated, it is with the intention of eliminating him, and if the vice president or president is impeached, it is not in order to give them a vote of acclamation. This interpellation could have unforeseeable political consequences. This week we are experiencing a time of hazardous political clarifications.

CAMBIO 16: Would a return to a dictatorship be one of these dangers?

Oswaldo Hurtado Larrea: Not at all. In the first place, I believe that a democratic attitude predominates in the chamber, even among some opponents

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

of the government. Moreover, public opinion firmly supports President Roldos. Third, the armed forces, following the unpleasant experience which they underwent for a decade, have decided not to intervene again.

CAMBIO 16: The government's plan for economic transformations has been blocked by the chamber. How do you interpret this stance?

Oswaldo Hurtado Larrea: The old policy, the old Ecuadorean oligarchy defeated in the last elections, has barricaded itself in the chamber to prevent progress and social regeneration.

King of Spain's Visit

CAMBIO 16: Has the economic situation improved?

Oswaldo Hurtado Larrea: I believe that in the first place we have put the house in order. The inflation rate is 13 percent, despite wage increases. Trade and exports are continuing to increase dynamically. We have a favorable balance of payments and trade. The principal problems lie in investments and taxation.

CAMBIO 16: With respect to the King of Spain's visit, what specific results are being expected?

Oswaldo Hurtado Larrea: For some time we have been negotiating with Spain several agreements which are quite well advanced and which should be resolved with the delegation accompanying the king. His majesty's visit should be viewed within the new perspective of Spain's policy aimed at consolidating cultural and economic ties with Latin America. I believe that the visit also indicates the desire for communication between two democratic systems which have emerged following a lengthy dictatorial interruption. We--and I include the Ecuadorean Government and people in this--appreciate the fact that the first visit by a head of state since our democracy was restored 10 August last year will in fact be that of the Spanish king.

COPYRIGHT: 1980 Informacion y Revistas S.A.

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

EL SALVADOR

HUMAN RIGHTS OFFICIAL ASKS EUROPEANS FOR SUPPORT

PA172321 Havana PRELA in Spanish 2022 GMT 16 May 80

[Report by Angel V. Ruocco]

[Text] Bonn, 16 May (PL)--The United States has directly intervened and continues to do so in the repression unleashed against the Salvadoran people, Marianella Garcia Villas, Salvadoran Human Rights Commission president, pointed out.

In a statement to PRELA, Garcia Villas, a Salvadoran lawyer, today charged that the 15 October military coup promoted by the United States, opened a new era in El Salvador's political process characterized by an open violation of human rights.

Garcia Villas, who is also vice president of the International Federation on Human Rights, is touring West Europe together with Jose Antonio Hernandez, a spokesman of the Salvadoran Human Rights Commission, reporting on the current situation and the probabilities of a direct U.S. armed intervention in their country.

The Salvadoran problem, Garcia Villas said, should be analyzed according to the country's economic and social characteristics, because the causes of the violations to human rights in the broadest meaning of the word stem from them.

She added that the United States directly participated in the 15 October coup, by giving the junta over \$5.5 million in arms and military advice on counterinsurgency.

"U.S. military advisers have been in El Salvador since the beginning of 1936, participating in repressive operations against the peasants and in questioning of Salvadoran political prisoners," Garcia Villas asserted.

Garcia Villas added that there is definite proof of U.S. participation in the military coup which coincided with a new U.S. policy toward Latin

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

America which consists of trying to improve the image of military dictatorships established and supported by the North Americans themselves.

Although the U.S. Government originally intended to give a reformist appearance to the regimes which were to replace the obsolete military tyrannies, now it has changed plans, Garcia Villas indicated.

The resignation of Cyrus Vance as U.S. secretary of state, a victory of the hard line maintained by Zbigniew Brzezinski, assistant to the president for national security affairs, could harden the situation for Latin America and increases the possibility of a direct armed intervention of the United States in El Salvador, Garcia Villas stressed.

"Leaders of the extreme rightwing National Broad Front (FAN)," Garcia Villas added, "have just toured the United States to ask the intervention of U.S. troops in our country."

Garcia Villas said Retired Maj Roberto d'Aubuisson, FAN leader, was at the Pentagon to request this intervention. "He was the one on television who threatened and insulted Archbishop Oscar Romero, who was assassinated shortly thereafter, and other opposition and labor leaders," Garcia Villas said.

"There are reports that the United States has sent Marines and helicopters somewhere next to Costa Rica, close to the border with Nicaragua and that it is creating incidents and tension in the area of the Caribbean Sea and Central America," Garcia Villas charged.

"Besides," she added, "it is also known that mercenaries and former members of the Somozist National Guard are receiving military training in a hacienda in Guatemala."

It is no secret either that the government of President James Carter is the main support of the Salvadoran Government junta, which each day is more isolated from the people and more responsible for the growing violation of human rights, Garcia Villas said.

"From 16 to 30 April," she continued, "367 persons from the opposition and other popular sectors have been murdered and another 13 are still missing. From 15 January to 15 April, 246 persons, among them women and children, were killed by paramilitary forces, which in turn lost 230."

Garcia Villas explained that the labor movement has been the sector most affected by the repression and that a large number of members of labor organizations have been assassinated by paramilitary groups.

The purpose behind repression is to destroy the people's movement represented by the democratic and revolutionary front which is made up of political sectors which represent the majority of the people in the

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

country and is struggling to provide to vast sectors of the population the benefits of a more just society.

Garcia Villas, who was a Christian Democratic Party (PDC) leader until recently, said that "PDC rightwing represented by Jose Napoleon Duarte and Jose Antonio Morales Erlich, members of the government junta, are playing an important role in the repressive campaign against the Salvadoran people."

"I wish to say that what we have in El Salvador is a real political struggle and not a feud between extreme rightwing and leftwing, as the government junta wants to make the people believe," Garcia Villas explained.

She also said the Human Rights Commission she presides over believes the political plan of the democratic and revolutionary front, if put into practice, would guarantee human rights in El Salvador. "For this reason I am asking on behalf of the commission material, moral and political support from the peoples and progressive governments of the world," Garcia Villas concluded.

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

EL SALVADOR

SALVADORANS IN VENEZUELA PROTEST HUMAN RIGHTS ABUSES

PA311440 Havana PRELA in Spanish 2027 GMT 29 May 80

[Report by Sergio Medina]

[Text] Caracas, 29 May (PL)--Lt Col Rene Francisco Guerra, former Salvadoran deputy interior minister, protested here the massacre of the Salvadoran people by the Christian Democratic Party [PDC]-military junta.

Guerra spoke at a news conference attended by Carlos Canache Mata, president of the Venezuelan Chamber of Deputies; Jose Maria Machin, former Venezuelan ambassador to the OAS; Juan Roberto Trejo, a Salvadoran priest; and Jose Herrera Oropeza, member of the Solidarity Committee With El Salvador.

Guerra was one of the young officers who helped overthrow Gen Carlos Humberto Romero's regime in 1979. He held the post of deputy interior minister until January when he resigned and was later compelled to leave the country.

The Salvadoran officer said: "I cannot remain silent when the best sons of the Salvadoran people are bravely sacrificing their lives in the struggle against the dictatorship."

Meanwhile, priest Juan Roberto Trejo said that the Salvadoran Catholic Church has waged an obstinate struggle against abuses by the dictatorships which have ruled the country and which have violated human rights and freedom in this country.

He said that persecution was intensified since 1970 as have attacks on the church.

He said that in 1977 the first priest was killed--Reverend Rutilio Grandes. The oligarchy, jointly with the dictatorial regime, gathered strength and began a series of murders against those who would defend human rights.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

These crimes, he said, were committed mainly against the humble peasants when they refused to join the paramilitary nationalist democratic organization. This organization has been used by the regime and the land-holding oligarchy as an espionage instrument.

Father Trejo said that with Romero's ouster last October it was believed that repression would cease, but "once again a worse regime is back in power. It consists of army officers addicted to the oligarchy and of a sector of the PDC which follows their regrettable and repressive policies."

He added that this military junta murdered Monsignor Oscar Arnulfo Romero, whom he described as an American martyr, and that "this sacrilege has not silenced his voice but instead has served to multiply his voice proclaiming to the world the injustices being committed against the defenseless Salvadoran people."

Jose Herrera Oropeza, member of the Venezuelan Solidarity Committee With El Salvador, said that in El Salvador there is "a national struggle of all sectors, except the PDC led by Napoleon Duarte, against the dictatorship and in favor of installing a democratic regime in the country."

Herrera Oropeza said that an international conference of solidarity with the Salvadoran people will be held in July and that it will be attended by outstanding personalities from all over the world, including Venezuelan personalities who support the struggle of the Salvadoran people.

Jose Maria Machin, after reasserting the statement made by Herrera Oropeza, said that for many years El Salvador has been ruled by dictatorial regimes at the service of the oligarchy.

Machin also criticized the Venezuelan PDC policies in favor of the incumbent Salvadoran military junta and said that it has been asserted that by supporting the military regime a democratic solution could be found, but facts have proved the contrary. The PDC sector supporting the junta has proceeded just like all the other Salvadoran governments.

"I believe," he said, "that the support of the Venezuelan PDC for the Salvadoran junta goes against the true feelings of the Venezuelan people."

"This is the time," he emphasized, "to rectify this mistaken Venezuelan policy toward El Salvador and to support those who want a true democratic policy rather than the rulers who are merely following old dictatorial policies."

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

GUATEMALA

REVOLUTIONARY ORGANIZATIONS PRAISE CASTRO IN LETTER

PA272058 Havana PRELA in English 1655 GMT 27 May 80

[Text] Havana, May 27 (PL)--Four revolutionary organizations of Guatemala sent a message to President Fidel Castro expressing their adherence to the Cuban revolution, in the light of the aggravation of the hostility of the United States against the island.

The letter, which appeared today in the daily GRANMA, was issued after the first joint meeting of the leaderships of the Guerrilla Army of the Poor (EGP), the Rebel Armed Forces (FAR), the Organization of the People at Arms (ORPA) and the Guatemalan Labor Party (PGT). The groups expressed to Fidel Castro their highest regards and admiration for the Cuban revolution and their rejection of the maneuvers of the United States and the reactionary press.

They also reiterated their disposition to carry out any action necessary and their willingness to contribute to defeating the aggressive policy of the United States in the area.

The document reports that the joint meeting was convened to analyze the current international situation, particularly in this area.

To this effect, it denounced the aggravation of the policy of aggression of the United States and the constant threats against the revolution of Grenada, the progressive area of the Caribbean and the revolutionary movements of Central America.

In the exchange and discussion held, it says, we have reached the main conclusion that in response to the great defeats of imperialism from Vietnam to Nicaragua and Iran, a threatening policy has been implemented with clear interventionist intentions against the entire Caribbean and Central American area.

A policy, it adds, aimed to try to affect and damage what was constructed and consolidated under the revolutionary point of view or destroy and neutralize the processes of struggle and liberation of our peoples. The Guatemalan organizations emphasize the need to strengthen and coordinate all the revolutionary, popular, democratic and progressive forces of the area.

CSO: 3010

32

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

PANAMA

LABOR LEADER CONDEMNS U.S. MANEUVERS IN CARIBBEAN

PA011614 Havana PRELA in Spanish 0130 GMT 1 May 80

[Text] Panama City, 30 Apr (PL)--Jose Manuel Meneses, secretary general of the National Central of Panamanian Workers [CNTP], has stated that the scheduled landing of U.S. Marines at Guantanamo base next week is a flagrant violation of Cuban territory.

In statements made to this agency, Meneses voiced the Panamanian workers' solidarity with the Cuban revolution and warned the United States that it may suffer as great a defeat as the one it experienced when the mercenaries landed in Playa Giron, Cuba, in 1961.

The landing of Marines in a territory which they occupy against Cuba's will is the culmination of a number of provocative acts against Cuba which began with the incidents at the Peruvian and Venezuelan embassies in Havana, the labor leader stated.

Meneses also stated that the main international slogan of the 1 May parade will be the rejection of the U.S. aggressive maneuvers in the Caribbean, which constitute a trial for its interventionist objectives in the region.

He likewise urged all the workers of the world to express their solidarity with the Cuban and Nicaraguan revolutions as well as with the national liberation struggle in El Salvador, Grenada and other countries of the area.

CSO: 3010

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

PERU

ASSETS OF PERUVIAN ARMED FORCES DETAILED

Madrid DEFENSA in Spanish No 23, Mar 80 pp 16, 17

[Article: "The Peruvian Armed Forces"]

[Text] Population: 17,530,000
Military Service: 2 years, selective
Total Strength of Peruvian Armed Forces: 92,000 (49,000
draftees)
1977 Defense Expenditures: \$406 million

The Peruvian armed forces, which comprise the Army (EP), the Navy (MP) and the Air Force (FAP), originated--like all its Latin American counterparts--in the war of independence against Spain during the second and third decades of the 19th Century. The Peruvian armed forces engaged in a series of wars against its neighbors during the last century, all of them arising from problems of ill-defined borders. The most important of them was the one known as the War of the Pacific (1879-1883), in which Peru, allied with Bolivia, was defeated by Chile and lost the province of Arica, while Bolivia ended up without an outlet to the ocean.

After the debacle of the War of the Pacific, Peru resorted to a French military mission to reorganize the EP in particular. French doctrine influenced the Peruvian military way of thinking until World War II when, as in the case of the other Latin American countries, the Peruvian armed forces turned toward U.S. military doctrine. In 1941 Peru engaged in a victorious war against Ecuador which gave it possession of a territory in the Amazon Basin that had been a source of contention with Ecuador since the time when both countries became independent.

In the decade of the 1960's--also similarly to the rest of the Latin American countries--the Peruvian military doctrine was "nationalized" as a result of a wave of nationalism which swept that region of the world. This "nationalization" of the armies was brought about by an awareness regarding national problems and encouraged by the surge of guerrilla movements that shook almost all the countries of the continent at the time. That resulted in the gradual forsaking of the United States as

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

supplier. For that reason the EP and the FAP are currently the only ones in Latin America equipped with Soviet materiel, with the exception of Cuba.

Army

- Total: 70,000 (49,000 draftees).
- 2 armored divisions (actually Peruvian divisions are equivalent to brigades in strength).
- 2 armored regiments, 2 cavalry regiments.
- 8 infantry and mechanized divisions.
- 1 airborne paracommando division.
- 1 jungle division.
- 3 armored reconnaissance troops. Artillery and engineer battalions.
- Materiel: 250 T-54/55, 60 M-4 and 110 AMX-13 cars; M-8 armored vehicles and 50 M-3A1 scout cars; 200 M-113, 40 V-150 Chaimite (Portuguese version of the French EBR ETT Panhard) and German UR-416 troop carriers; and Swiss Mowag vehicles.
- Artillery: 90 105mm, 122mm and 130mm guns; 4 M-114 155mm howitzers; 40mm, 76mm and 120mm mortars; ZSU-23-4 antiaircraft vehicles; and SA-3 SAM's.
- Army aviation: 5 U-10B, 5 Cessna 185, 42 MI-8, 4 Alouette III and 5 Lama aircraft.
- The EP has on order--under construction or partially delivered--200 T-55 cars, 122mm and 130mm guns, SA-3/7 SAM's, and 2 Nomad light transport planes.

Navy

- Total: 12,000 men including naval air forces and 1,000 marines.
- 8 submarines: 2 of the 209 class, 2 ex-U.S. Guppy class and 4 ex-U.S. Abtao class.
- 4 cruisers: 2 ex-Dutch De Ruyter class (one equipped with Exocet missiles and 3 helicopters) and 2 ex-British Ceylon class.
- 6 destroyers: 2 ex-British Daring class equipped with Exocet SSM's, 2 ex-U.S. Fletcher class and 2 ex-U.S. Cannon class.
- 5 river ships and 3 river patrol boats.
- LCPV's (landing crafts, vehicle and personnel) of U.S. manufacture.
- Naval aviation: 9 S-2E Tracker ASM, 6 C-47, 2 F-27 MPA and 1 Aztec planes; 6 AB-212 ASW, 10 Bell 206, 6 UH-1D/H, 2 Alouette III and 2 Bell 47G helicopters; and 6 T-34 trainers.
- Under construction abroad or already delivered: 4 submarines of the 209 class, 2 frigates of the Lupo class, and 6 PR-72P FAC(M) equipped with Exocet SSM's.
- Bases: El Callao, San Lorenzo, Talara and Iquitos (river).

FOR OFFICIAL USE ONLY

Air Force

- Total: 10,000 men and 138 combat planes.
- 2 bombing squadrons with 32 Canberra bombers.
- 4 attack and intercept squadrons: 2 with 24 Mirage 5P and 2 with 27 SU-22 planes.
- 1 combat squadron with 10 Hunter F-52 planes.
- 1 advance training squadron with 12 MIG-21 planes.
- 2 counterinsurgency squadrons with 24 A-37B planes.
- 2 conversion squadrons with 2 Canberra, 2 Hunter, 1 Mirage and 4 SU-22 planes.
- 12 Alouette III, 6 UH-1D, 20 Bell 47G, 14 Bell 212, 6 MI-6 and 6 MI-8 helicopters.
- A certain number of transports and trainers of various models and sources such as Soviet, European and United States.

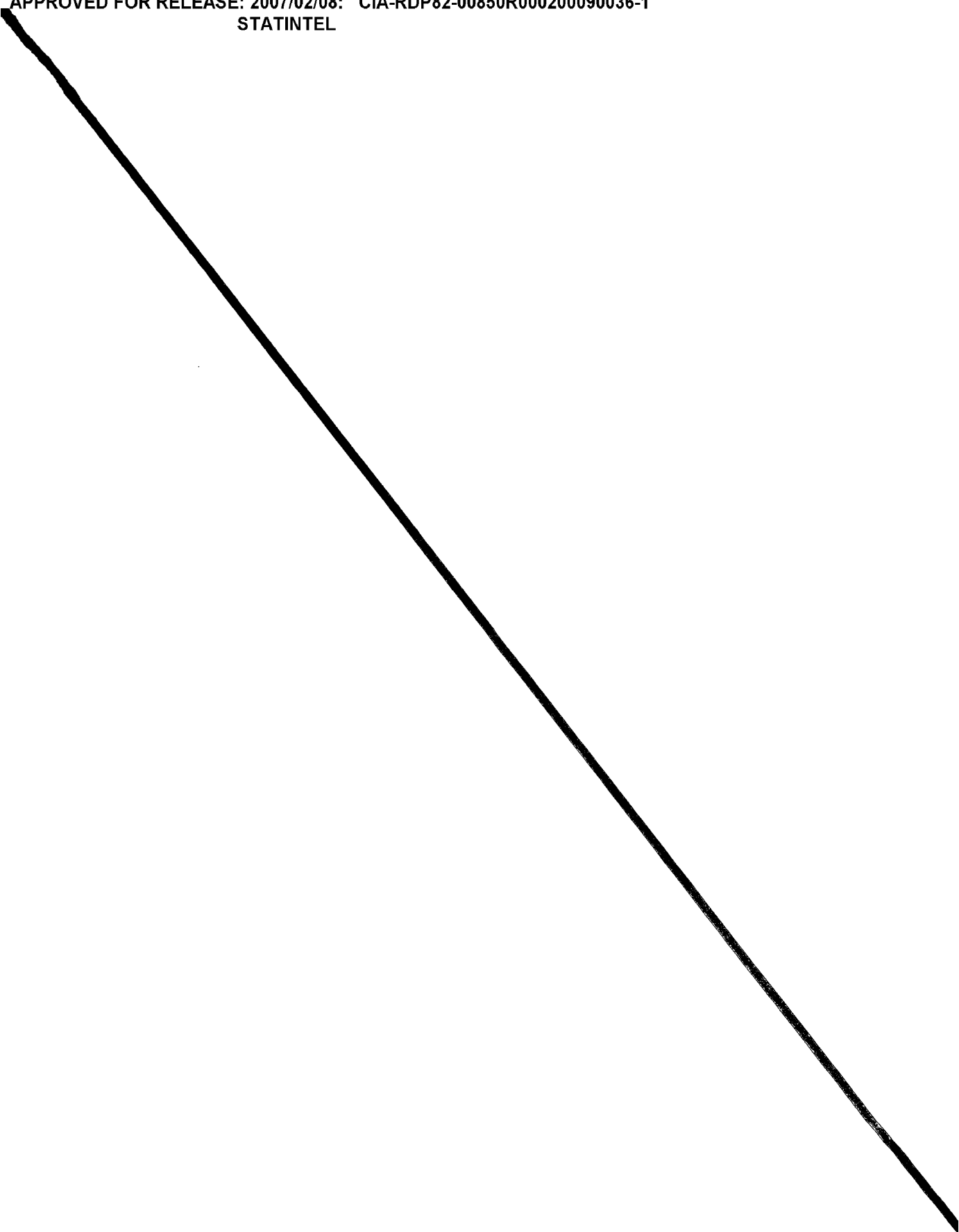
Paramilitary Force

- Civil Guard: 25,000 men.

COPYRIGHT: Ediciones Defensa, S.A., Madrid 1980

8414
CSO: 3010

APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000200090036-1
STATINTEL



APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000200090036-1
STATINTEL