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BOLIVIA: CRISIS AND ELECTIONS

In October 1982, Bolivia's President-elect Hernan Siles Zuazo was welcomed back from exile by huge, cheering crowds. Having been prevented from assuming government for over two years by a series of military coups, the democratically elected center-left coalition called the "UDP" (Union Democratica y Popular) was finally able to take power, thanks to the strikes and protests that had paralyzed the country and forced the military out.

Yet only two years later, those crowds were rallying to protest against the UDP administration's inability to control one of the most dramatic economic and political crises in Bolivia's history. The UDP government was described as "incompetent", "confused" and "lacking in credibility" by both the right and the left, and was forced to cut short its term of office and to announce, on November 19, 1984, the holding of elections in June of 1985.

In the elections -which took place in July- two right wing parties won the majority of the votes. The hard-line Nationalist Democratic Action (ADN) of Hugo Banzer won 28.5% of the vote, while Victor Paz Estenssoro, leader of the Historic Nationalist Revolutionary Movement (MNHR) won 26.2%. Both candidates gained an almost equal number of seats in Congress. (See boxes for an explanation of these two candidates and their parties). Since neither candidate won a clear majority, on August 5, the new Congress elected Paz Estenssoro President of Bolivia.

The collapse of the UDP and the election of Paz to his fourth term in office can only be understood in the context of Bolivia's deepening economic and political crisis.

Inside: Sanctuary and Pledge of Resistance Updates

BOLIVIA'S ECONOMIC CRISIS

When Siles and the UDP came to power, Bolivia was already suffering the effects of the national debt that had accumulated during the military regimes of the previous decades. During the Banzer administration alone the debt had increased from \$782.1 million in 1971, to \$3,101.8 million in 1978. In 1981, after mismanagement and pillage by several infamous military regimes, Bolivia's Central Bank had only \$1 million of disposable reserves in its vaults, and the deficit of the State tin mining company (COMIBOL), Bolivia's major source of foreign exchange, amounted to \$313 million. Today, the country's debt stands at \$4.7 billion. Although this figure is small compared to other Latin American countries, it is startlingly high given the size of the Bolivian population (6.5 million) and its unequal distribution of income.

In addition to corruption, inefficiency and poor planning have led the country to bankruptcy. According to Dr. Rolando Morales, President of the Bolivian Economist's Association, at the roots of the crisis lies a decrease in the amount of the country's export production, falling export prices in the international market, and an increase in interest rates for the international loans needed to pay the national debt (Informe "R", CEDOIN, May 1985). The country has depended almost entirely on tin for obtaining foreign exchange, though in recent years petroleum has also gained importance in the national economy. Unfavorable geological conditions make mining and drilling both difficult and expensive. However, previous Bolivian governments have not invested the capital for exploration and technological improvement or to diversify production. As a result, the country's reserves are being slowly exhausted. It is expected that in 1986, Bolivia will have to import petroleum for domestic consumption. The total value of Bolivia's exports has dropped from \$1,037.1 million in 1980, to \$788.6 million in 1983.

Bolivia's economy appeared buoyant during the 1970's as world prices for raw materials sky-rocketed. For instance, the price of a

cubic meter of petroleum rose from \$18 in 1972 to \$93 in 1978. Rising prices provided the Banzer administration with a false aura of economic soundness. However, during the same period, oil production decreased from 1.740 million to 445 thousand cubic meters (Dunkerley, 1984:224).

When export prices fell, the Bolivian economy began to more visibly deteriorate. Banzer's administration, as well as previous administrations, had consistently relied on international loans to cover public expenses. This in turn resulted in larger deficits in the country's balance of payments, especially when loans were secured from private banks at higher interest rates. Thus, even as foreign exchange earnings dropped, Bolivia's debt service continued to increase. Repayment of loaned capital, interest and commissions now average 80% of total loans. The large loans secured by previous administrations have done little to bolster national production and have been channeled into unproductive sectors such as speculation and construction.

Not only were export production and earnings declining, but also domestic production was lagging. Agricultural production for the internal market was severely affected by an almost two-year drought, while prices for agricultural products produced by peasants - the sector which provides most of the food consumed in the country - have been kept consistently low. As a consequence, there has been little encouragement for peasants and small farmers to produce more.

THE UDP ADMINISTRATION AND THE CRISIS

Facing the situation inherited from the previous military regimes, the UDP government adopted a series of IMF-inspired economic packages which proved to be extremely damaging for most of the population. The packages were based on large and frequent devaluations of the currency (to reduce the external debt and encourage exports while reducing the volume of imports) and were accompanied by

equally drastic increases in the prices of domestic goods and services produced by the State (to increase the State budget with taxes on consumption).

The government's measures failed to control the crises and, in fact, contributed to worsen the situation. In the 1970's, the annual inflation of the country ran at 20%. Under the Siles administration, inflation was conservatively estimated to have reached the 2,000% mark in 1984 and the 8,000% mark in 1985, establishing a world record. The Bolivian peso depreciated by 7,000% (from 1980 to 1984, the country's GNP declined by 20%). A worker's monthly minimum wage decreased from \$42 in November 1982, to \$33 in October 1983, to \$20 from February 1985 on. It should be kept in mind that wage-workers are a relatively small and well paid group within the labor force compared with the majority of workers in the country, particularly the peasantry.

During all this time, Siles attempted to overcome the critical situation without antagonizing the middle classes. First, the government failed to curtail the development of a very active black-market of dollars that benefitted those classes. Since the black-market exchange rate often exceeded by a hundred times the official rate, this laissez-faire policy worked as a State subsidy to the private sector. Second, the administration never seriously attempted to put an end to the cocaine-related activities that had operated in the country since at least the late 1970's. In fact, the Head of the Bolivian version of the DEA (U.S. Drug Enforcement Agency) and Siles himself, were implicated in a scandal when it was discovered that the former had established contacts with, and supposedly received money from Roberto Suarez, the leading capo of the cocaine mafia. During the UDP administration the only industry that operated regularly and profitably was cocaine production. The proliferation of cocaine dollars fueled the inflation in the country while personal fortunes multiplied. Third, Siles continued the State policy of granting credits to the private sector even from loans that the government had secured for public works. At the same time, the government fueled inflation by printing

money without the resources to back it up.

The response from the working class was militant but confined to economic issues avoiding any direct political challenge of middle and upper class interests. The workers mobilized through the National Labor Federation (COB) to demand the introduction of index linked salaries, (i.e. wages that increase in proportion with inflation). The government granted some modifications in salaries only after long debate and frequent sectoral and general labor strikes. However, the increments were always insufficient. In September 1984, for instance, Siles decreed an increment of 14% in wages while the average price of goods had increased by 162% since the last adjustment. When the COB forced Siles to pass an executive law for adjustments in the salaries of workers in all branches of the economy, the administration had to grant State loans to the private sector to pay the salary increase to its employees, in turn generating further inflation.



The COB became increasingly vocal in condemning the unpopular IMF-inspired economic measures of the Siles administration. Since the UDP government continued to lay the burden of the economic crisis on the working class the latter soon found no alternative than labor strikes for obtaining minimal redress of grievances. The callousness of the government combined with the desperate conditions of the masses unleashed a veritable process of "strike inflation" (more than 600 different strikes, whether local, regional or national, in 1984 alone). Several sectors of the economy were paralyzed at any point in time. The chronic scarcity of goods and services which resulted contributed to the vicious cycle of runaway inflation and high unemployment characterizing the economic crisis.

The right-wing parties portrayed the workers' strikes not as responses to unbearable and unfair economic oppression but rather as the source of deterioration of economic conditions in the country. According to them the COB was ruining the country, and the UDP was incapable of governing. Both Banzer's ADN and Paz-Estenssoro's MNRH, the main right-wing contenders in the elections of this year, called for an orderly and peaceful return to production while respecting the law. Thus, despite a long tradition of taking power by force, the right-wing parties presented themselves as champions of the democratic process.

However, the right-wing re-emerged strongly not just for the sophistication of its propaganda or its greater financial backing (allegedly, Banzer spent over one thousand dollars a day in the campaign). Banzer's period in power was remembered for its economic prosperity rather than the foreign debt it incurred and the political repression it carried out. Victor Paz-Estenssoro's role in the agrarian reform and the nationalization of tin mines of 1952 was recalled by sectors of the population, particularly the peasantry which is the largest electoral group. This explains why the urban middle class and a vast segment of the population affected by shortages and general demoralization, and anxiously awaiting radical measures against inflation, voted in support of right-wing programs.



THE ELECTIONS

When Siles finally announced the elections, the UDP had come under attack from the left, for its unpopular economic measures, and from the right, for its inability to appease workers' discontent. Rumors of a left- or right-wing coup circulated with increasing regularity. A right-wing-dominated Congress sought to impeach Siles. The Catholic Church hierarchy initiated talks among center and right wing parties about the democratic process and turned up the pressure on Siles to resign.

With the MIR and the Communist Party (Moscow-line) both distancing themselves from the UDP, and with the withdrawal of the Christian Democrats, who formed the fourth party in the coalitions, President Siles was left virtually alone to keep the government functioning until handing over power.

While the political parties got their campaigns under way, the attitude of the Bolivian population in the months preceding the elections was described as "apathetic", "confused" and "disillusioned". Throughout this period, administrative difficulties, political wrangles and rumors of fraud undermined confidence in the elections. According to the National Institute of Statistics, 2,931,723 people were eligible to vote. One month before registration closed, however, only 20% of the potential voters had registered.

The turn-out at the July 14 elections was low. Approximately 50% of the eligible population voted and some 14% of those who voted handed in blank forms, indicating the extent to which Bolivians are tired and demoralized.

MEET THE CANDIDATES

Victor Paz-Estensoro (b. 1907): a pragmatic and astute conservative lawyer-economist. A founder of the MNR, Paz became the President of Bolivia in 1952 and 1960. His first administration is commonly associated with the Bolivian revolution, which brought about two major transformations in the country's economy, namely nationalization of the tin mines (1952) and the agrarian reform (1953). Both measures, however, were reformist and incomplete. The state offered generous economic compensation to the to the three mining companies that controlled 80% of exports while contributing insignificant tax revenues. The mineral extracted continued to be processed in the foundries of a British mining concern. The agrarian reform consisted of the redistribution of only 30% of the land. Most of the new peasant plots averaged less than one hectare in size, and were inadequate for market production. Paz actually passed the agrarian reform law in order to obtain the unconditional political support of the peasants against militant workers.

Paz' economic policies were consistently in support of private industry and demonstrated a frank subservience to U.S. capital. The monetary stabilization plan (1956), the Triangular Plan (1960) and the Petroleum Code (1955) opened the country up to American investment under the most generous terms.

In 1952, the MNR Party gained widespread support, but as its conservative tendencies became more apparent, the left wing of the party split off to form the MNR de Izquierda, or MNR "of the left", the old party becoming known as the MNR Historico, or the "Historic" MNR with Paz still its leader. The new MNRI was headed by Hernan Siles Souazo (the defeated incumbent in the recent elections), who had been vice-president during Paz' rule, and who had also served as president while member of the original MNR. This essentially reformist party was to win elections in 1978 and 1979 as the leading member of the UDP alliance, as the MNRH lost popular support.

Hugo Banzer Suarez (b. 1927): an army general well known as a talented negotiator. After seizing power in a military coup, he was the president of Bolivia from 1971-78. During his administration he combined systematic repression, the banning of trade unions, and massacres of the peasants and workers with payoffs and exile-into-embassies among the military and civilian right-wing opposition. Banzer is trusted by the U.S. State Department since he stopped restrictions on the repatriation of profits, lowered taxes, and provided loans for international capital; dissolved the State monopoly on the exploitation of oil; and offered \$114 million in compensation for the expropriation of Gulf Oil, Philips Brothers, and IMPC during previous administrations. Banzer's pro-American leanings were equalled only by his pro-Brazilian actions. During his administration Brazil granted \$46 million per year in loans, and received concessions of land (40,000 hectares) and natural gas in return.

During the 1970's, the price of gas, oil, and minerals -- the three major sources of foreign exchange revenues for Bolivia -- rose dramatically due to fluctuations in the international market. Bolivia experienced an economic boom despite the mismanagement of the Banzer administration. This short-lived economic boom however, only facilitated "developmentalist" projects, above all the building of sky-scrapers for the urban middle class and multinational capital. Banzer did nothing to offset a decline in export production while embarking on economically sterile projects which contributed a large share of Bolivia's national debt. During his administration, sectors of the ruling class as well as civilian and military nouveaux-riches increasingly engaged in cocaine production, diverting the state credit that had been intended for agribusiness in the Santa Cruz region.

PREDICTIONS FOR THE AFTERMATH TO THE ELECTIONS

The newly elected President Victor Paz-Estenssoro now embarks on his fourth term in office. With him, the population can anticipate a further swing to the right. It is expected that Paz-Estenssoro will closely adhere to IMF directives in order to secure loans from both governmental and private sources. This would entail the implementation of economic policies such as new devaluations of the currency, which would more greatly reduce Bolivians' purchasing power. Paz will continue with the policy of supporting the consolidation of the private sector even at the expense of State enterprises. The MNR plans to go ahead with a process of privatization of these State enterprises which comprise over 40% of national productive resources. Ironically, most of these enterprises were nationalized by the Paz-Estenssoro administration in 1952. The ostensible goal is to rid the State of the burden of a mostly unproductive and extremely bulky bureaucracy resulting from past use of the State apparatus to buy political loyalties. However, this policy would also result in the destruction of the economic foundation of the most militant sectors of the working class, thus creating conditions for massive worker layoffs and wage freezes. Finally, privatization of State enterprises would mean allowing a traditionally weak group of entrepreneurs to accumulate capital by having access to the most profitable areas of Bolivia's legal economy.

At the same time, the MNR will be taking steps to attract foreign companies into the country, mostly for hydrocarbons and mineral exploitation, i.e. the core of the Bolivian economy. In contrast to Banzer's preference for agribusiness for export, Paz is likely to invest in more traditional urban industry. In either case, tighter control over worker organizations by the State is expected.

In a sense, Paz-Estenssoro, like Siles before him, is already treading a political tightrope, precariously balanced between political groupings. Moreover, he is putting forward an economic model already proven inadequate to deal with the severity of the crisis affecting Bolivia. It seems that Paz will have to draw on all the political experience and, possibly force, he can muster if the MNRH is to last out its full term in office.

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The authors have all lived and worked in Bolivia for extended periods.



SANCTUARY IN ITHACA -- AN UPDATE

"This is the decent thing to do, and we should just do it." Thus spoke Ithaca, N.Y. alderman Sean Killeen on July 10, 1985, just before the Ithaca Common Council voted 7-2 in favor of declaring Ithaca the nation's fifth sanctuary city. The jubilation and cheers from the fifty sanctuary supporters who attended the council meeting marked a long awaited victory -- one small victory in a long struggle. In Ithaca, this struggle began in 1984, when the Ithaca Area Sanctuary Committee was formed. The committee was composed of members of many local religious congregations as well as several other groups of concerned citizens. As a result of the committee's work, the Ithaca Meeting of the Society of Friends (Quakers) decided to sponsor a Central American refugee. This decision was followed by offers of support from the First Baptist Church of Ithaca, the New Jewish Agenda, and several other local groups. After a year of negotiations with the national sanctuary network, a 23-year old Salvadoran woman was welcomed to the Ithaca community. Using the assumed name "Esperanza", she has made several public appearances with her newborn baby girl, and has released to the press the story of her flight to the U.S. after the murder of her oldest brother by the Salvadoran military. Since an official welcoming ceremony held for her at the First Baptist Church in May 1985, local support for her and for the movement has been growing steadily.

The sanctuary movement was started in Arizona in 1981 by church groups and other sympathetic organizations to protect Salvadoran and Guatemalan refugees. After their flight from political oppression in their own countries, these refugees were in danger of deportation by the U.S. government.

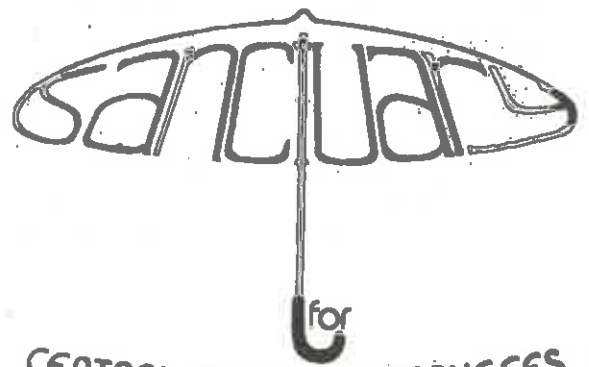
Repatriation for many of these refugees has meant imprisonment, or death at the hands of right-wing death squads. Theoretically, the movement should not be necessary, since the United States, El Salvador and Guatemala have all ratified the Geneva Conventions, and the United States has agreed to the 1967 United Nations Convention and Protocol Relating to the Status of Refugees. This states that "no Contracting State shall expel or return a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion" (Article 33.1). And the U.S. Refugee Act of 1980, which similarly defines refugees, is also designed to grant them asylum. But in reality what has been happening is that the U.S. has refused to recognize the plight of Salvadoran and Guatemalan refugees, and instead of granting them asylum the U.S. has been deporting them. Decisions on asylum are not being made according to law, but according to U.S. foreign policy. The Immigration and Naturalization Service (INS) grants political asylum to less than three percent of the Salvadorans who apply, and in 1984 only three applications were granted to Guatemalans, in response to almost 1000 requests. Approximately 500 Guatemalans and Salvadorans are deported each month from the U.S., in spite of the consequences that too often meet these people on their return to their countries. The list of well-documented atrocities seems endless; yet the U.S. keeps deporting refugees. And as the deportations have continued, the sanctuary movement has continued to grow. There are now more than 200 congregations across the country that are supporting sanctuary.

For many, supporting sanctuary is not an easy decision. It involves not only providing a means of sheltering refugees, but a continued

effort to protect them, to provide food, medical care, and legal support, and the realization that by doing these things any and all sanctuary supporters may be prosecuted and face jail sentences. The charges range from transporting foreign nationals within the U.S. to conspiring to bring refugees into the country. The government's position is that these people are illegal aliens, "economic migrants", who are not seeking protection from the violence in their countries, but who have come to the U.S. to improve their economic status. Several sanctuary congregations have been infiltrated by INS undercover agents (see The Nation, and The Progressive, both July 1985), and several sanctuary supporters have been arrested. In January 1985, sixteen sanctuary workers were indicted (along with the arrest of more than 60 refugees).

Sanctuary supporters, along with several organizations such as the Center for Constitutional Rights, believe in the legality of sanctuary. They believe that if the U.S. were fulfilling the obligations of its own Refugee Act (and the 1967 Protocol and the 1949 Geneva Conventions, etc.), the Salvadoran and Guatemalan refugees who have fled to the U.S. would be here legally. They also believe that the First Amendment, which supports the free exercise of religion, should also protect the rights of the many religious sanctuary workers who are following the beliefs of their own religious traditions, in giving sanctuary to "the stranger in their midst".

In spite of the arrests of sanctuary workers and perhaps because of the continuing deportation of refugees, the movement continues to grow. Not only is the number of congregations throughout the country that are deciding to offer sanctuary increasing, but since April 1985, five cities (Cambridge, MA; Berkeley, CA; St. Paul and Duluth MN; and



Ithaca, NY), have declared themselves sanctuary cities. The Ithaca resolution, which is based largely on the April 8, 1985 resolution in Cambridge, asks that Ithaca be declared "a 'Sanctuary City' for Salvadoran and Guatemalan refugees fleeing the general conditions of persecution and pervasive violence to life and person in their homelands... until they can safely return to their homeland or until they receive federally recognized residency status." The resolution also directs that no city employee take any action contrary to the safety and welfare of the refugees residing in Ithaca, "including any action which would subject the refugee to arrest."

Everyone in the sanctuary movement is all too aware of the fact that five sanctuary cities across the country is a valiant beginning, but that there is still a lot of work to be done. Many refugees are still facing deportation, and many sanctuary workers are still facing trial. And although the movement seems to be keeping up its momentum, the general public is not fully informed of the movement's importance. Not one major national publication ran the story of Ithaca's proclamation in July, even though the story was sent out on the newswires. The news that the public does read

leads one to believe that the political situation in El Salvador is improving, and that the random, brutal deaths and "disappearances" of innocent citizens have ceased. But the influx of Salvadoran and Guatemalans into the U.S. fleeing the violence in their countries has not ceased. And until the violence in these U.S. supported Central American countries does indeed cease, the sanctuary movement will continue to respond to the needs of Salvadoran and Guatemalan refugees.

Hilary Sachs

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Pledge of Resistance

On June 6, the Senate passed a bill appropriating \$38 million in "nonlethal aid" for the Contras, to be distributed through the CIA. The Pledge of Resistance, a national network of people committed to oppose the threatened invasion of Nicaragua, responded with its second alert and its first call for nationwide non-violent civil disobedience at Congressional offices and other Federal facilities. On June 12, 2000 people were arrested or ready to be while more than 20,000 participated in legal protest and support of those arrested.

The protests were called because "humanitarian aid" to the Contra army is in practical terms indirect military aid in that it releases other funds for military procurements. Such aid must therefore be considered a further escalation of the undeclared war against Nicaragua.

On the same day, the House approved \$27 million in "humanitarian aid" for the Contras, to be distributed through USAID. A conference committee has resolved the differences between the House and the Senate versions by approving \$27 million in non-military aid be admin-

istered by the State Department. A special "Humanitarian Aid Committee" will be set up to decide how the money will be spent.

Locally, forty-six people were arrested in the regional office of Senator D'Amato in Syracuse. They refused to leave the Republican Senator's office until he would speak to them by phone and agree to meet with a delegation to discuss his position on Contra Aid. Although the Senator's representative at the office referred to herself as "a high speed access ramp to the Senator", she refused to contact him and so those who remained after the building closed were arrested on the charge of 3rd degree criminal trespass, a class B misdemeanor. Fourteen Ithacans were among those arrested. Eleven of them spent the night in the Syracuse Public Safety Building jail, and one spent the following fifteen days there for refusing to pay bail.

At a hearing on July 18, those arrested presented a motion for dismissal of the charges "in the interest of justice". Syracuse city court judge Mathilde Bersani denied the motion and set trial dates for September and October.

Defendants intend to argue that they have committed no crime since they were legally obligated to act as they did in order to prevent continued violations of international law in Nicaragua by the Reagan administration. The defendants legal obligations fall under international law which holds individuals personally responsible for the prevention of international law violations. In addition, the defendants

will argue that the action in Senator D'Amato's office is protected by constitutional rights guaranteed under the First, Ninth and Tenth Amendments to the Constitution of the United States. The defendants are working to defend the right of non-violent direct action against immoral and illegal government policies such as the U.S. sponsored war against Nicaragua.

Nicaragua and South Africa: the Logic of U.S. Foreign Policy

Events in Central America, Southern Africa and the Middle East have provided most of the grist for the U.S. foreign policy mill during the summer months. The continued unfolding of contrasting U.S. policies towards the apartheid regime in South Africa and the Sandinista government in Nicaragua is directly relevant to both the anti-apartheid and anti-intervention movements. When examined closely, the apparent inconsistency in U.S. foreign policy towards the countries emerges as the direct expression of a basic underlying logic which motivates U.S. statements and actions in both cases.

The events of the last four months in both countries reveal the hypocrisy and duplicity of U.S. foreign policy. Almost simultaneously, there has been both a resurgence of anti-apartheid activism in the United States and rapidly accelerating opposition to apartheid within South Africa. The Reagan administration has resisted the domestic movement for divestment by arguing that a U.S. economic presence in South Africa acts as a progressive force for change, and that divestment would only hurt the black population. The administration has vowed to veto any legislation imposing economic sanctions on South Africa—legislation which has already been passed in the House of Representatives and which is expected to pass in the Senate next month. The Reagan administration continues to insist that

its policy of "constructive engagement" with the apartheid regime is the only way to affect change in South Africa.

Meanwhile, the South African government has responded to growing unrest with massacres of unarmed Blacks attending the funerals of those slain in previous police actions. When these terror tactics failed to intimidate the people, the government responded by imposing a draconian state of emergency under which thousands (including elementary school children) have been arrested. More than six hundred Blacks have been killed by police during the current wave of repression. The Reagan administration response has been to express sympathy with the need to maintain order and prevent violence, and has mildly urged the South African government to negotiate with black leaders. However, when Bishop Desmond Tutu, a key opposition leader, was rebuffed in his bid for serious negotiations with the authorities, he (not the South African government) was chided by the State Department. This attitude is not surprising given the revelation that President Reagan believes the apartheid regime has abolished racial segregation.

The Nicaraguan government, however, has not had the benefit of "constructive engagement". Since freeing themselves from



the tyranny of the Somoza dynasty — a regime installed and supported by the U.S. — the Nicaraguan people have been under attack by "contra" mercenary forces created, funded, armed, and directed by the U.S. However, Congress had temporarily suspended direct government aid to the contras when it became clear that the administration intended to overthrow the Sandinista government. Last April, confronting certain defeat in the House for renewed aid to the contras, the administration launched a renewed propaganda offensive against the Sandinistas. At first, efforts were concentrated on refurbishing the contras' image by placing the fighting forces under the control of the so-called democratic opposition. This move was intended to give a lower profile to the former Somocistas and National Guardsmen who constitute the contra leadership and much of its fighting force. This public relations whitewash was followed by a so-called peace proposal which called on the Nicaraguan government to — in effect — unconditionally surrender to the contras as the price for peace. Having already sabotaged the Contadora peace process, the Reagan administration used the

Nicaraguan government's rejection of this proposal as a pretext for suspending all negotiations with the Sandinistas. When the House failed to take the bait, Reagan stepped up his campaign by declaring a "national state of emergency" and a full economic embargo against Nicaragua on May 1, 1985. The embargo, which is intended to exacerbate the economic damage already inflicted on Nicaragua by the U.S., and to further isolate Nicaragua in the world community, is in violation of numerous U.S. laws and international agreements.

The key event reversing the administration's (and the contras) fortunes in the U.S. Congress was President Daniel Ortega's visit to the Soviet Union. Never mind that this visit was part of a multi-nation tour including Western European stops, or that the embargo had forced Nicaragua to seek further aid from the Soviet Block, Reagan seized the opportunity to brand Ortega "a little dictator who went to Moscow in green fatigues." He thereby succeeded in stampeding "moderate" Democrats through the time-honored technique of stirring up anti-communist hysteria. Ironi-

cally, Prime Minister Rajiv Ghandi of India was warmly welcomed to the U.S. although he had just returned from Moscow where he reaffirmed the Indo-Soviet Friendship Treaty and concluded a \$1.2 billion trade deal.

So successful was this ploy that the House not only restored aid to the contras, but also repealed the Boland Amendment barring the use of U.S. funds for the purpose of overthrowing the Government of Nicaragua. Congress also added a new amendment (to a military appropriations bill) specifying the conditions under which U.S. troops could be used against Nicaragua. This amendment was obtained by the administration on the basis of unfounded and unsubstantiated allegations that the Sandinistas were directly responsible for the deaths of the four marines and two American businessmen slain in San Salvador by FMLN guerrillas. Thus, the Reagan administration was able to capitalize on the xenophobic atmosphere generated by the TWA hijacking in Lebanon. Coupled with later accusations that Nicaragua was part of a consortium of "terrorist states" along with recent "warnings" to Nicaragua not to engage in terrorist acts in Honduras and Costa Rica, this latest move seems to suggest that the administration's new strategy is to use "terrorist threats" as a lever to pry approval for direct U.S. military intervention in Central America out of a recalcitrant Congress.

Recently, the New York Times revealed that the administration has been directing the military operations of the contras as well as coordinating the efforts of right-wing organizations in the U.S. raising money for them. This "private sector" fund raising proved important to the contras' continued operations during the hiatus in official U.S. aid. These operations were directed out of the National Security Council, an Executive Branch Agency with offices in the White House, by Lt. Col. Oliver North, a member of the White House staff personally appointed to this task by Reagan. By these actions, the administration has violated Congressional intent — not to mention international and domestic law — as clearly stated in the temporary cut-off in aid to the contras last

year. But then, as numerous administration spokespersons stated recently in a New York Times interview, the administration has categorically rejected negotiations and the possibility of arriving at any peaceful accommodation with the Sandinistas.

It might occur to the dispassionate observer that constructive engagement with Nicaragua and a trade embargo against South Africa might better reflect the reality of conditions in each of those nations as well as an informed conception of the U.S. national interest. Since the victory over Somoza, Nicaragua has attempted to develop democratically and independently but has been attacked repeatedly by Reagan. South Africa has repressed its black population, creating profitable conditions for U.S. investors, and has been rewarded with strong support by Reagan. Given the generous treatment of the unconscionable apartheid regime by the administration, can anyone believe that a free, independent, and Black-ruled South Africa under the African National Congress would fare any better at the hands of the United States than has Nicaragua under the Sandinistas?

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Solidarity with the South African people

The following message was sent by the Nicaraguan government to Bishop Desmond Tutu and the South African people as an expression of solidarity from the people of Nicaragua:

Esteemed Bishop Tutu:

The brutal wave of repression unleashed in recent days by the racist regime against the noble and courageous people of South Africa, moves me to communicate to you this message of firm solidarity from the people and the revolutionary government of Nicaragua.

Our people—who experience each day the state terrorism of the

United States government—must add our voices to the worldwide clamor of protest against the terrorist escalation in your country brought about by the recently declared emergency measures intended to cover-up the latest murders and mass arrests by the apartheid regime.

That repression is a blatant admission of the desperation of a decadent regime confronted by the will of a people rising to defend their rights and dignity.

It now falls upon the international community, and particularly upon those governments whose political and economic links with the Pretoria regime contribute to the survival of

apartheid, to raise not only their voices, but to also demand and undertake concrete measures to end the inhuman martyrdom of your people, long subjected to the disgraceful system of racial segregation.

Feel assured, Bishop Tutu, that in their struggle to defend their independence, the people of Nicaragua are inspired by the courage demonstrated today by the South African people.

To all of you, an embrace of friendship and solidarity from the people and government of Nicaragua.

Fraternally,

Daniel Ortega Saavedra

Update

Embargo Update

The U.S. trade embargo against Nicaragua was condemned in three international forums held in early June. Both the World Food Council meeting in Paris and the Group of Latin American Sugar Exporting Countries condemned U.S. economic sanctions. The General Agreement on Tariffs and Trade (GATT) also unanimously condemned the U.S. trade embargo. The U.S. delegate, Peter Murphy, claimed that the matter did not fall within the GATT's jurisdiction and was an internal security issue concerning only the U.S. (Barricada June 27)

Nicaragua's Debt

The Sandinista government received a vote of confidence from the international banking community when representatives of a committee of creditor banks signed an agreement with Nicaragua's Finance Minister Joaquín Cuadra in New York. One-hundred and thirty private creditor banks agreed to a one year deferral on U.S. \$295 million in overdue loan and interest payments. (Barricada)

Diplomatic Gains

1. Latin Parliament

During a meeting of the Latin American Parliament held in Brazil June 16-21, members of the continental organization voted in favor of Nicaragua's readmission. Mexico, Brazil, the Dominican Republic, and Venezuela jointly sponsored the request to reinstate Nicaragua in the "Parlatino" on the basis of both the general election held there last November 4 and the ongoing process of drafting a new constitution. Nicaragua had been expelled during the last years of the Somoza regime which was considered a repressive dictatorship by the Parliament. The decree that suspended Nicaragua's membership in the organization also specified that it could rejoin when fair and democratic elections were held. (Barricada June 27)

2. Contadora Support Group

President Alan Garcia expressed strong support for Nicaragua at his inauguration last July 28, and announced that Peruvian policy towards Central America will be based on the principles of non-intervention and negotiations sponsored by the Contadora Group. Meetings between Nicaraguan Vice-president Sergio Ramirez, Alan Garcia, and other Latin American leaders resulted in the formation of a support group for the Contadora process by Peru, Brazil, Uruguay, and Argentina. U.S. representatives rejected a call made by the Contadora nations — Mexico, Venezuela, Colombia, and Panama — with the backing of the support group, for the U.S. to resume bilateral talks with Nicaragua.

Witness for Peace Kidnapping

On August 7, 29 members of Witness for Peace accompanied by 15 journalists were kidnapped by Contra forces as they made their way down the San Juan River on the border between Nicaragua and Costa Rica. A U.S.-based ecumenical religious group, Witness for Peace has sent volunteers to war zones in Nicaragua for almost two years. By their presence, they hope to deter attacks on Nicaragua by U.S.-sponsored contra forces, and to be witnesses to violations of human rights and political independence caused by U.S. policy. They also hope to change U.S. public opinion by direct testimony about the effects of U.S. policy. The group was released unharmed after 24 hours, but was subsequently detained by the Costa Rican Civil Guard at the request of the U.S. Embassy in San Jose.

Havana Conference on the Debt Crisis

Fidel Castro called a hemisphere-wide conference on the debt crisis held during the first week of August. Castro has argued that the debt cannot and should not be repaid, and that to repay the debt would be an injustice perpetrated on the people of Latin America. Although the vast majority of the delegates could not endorse such a stance, many of them felt that the conference provided a much-needed forum to express critical views on the debt crisis. IMF austerity measures were almost universally denounced by speakers, and it was felt that opposition to such "solutions" gained legitimacy. Just prior to the conference Peru's new President, Alan Garcia, announced that Peru would devote only 10% of its export earnings over the next year to repaying its foreign debt.

CUSLAR

The Committee on U.S./Latin American Relations (CUSLAR), a project of the Center for Religion, Ethics, and Social Policy, is a Cornell University-based group which works in Ithaca and the surrounding area to promote a greater understanding of Latin America and the Caribbean. We are particularly concerned with the role of the United States in influencing the social, political, and economic conditions of the region.

The CUSLAR office is in G-29 Anabel Taylor Hall at Cornell. (256 7293) The office is open to the community on weekdays. Weekly meetings are held on Mondays at 5pm in Anabel Taylor.

Reagan Marches On: from the New York Times

April 4: Reagan's "peace proposal" to Nicaragua amounts to surrender to the Contras as the price for peace.

April 24: House of Representatives rejects bid to release \$14 million in aid to the Contras.

May 1: Administration declares national state of emergency and imposes trade embargo on Nicaragua.

June 6: Senate approves \$38 million in "non-military aid" to the contras to be channelled through the CIA.

June 9: Contras form new political front organization, the United Nicaraguan Opposition (UNO), at urging of State Department.

June 12: House approves \$27 million in "non-military aid" to the contras and repeals Boland Amendment.

June 19: Four marines and two U.S. businessmen killed by FMLN guerrillas in San Salvador.

June 27: House approves amendment to military appropriations bill that would allow Reagan to send troops into Nicaragua without Congressional approval.

July 8: Reagan accuses Nicaragua of being a "terrorist state" along with Iran, Libya, North Korea, and Cuba, in an address to American Bar Association.

July 17: U.S. accuses Nicaragua in the deaths of 6 Americans in El Salvador on June 19, and threatens "appropriate actions" and "serious consequences" if similar acts occur in Honduras and Costa Rica.

August 7: The White House -- through the National Security Council -- has been directing contras and serving as conduit for private funds.

August 25: New contra force in Costa Rica is allied with FDN forces in Honduras under UNO umbrella.

The CUSLAR Newsletter provides CUSLAR members and other concerned individuals with the opportunity to present information and analysis on topics relevant to Latin America and Caribbean. The positions of the authors do not necessarily reflect the positions of CUSLAR as an organization. If you are interested in writing an article for the Newsletter please call the CUSLAR office. We also welcome letters to the editors.

Calendar

Sept. 5 8pm	Film: Chile, I Don't Take Your Name in Vain Uris Auditorium
Sept. 17 5pm	CUSLAR Introductory meeting to welcome new members, in the One World Room, Anabel Taylor
Sept. 19 8pm	Film: Witness to War (El Salvador), followed by a presentation by Bob Ostertag, who has recently returned from a visit to the Liberated Zones in El Salvador
	Rummage Sale: For more information, call Gail at 277-0494, 6-5454 ext 2270
Oct. 3 8pm	Film: When the Mountain Trembles (Guatemala) Uris Auditorium
Oct. 8 noon	Presentation by Lucila Mejia, a leader of the Bolivian Federation of Peasant Women, in Warren 32
Oct. 9 8pm	Talk by Lucila Mejia Hollis Cornell Auditorium, Goldwin Smith Hall
Oct. 17 8pm	Film: Up to a Certain Point (Cuba) Uris Auditorium

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