

Nicaragua rebuilds

But IMF demands shattered country adopt 'austerity'

Despite the obsession of most of the U.S. eastern press over whether Nicaragua is becoming "another Cuba," the real story of what has been unfolding in Nicaragua since the Sandanista victory two weeks ago is the awesome task of lifting that country out of the destruction left by Anastasio Somoza and putting it on a course toward full economic development. As the first laws and policies of the Government of National Reconstruction (GRN) immediately made clear, Nicaragua is driving home to the entire international community the fact that there is only one fundamental issue at stake in the Third World: underdeveloped nations must repudiate the imposed "plantation economics" of the International Monetary Fund and the looting policies of the London-centered Dope, Incorporated financial nexus, or they will perish under the Pol Pots, the Somozas, and the Khomeinis. How "anti-U.S." Nicaragua becomes depends not on Cuba, but on which side of this issue Washington chooses to stand.

On its first day in power, the GRN junta promulgated a series of laws against organized crime, banning

drug use, gambling, and prostitution. To anyone familiar with the Somoza regime, this dramatic step means more than a moral gesture: it is crucial for the nation's rebuilding process. Somoza ran a typical IMF-Dope, Inc. regime. The population was kept in labor-intensive, bestial backwardness to feed the drug-based Central American operation set up by Max Fisher's United Brands. The regime did not moonlight in organized crime; it *was* organized crime. Somoza's National Guard was sent into its barbaric rampages crazed on cocaine and marijuana. The new government also publicly reported that 40 acres of carefully cultivated marijuana had been found on land belonging to the Somoza family, and invited international authorities to inspect Somoza's drug empire for themselves.

Three days after the crackdown on Somoza's drug operations, the GRN took the next step to clear the way for reconstruction. All debts left by Somoza resulting from weapons purchases made during the final two months of his regime were declared void by the junta on July 21. Besides large sums owed to Argentina and Israel, the junta announced that it has possession of documents proving that the IMF was guilty of financing the purchase of weapons used by Somoza for unspeakable war crimes, and that this debt would therefore not be recognized.

The repudiated IMF debt consists of \$26 million in Special Drawing Rights disbursed as part of a \$66 million credit package signed in May, with the express approval of the Carter administration. According to then-Treasury Secretary Michael Blumenthal, Washington okayed the loan because the IMF is "apolitical." This week the "apolitical" IMF suspended the remaining \$40 million credit, saying that whereas Somoza had agreed to IMF conditionalities, the new government must submit an acceptable "austerity program" to the Fund.

Also annulled, according to the GRN statement, was an unspecified debt to the World Bank, which Somoza used to pay \$2,000 in fees daily to mercenaries, in addition to "bounties" of \$5,000 to \$10,000 for such deeds as the assassination of Sandinista leaders.

It is not the GRN's intention to antagonize potential international lenders. In fact, the junta's policy statement on debt stressed that it will honor the remainder of Somoza's debt and called on the international com-

International aid to Nicaragua (delivered or pledged as of Aug. 1)

Country	Dollar value	Items
Cuba	—	60 doctors sent, 500 more promised. Potentially thousands of teachers have been offered
Mexico	—	Over 200 tons of supplies have been shipped. Two planeloads arrive daily in Managua. Scores of doctors, architects, and technicians have been sent.
United States	\$3.5 million	One planeload arrives daily
Venezuela	\$20 million	Loan made available through the Inter-American Development Bank. GRN had requested \$60 million.
West Germany	\$5 million	Loan
EEC	\$0.6 million	Loan.
Italy	\$0.06 million	Loan.
Spain	—	One 90-bed mobile hospital.
Dominican Republic	—	20 tons of food and medical supplies.

munity to provide urgently needed credit. The GRN's terms are generous: according to reliable sources, between a third and a half of the staggering \$1.3 billion debt Somoza left stems from arms purchases that wreaked almost incalculable destruction.

However, the junta is making it clear that its right to develop will not be compromised by financial pressure. At a press conference July 25, junta member Alfonso Robelo stated, "The foreign debt will be renegotiated on terms and conditions most favorable to the national interest, and its repayment will be strictly tied to the process of economic recovery and the gradual restoration of the economy's capacity."

The reconstruction process is beginning from almost ground zero. Not only has the Nicaraguan economy been warped from decades of IMF-style austerity, aggravated by awesome losses and destruction perpetrated by the National Guard during the civil war, but on top of this, Somoza took with him every hard national asset that wasn't bolted down. And what he couldn't take with him he either sabotaged or mortgaged [see below]. When the new junta took over and examined Somoza's books, it found that almost every fixed Somoza asset had been mortgaged for hard cash, which quickly left the country. The nationalization of the private banks last week was received with relief by many businessmen, since it was discovered that the banks' liabilities exceeded their assets severalfold in many cases. Somoza also cleaned out the treasury, leaving less than \$5 million in foreign reserves.

According to the GRN, reconstruction will require international financial aid totaling \$3 billion over two years. So far, pitifully little of this has come through. Mexico and Cuba, as expected, have led in aid to the rebuilding process, whereas the United States and Western Europe—the economies which could help the most—have contributed almost nothing. Mexico is sending twice the number of supply airlifts the U.S. is, and tens of Mexican doctors, architects, urbanologists and other professionals are already aiding Nicaragua. Cuba has sent 60 doctors and Fidel Castro has personally pledged another 500. Further, Cuban education minister Arela de Santos announced that Cuba is willing to make the full experience of its successful 1961 literacy campaign available to Nicaragua, including "all the teachers Nicaragua could need."

Despite the trickle of international aid, the junta has already taken remarkable strides to reorganize the economy, particularly in agriculture, where the focus is on the use of the most advanced technology possible to generate maximum surplus. The immediate goal, according to Agriculture Minister Jaime Wheelock, is to feed an estimated one million citizens now victims of severe food shortages. The 800,000 hectares of Somoza's holdings—equivalent to about half of the country's arable land—were immediately expropriated by the government. Instead of dividing up the land into un-

productive small units, the junta has announced that both large-scale cooperatives and state businesses will be introduced. Wheelock emphasized this week that the modern agro-industries salvaged from the Somoza era will be preserved as high-technology state enterprises, and the surplus will be plowed into infrastructure, housing, and school construction.

"We cannot turn these lands over to groups of peasants who lack the skills to make them profitable," said Wheelock. "It will be much more beneficial to the peasants if we operate them technologically."

—Chris Curtis

What Somoza did to Nicaragua

As barbaric as Anastasio Somoza's reign of terror was already known to be, the stories now coming to light in Nicaragua of grotesque tortures, mass graves, dungeons, and sheer destruction encountered by the new government as it takes stock of where Nicaragua stands reveal a depth of horror difficult for the mind to comprehend. The genocide committed by Somoza and the National Guard, including the sheer irrational bestialism employed to that end, has only been surpassed in the post-Hitler period by the Chinese-run Pol Pot regime in Cambodia.

The reports presented below are horrifying, but they are not simply the products of a crazed madman determined to hold onto power at any cost. Somoza's Nicaragua, like Pol Pot's Cambodia, represented the final stages of what London policymaking circles advocate as global policy: a new Dark Age. The International Monetary Fund, the Carter administration, Israel and international narcotics traffickers all pumped millions of dollars, men, and weapons into Nicaragua to defend Somoza, knowing full well the nature of his regime, in the determination that if they could not win, there would be nothing left with which others could build a nation.

Serving as war correspondent for the Mexican daily *Uno Mas Uno* in Nicaragua, Carmen de Lira wrote on July 28: "Each one of us knew some brutal act by the Somozan army. Personally, I cannot forget the three hanging bodies of those young Sandinistas who became lost after the battle of Naranjo and fell into the hands of the Guard: The three hung from the trees with their chests ripped open, their genital organs in their mouths, their hearts nailed with stakes. Others remembered the horrible action of the Guard against the children, whose eyes they poked out."

Mexican doctors arriving in the first international brigades to aid the reconstruction, de Lira wrote, confirm the reports.

Mass graves are being discovered across the country