

Montevideo meeting of Cartagena Group

The fourth full meeting of the Cartagena Group at the level of Foreign and Economic Ministers was held in Montevideo on Dec. 16-17, preceded by preparatory meetings commencing on Dec. 12. Discussions were based on a working party report drawn up by Argentine, Brazilian and Mexican officials, which had already been endorsed by Presidents Alfonsín and Sarney at Iguazú, and which reportedly emphasized constructive dialogue rather than any desire for confrontation with creditor countries. The Baker plan, although regarded as "a positive step", was nevertheless described in the nine-point Declaration of Montevideo adopted on Dec. 17 as "totally insufficient", and a series of proposals were made to add to the measures suggested by Mr Baker.

The working party report stated that the Baker plan "makes no reference whatsoever to the central problem and the fundamental cause of the debt crisis—the persistent and practically unprecedented high level of interest rates". (The US prime lending rate had in fact reached a peak of 13 per cent in mid-1984 and had since then been cut, to 10.75 per cent by the end of 1984 and to 9.5 per cent as announced on June 18, 1985.) The final Declaration of Montevideo called for the return of interest levels to the "historic levels" of the 1960s, when they had generally stood at around 4 to 5 per cent, whereas the draft report had been more specific in calling for an urgent cut of 3 percentage points.

President Sanguinetti said on Dec. 16 that the Baker plan had recognized the political dimension, although it was inadequate as a short-term solution, and he ruled out the repudiation of debt "demanded by some countries who proclaim one policy and in practice follow another".

The main "emergency measures" included in the Declaration were a cut in interest rates, new commercial loans, an increase of 15-20 per cent in loans from the World Bank and other institutions over the next three years, the reinforcement of IMF facilities for compensatory financing for shortfalls in primary commodity export earnings, the partial capitalization of debt interest due, and the imposition of a ceiling on capital outflow which would be linked to growth in export earnings (although there was no specific endorsement of the Peruvian debt payment ceiling of 10 per cent of export earnings). It was estimated that there would be zero economic growth in Latin America as a whole in 1985, and that \$32,000 million would leave the region in debt service payments, and there were calls for the channelling of this money to promote future economic growth.

A five-nation committee, comprising Argentina, Brazil, Mexico, Colombia and Venezuela, was set up to follow the progress of these proposals, which Sr Iglesias described as an addition to the Baker plan rather than a rejection of it. The committee was to propose alternative measures if this became necessary in the light of future developments.

Meeting of Mexican and Venezuelan Presidents in Cancún

Following a dramatic reduction in the world price of oil in December 1985 and January 1986, President de la Madrid and President Lusinchi of Venezuela held a summit meeting in Cancún, Mexico, on Jan. 30-31, 1986, to "bring up to date" their strategy on debt. A joint communiqué warned that the chaos in the oil market was a serious threat to international financial stability, and the two leaders called for an urgent meeting of the Cartagena Group to discuss the effect of the oil crisis on the capacity of individual countries in the region to meet their debt service obligations.—(Latin American Monitor - Nueva Voz, Stockholm - Financial Times - Guardian - Times - Economist - Le Monde - El País, Madrid - New York Times - International Herald Tribune - BBC Summary of World Broadcasts - Granma, Havana - Neue Zürcher Zeitung) (Prev. rep. 33212 A; Baker plan 34134 B)

A. HAITI — Fall of Duvalier government

Flight of President Duvalier and assumption of power by civilian-military council (Feb. 7, 1986).

Deaths of anti-government demonstrators (Nov. 28, 1985).

Closure and reopening of Radio Soleil (Dec. 5 and Dec. 23).

Cabinet reshuffle (Dec. 31, 1985).

Indefinite closure of schools and universities (Jan. 8, 1986).

Pledge of loyalty by chiefs of armed forces (Jan. 12).

Disbandment of branch of secret police and military appointments (Jan. 26).

Intensification of demonstrations and rioting and government response (Jan. 26-Feb. 5).

Inaccurate announcement by USA of fall of President Duvalier (Jan. 31).

Imposition of state of siege and closure of church-run radio stations (Jan. 31).

Closure of border by Dominican Republic (Jan. 31).

President Jean-Claude Duvalier, who had ruled Haiti since 1971, fled the country for France on Feb. 7, 1986, accompanied by members of his family and immediate circle, on board an aircraft provided by the United States government. Mr Duvalier had been refused asylum by the governments of Spain, Greece, Italy, Switzerland and Argentina, and the French authorities stated that he would be permitted to remain in France for only eight days.

Mr Caspar Weinberger, the US Secretary of Defence, stated that the provision of an aircraft by the United States had been at the request of both Mr Duvalier and the French government, while Mr Larry Speakes, the chief White House spokesman, in endorsing Mr Duvalier's decision to flee, observed that it had become "obvious to him that he could no longer sustain his government except through the use of oppression and force". Mr Speakes stated that the United States was discussing with other democratic governments the means whereby Haiti could achieve democracy and economic development.

Immediately following Mr Duvalier's flight a five-member civilian-military council assumed power, under the leadership of Gen. Henri Namphy, the Army chief of staff. Gen. Namphy stated that the armed forces had no political ambitions, but gave no indication that there would be early elections. The two civilian members of the council were named as Mr Alix Cinéas, a minister in the previous government, and Mr Gérard Gourgue, a lawyer and president of the Haitian Human Rights League; the military members were Col. Williams Regala, a career soldier who was not considered a Duvalierist, and Col. Max Valles, the commander of the presidential guard since 1984.

Reports from Haiti spoke of jubilant crowds looting and burning buildings associated with leading Duvalierists, while there were numerous acts of revenge against members of the 15,000-strong *Volontaires de la Sécurité Nationale*, or *Tontons Macoutes*, the previously dreaded private army of the Duvalier family. Army units reportedly intervened in some cases to save the lives of members of the *Tontons Macoutes*. The mausoleum containing the tomb of François ("Papa Doc") Duvalier, who had ruled the country from 1957 to 1971, was destroyed, and his skull and spectacles removed by looters.

The following is a review of recent developments leading to the fall of the Duvalier government [see also 34041 A].

Unrest in late 1985

The period of unrest began on Nov. 28, 1985, when four teenagers were killed by troops during an anti-government demonstration in Gonaïves. On Dec. 5, Mr Hubert de Ronceray, a prominent critic of the government, was arrested for possession of "subversive material", which was said to be an appeal from 34 youth leaders for him to organize a national day of mourning for the deaths in Gonaïves; on the same day, Radio Soleil, which was run by the Roman Catholic Church, was closed for broadcasting "erroneous and inflammatory material" in connexion with the killings. Radio Soleil was permitted to resume broadcasts on Dec. 23, and Mr de Ronceray was released on Jan. 4.

It was reported that Mr Sylvio Claude, the leader of the underground Christian Democratic Party (*Partie démocrate-chrétien haïtien*, PDC), had gone into hiding after police entered his house and beat him on Dec. 21. Mr Grégoire Eugène, however, the leader of the other principal opposition group, the Social Christian Party (*Parti social chrétien*, PSC), had sought registration for the PSC under the conditions required by the 1985 constitutional amendments (which allowed for the establishment of legal parties which recognized the institution of the Presidency-for-life—see 33769 B).

December 1985 government reshuffle

In a Cabinet reshuffle announced on Dec. 31, 1985, President Duvalier dismissed from his government four of the five "super ministers of state", and removed the designation of "minister of state" from the fifth, thereby apparently abolishing the "super-cabinet" [for Cabinet reshuffles on Sept. 10 and Nov. 5, see 34041 A].

All four of the dismissed "super ministers of state" were named to become ambassadors: Mr Frantz Merceron to the UN in Geneva; Mr Jean-Marie Chanoine to Canada; Mr Théodore [Achille] to France; and Mr Jean-Robert Estimé to the European Communities and UNESCO. Mr Cinéas, the fifth member of the previous "super-cabinet", retained his previous portfolios.

According to agency reports, the new Cabinet was made up as follows:

Mr Pierre Merceron.....	Interior and National Defence
Mr Adrien Raymond.....	Information and Public Relations
Mr Frantz Flambert.....	Economy and Finance
Mr Théophile Roche.....	Planning
Mr Raymond Thomas.....	Industry and Commerce
Mr Jean Vandal.....	Justice
Mr Pierre Mondes.....	National Education
Mr Nicot Julien.....	Youth and Sports
Mr Georges Salomon.....	Foreign Affairs
Mr Daniel Supplice.....	Social Affairs
Mr Alix Cinéas.....	Public Works, Transport, Communications, Mines and Energy Resources
Mr Victor Laroche.....	Public Health and Population

Col. Albert Pierre was at the same time replaced as chief of police by Mr Congoire Figaro.

Some sources suggested that the changes reflected a shift in the balance of power in the ruling group around the President, with influence shifting from his wife, Mrs Michèle Duvalier, to his mother (Mrs Simone Duvalier) and his elder sister and an "old guard" of Duvalierist "hard-liners" [for proclamation in 1981 of Michèle as First Lady of Haiti in place of Simone, and the latter's exile from the capital, see 31313 A]. The appointment of Mr Pierre Merceron, who had retired as Chief of Staff of the Army 23 years earlier, was seen as a gesture of conciliation towards the Army, whose relations with the regime and the *Tontons Macoutes* were strained.

The reshuffle followed an unsuccessful mission to the USA by Mr Frantz Merceron and Mr Estimé to secure emergency economic aid.

On Jan. 8 the government announced (i) the indefinite closure of all schools and universities, in response to an extensive school boycott movement, and (ii) cuts in the price of rice, canned milk, cooking oil, flour and diesel fuel.

The Roman Catholic bishops of Gonaïves and Cap-Haïtien, the main centres of unrest, met with President Duvalier on Jan. 12, but their discussions were reportedly strained and inconclusive. On the same day the chiefs of the Army and the civil guard re-avowed their loyalty to the President in the presence of the Cabinet, party functionaries and the Duvalier family.

Reports over the previous week had indicated that senior Army officers had ignored various orders from the President, and were considering action to depose him if the crisis did not ease.

Mr Luckner Cambronne, the "strong man" of President Jean-Claude Duvalier's first government until his dismissal and exile in November 1972 [see 25612 C], was again active in political affairs, rallying the *Tontons Macoutes* and other loyalist elements to the support of the government.

On Jan. 18 police dispersed a protest march by 2,500 people, mostly women and children, in Port-au-Prince. This was the first significant demonstration in the capital.

On Jan. 25 an Army captain and two of the *Tontons Macoutes* were charged with murder in connexion with the Nov. 28 killings in Gonaïves.

On Jan. 26 President Duvalier announced the disbandment of a secret police force (known in English as the Permanent Investigation Commission for the Dessalines Barracks, formerly the High Secret State Police), which was said to have some 600 members and was separate from the *Tontons Macoutes*. The announcement was met with scepticism in Haiti. President Duvalier also announced that he had appointed new commanders of the Air Force, the Navy, the "Leopards" counter-insurgency force and the palace guard, and had accepted the resignation of 11 high-ranking Army officers.

Intensified disturbances - Incorrect US announcement of fall of government

Intensified and widespread disturbances developed in the week following Jan. 26. Many government buildings were destroyed and shops looted, and government officials and *Tontons Macoutes* fled into the countryside from some provincial cities.

On Jan. 30 three children were crushed to death by falling sacks of wheat when a crowd looted the warehouse of a US aid organization, "Care", in Cap-Haïtien. On the same day one person died in a Haitian section of Miami in the USA, during unruly celebrations and sporadic looting triggered by rumours of the fall of President Duvalier.

The US State Department announced on Jan. 30 that it was delaying \$26,000,000 in aid to Haiti in view of the political situation in that country.

On the morning of Jan. 31, Mr Larry Speakes, the chief White House spokesman, told reporters that the United States had "been informed that the government of Haiti has collapsed and the leadership, including Duvalier, has fled the country". Later the same day, President Duvalier went on state-run radio to announce that he was still in power and was as "powerful as a monkey's tail". The government also announced a 30-day "state of siege" and the imposition of martial law, and Mr Figaro (the police chief) ordered the closure of all church-run radio stations, the principal means by which Haitians had learned of the spread of disturbances.

Reports suggested that the inaccurate US announcement of the fall of the Haitian government followed a pre-dawn meeting on Jan. 31 between President Duvalier and the US ambassador, Mr Clayton McManaway, at which the President had expressed his willingness to stand down, but that Mr Duvalier had quickly retracted his decision under pressure from his wife and his father-in-law Mr Ernest Bennett.

Several thousand people took part in demonstrations in Port-au-Prince on Jan. 31, and hospital and diplomatic sources indicated that at least 50 people were killed in subsequent rioting and reprisals by the *Tontons Macoutes*. The government denied reports that mass burials were being carried out at a location to the north of the city.

The Dominican Republic on Jan. 31 closed its border with Haiti and deployed additional military forces along it.

In interviews given on Feb. 1, Mr de Ronceray and Mr Eugène stated that a military coup was necessary to resolve the crisis, while Mr Claude was quoted on Jan. 30 as calling for the formation of a "civilian-military junta", and for presidential elections. In some towns Army units had shown reluctance to fire on demonstrators and had intervened to prevent retaliation by the *Tontons Macoutes*, and many demonstrators appeared to hope for a US-backed Army takeover. It was noted, however, that President Duvalier had sought in recent weeks to place loyal supporters in key Army posts, and that the opposition to the regime appeared to lack leadership.

On Feb. 3, Mr George Shultz, the US Secretary of State, called for the establishment of a democratically elected government in Haiti.

Mr Frantz Merceron, who had fled the country following his dismissal from the "super-cabinet" amid charges of corruption, was officially welcomed back to Haiti on Feb. 1. It was reported on Feb. 5 that President Duvalier had summoned leaders of the *Tontons Macoutes* to the presidential palace to present evidence of corruption and betrayal by Mr Roger Lafontant, formerly the most powerful figure in the government, who was exiled in October 1985 [see 34041 A].

On Feb. 3 President Duvalier toured Port-au-Prince in a motorcade to demonstrate his continued authority, and reports on Feb. 5 indicated that the *Tontons Macoutes* were being vigorously employed, after a period when the Army was given principal responsibility for quelling disorder, to crush opposition in the provincial cities.—(Le Monde - BBC Summary of World Broadcasts - International Herald Tribune - Times - Financial Times - Guardian) (Prev. rep. 34041 A)

A. DOMINICAN REPUBLIC — Discord within PRD - Agreement with IMF - General strikes

- Violent disruption of PRD convention (Nov. 24, 1985).*
- Announcement by President Blanco of choice of Jacobo Majluta as presidential candidate (Jan. 28, 1986).*
- Price rises and devaluation of the peso (Jan. 24, 1985).*
- General strikes (Jan. 28, Feb. 11 and June 20).*
- Announcement of partial price reductions (Feb. 12).*
- Minimum wage increase (July 9).*
- Arrests of left-wing activists (Nov. 21).*
- Signature of IMF standby arrangement (April 15).*
- Crisis in sugar industry (September).*
- Sale of Gulf and Western (December 1984).*
- Approval of 1986 budget (Nov. 14, 1985).*
- Further price cuts (Jan. 19, 1986).*
- Appointments of Secretary of State for the Interior (Jan. 8 and April 10, 1985) and Secretary of State for the Presidency (Jan. 30, 1986).*

Throughout 1985 President Salvador Jorge Blanco faced mounting opposition from within his own ruling social-democratic

Dominican Revolutionary Party (*Partido Revolucionario Dominicano*, PRD), from left-wing opposition parties, and from the trade union movement, over a programme of economic adjustment backed by the International Monetary Fund (IMF) which was described as "recessive and unworkable" by Sr Jacobo Majluta Azar, the president of the PRD and of the Senate.

PRD convention violence - President Blanco's announcement of choice of Sr Majluta as presidential candidate

With the approach of the presidential elections due on May 16, 1986, rival factions within the ruling party became increasingly polarized around the two contenders for the presidential candidacy. President Blanco supported the centre-left candidate Sr José Francisco Peña Gómez, the party's secretary-general and mayor of the capital, Santo Domingo, but a right-wing grouping favoured Sr Majluta who based his campaign on total opposition to the current government and its policies.

In July Sr Majluta had registered his *Structure (La Estructura)* faction as a separate political party and said that he would run for the presidency on that platform if he failed to secure the PRD candidacy. (*La Estructura* was seeking affiliation to the Liberal International, although the PRD was affiliated to the Socialist International and Sr Peña was president of its Latin American section.)

On Nov. 24 the PRD convention, having voted on the selection of its presidential candidate, broke up in disarray during the counting of votes as fighting started between rival supporters of Sr Peña and Sr Majluta; two people died and three were seriously injured.

President Blanco ordered the suspension of the count when armed bands of Sr Peña's supporters interrupted the proceedings; 86 per cent of the votes from local committees had been counted of which 54 per cent had been cast for Sr Majluta. Both politicians subsequently claimed the nomination but tentatively agreed to the establishment of an independent committee to arbitrate in the matter. There was speculation that supporters of President Blanco would abandon their campaign on behalf of Sr Peña and press instead for a second term. Although there was no constitutional provision debarring President Blanco from holding office on two consecutive occasions, the idea proved very unpopular due to the country's past history of long dictatorships.

According to a report in *Le Monde*, President Blanco announced on Jan. 28, 1986, that Sr Majluta had been chosen as the PRD's presidential candidate. Sr Peña would be the party's vice-presidential candidate and would assume the post of party president immediately, taking over from Sr Majluta.

Price rises and peso devaluation - Price cuts - Wage rise

On Jan. 23, 1985, President Blanco announced that as of Jan. 24 the peso exchange rate would be unified to conform with the prevailing parallel market rate of US\$1.00=3.30 pesos. (Since 1947 the peso had officially been at par with the dollar.) He also announced price rises averaging 50 per cent for basic foodstuffs, household products and public transport, 34 per cent for petrol and an average of 37 per cent for electricity.

These were the final steps in a year-long austerity programme drawn up in consultation with the IMF to prepare the ground for the restructuring of the foreign debt [see 33218 A]. The minimum monthly wage was also increased from 175 pesos to 225 although the trade union federations were demanding an increase to 300 pesos.

The Army was put on full alert after this announcement, in anticipation of violent disturbances similar to those which had followed the April 1984 food price rises [ibid.]. At first only isolated disturbances were reported around the country, but union leaders and opposition politicians called general strikes on Jan. 28 and Feb. 11 to protest against the economic measures.