

# Nicaragua's revolution

*After a month in power, government announces reconstruction program*

The Revolution in Nicaragua "is like the Cuban revolution in some respects, like the Mexican in others, and in still others like the American," stated U.S. Senator Edward Zorinski (D-Neb) to a press conference in Managua Aug. 7. By contrast with the interminable mumblings in the U.S. press and behind most Washington doors, Zorinski's simple description of post-Somoza Nicaragua aptly states the republican-humanist outlook guiding the new nation-building project that is Nicaragua.

The overthrow of Somoza was no mere "palace coup," no "shuffle at the top." Virtually the entire populace was involved. "For the first time, the Nicaraguan people find themselves in power, and they demand liberty, public education, the liquidation of illitacy, better conditions in the schools for the children, absolute morality from public officials, and the establishment of freedom of expression, manifestation, and diffusion of ideas," proclaimed Dr. Gutierrez Sotelo, Nicaragua's new Ambassador to Mexico.

Such goals have been incorporated into a provisional Bill of Rights promulgated Aug. 21, outlining the freedoms and responsibilities of citizen and state alike.

The bill includes a provision outlawing International Monetary Fund "conditionalities" over the national economy, declaring that the state has the right to dispose of the country's wealth and natural resources in the manner deemed fit without regard to international obligations if those obligations "would deprive the people of their sustenance." This is the legal basis upon which the Government of National Reconstruction is now renegotiating the tremendous debt left by Somoza.

The coalition that made the revolution included students, workers, peasants, and also the entrepreneurial sector. "There are representatives of the private sector in our government," explained Mexican ambassador Gutierrez, "simply because they are also Nicaraguans, and Nicaraguans must fulfill their responsibility, that responsibility being to place themselves completely at the service of the people of Nicaragua." If successful, Nicaragua will have made a unique contribution to Latin American history, by demonstrating that "it is possible for a social class which has historically sought only its own self-enrichment... to fulfill its obligations toward its country."

The Reconstruction government has begun to put the country back on its feet, despite the disaster left from the war. The morale of the population continues very high, according to reports. The state of emergency imposed in the first days after the new government entered Managua, July 19, necessitated by the economy's state of collapse and the lack of even simply basic services, has been lifted, the night curfew rolled back four hours until 11 o'clock, and barricades ordered removed from all roads. Persons arrested were ordered charged or released within 24 hours. The first National Guard prisoners were 269 youths, who were released on their promise to return to productive work.

On the economic front, electricity, water and other services are gradually being restored across the country. Public employees were paid for the first time since the beginning of June, and over 100 private businesses have agreed to pay their workers. Agriculture has resumed in key areas. The government has mobilized to plant urgently needed food crops before the planting season ends at the end of the month, with the biggest obstacle remaining the shortage of seeds.

The longer term programs of the government speak for themselves.

## The economic program

Under a "mixed economy" strategy, basic areas of the economy have been designated for state ownership, including domestic credit, fishing, forestry and mining, and the country's major export, agricultural products. Credit was immediately centralized in the hands of the government, through the nationalization of the domestic banking system July 25. Even the local banking community supported the measure as the only guarantee for the credit structure of the country after the civil war period of massive capital-flight and Somoza's asset-stripping. International banking operations in the country were not affected by the nationalization, but had limitations placed on their activity, including regulations prohibiting their acceptance of local deposits.

The core of the state economy is Somoza's former, vast empire which controlled over one-third of the entire economy. This was immediately expropriated by the government. So far, over 85 of Somoza's businesses

and landholdings have been affected, and are valued at more than \$100 million. Fernando Guzman, director of the newly created National Trust Fund, announced that the value of Somoza's holdings is expected to reach some \$500 million by the time the complete inventory of his innumerable mining, agricultural and real estate holdings is finished.

The 70 percent of Somoza-related property under his or his immediate associates' complete ownership will become fully state-owned property. The 30 percent of his holdings in which he represented only a minority share, will follow the precepts of mixed-economy, the state controlling Somoza's former shares while the rest remain in the previous owners' hands.

The Bill of Rights specifies that the entire non-Somozan private sector will remain in the hands of present owners, provided both industrial plant and agricultural lands are employed productively.

Agriculture has been the first priority of the government. Agrarian reform stresses the use of the most advanced agricultural technology wherever and whenever available. Land is being divided, but not in the World Bank's style of uneconomical small plots. "The great tracts of land are being given to rural communities... (while) other holdings, where agro-industries with advanced technology operate, will become state businesses with their profits channeled into construction of housing, schools and infrastructural works."

"We cannot turn these lands over to groups of peasants who lack the skill to make them profitable. It will be much more beneficial to the peasantry if we operate them technologically," and invest the profits.

## International finance

Saddled with a \$1.5 billion foreign debt by Somoza, and only \$3 million in reserves, plus a 15-20 percent drop in economic activity over the past year, the Reconstruction Government has begun the renegotiation of the foreign debt. Spokesmen state their intention to honor the majority of the obligations—but not the last months' investment in war material for Somoza, a category that includes loans from the IMF and Israel. Nicaragua will pay according to its ability to pay, once economic recovery is assured. Estimating that \$2.5 billion above present debt service will be required to rebuild the country, the Reconstruction Government has proposed creation of a unique institution for the channeling of international aid. This International Fund for Cooperation, proposed by junta member Alfonso Robelo to the Economic System of Latin America (SELA) meeting in Caracas Aug. 1, would receive deposits from central banks; soft loans of a highly concessionary content for the "financing of the importation of the goods, equipment, essential services for recuperation and development"; short and medium-term credit lines for the importation of food, construc-

tion materials and medicines; and Reconstruction Bonds. The latter essentially represent investment in the future productivity of the country, as the technologically advanced approach of the government creates what Robelo called a "Nicaraguan miracle" within 10 years.

The Fund was initiated by SELA one week ago, but thus far, virtually none of the needed aid has come in. If picked up by European and OPEC nations in particular, the International Fund could serve as a model for the needed general system of unconditional financial aid for Third World development to replace the present International Monetary Fund.

## Social policies

Within two weeks of establishing their government, the junta issued a decree outlawing gambling, drugs and prostitution. Along these same lines, the publishing of pornographic advertisements, ads for alcoholic beverages and cigarettes, and the publishing of sensationalist crime-style news has been prohibited. The Nicaraguan Revolution intends to "form new men, free of vices and moral weaknesses, generous, divested of all egotistical sentiment." Pointing to the Sandinista youth, Interior Minister Tomas Borge noted "you won't find in them all the weakness of the present youth. They scorn marijuana and rock-and-roll because they are convinced of their role."

Strict restrictions on the accumulation of wealth by public employees have also been imposed in a blitzkrieg approach to ending the universal corruption that reigned under Somoza." Along the same lines, Somoza's numerous luxurious mansions are strictly forbidden to be used by private citizens or government officials, but will be turned into schools, playgrounds, museums, libraries and cultural centers.

## Education

Education is a top priority for the new government. An 11-month school year is projected for the next three years to pull general educational levels up quickly. University students will be organized to give at least one year of time to teaching in the countryside. International teams from Mexico and Cuba are already beginning work in Nicaragua.

"The revolution is being made so that our children can be educated and trained technically to serve their country... (so that) these soldiers of today... as men, will know perfectly well how to contribute scientifically, culturally and politically to humanity," Dr. Gutierrez emphasized in a speech July 6 in Mexico.

The education project began with the announcement Aug. 21 by Education Minister Carolos Tunnerman that Nicaragua's one million primary and secondary school students will begin attending a one-month series

of "informal classes"—a kind of basic citizenship class for the entire youth of the country. The revolution was a "profoundly emotional" experience for the children, Tunnerman explained. Many children fought directly in the war; it was also a "great pedagogical process" that cannot simply be ignored in a return to normalcy. The courses, based on the themes of the Somoza dynasty, the recent revolutionary process, and the goals of the new government, will provide a "one month pause" to overcome "the nightmare of the war and learn what freedom is."

### Political freedoms

With the projected lifting of the state of emergency Aug. 22, press liberties will also be restored. Two newspapers, the conservative *La Prensa* and *El Centroamericano*, have already begun printing, in addition to the government-backed *La Barricada*. Images or organizing for Somoza will continue to be expressly prohibited in the press as in all areas.

Massive popular organization has been initiated to ensure popular defense of the revolution and national reconstruction program. A nationwide Sandinista Labor Council is being organized along with organizations of youth, peasants and women.

While even discussion of national elections for a legislature and executive have been put off until the reconstruction of the country is at least securely on the road, local governments are being formed across the country around the Sandinista-led Defense Committees, local organizations which formed the backbone of the resistance in the cities and towns during the period of the insurrection. A national leadership for the Defense Committees will be elected in Managua shortly as the primary means for direct popular participation in the country's planning processes.

### Foreign policy

The government has declared its intention to join the Nonaligned movement, and maintain an independent foreign policy. The President of neighboring Costa Rica was the first foreign head of state to visit, followed by Panama's General Torijos. Mexican President Lopez Portillo, ex-Venezuelan President Carlos Andres Perez, and President Castro of Cuba have all be publicly invited, in demonstration of thanks for their support during the civil war.

In discussions with U.S. Secretary of State Vance, in Quito, Ecuador, other members of the junta expressed their willingness to "forget the past and look towards the future" in relations with the U.S., provided the United States allows Nicaraguans to decide their future for themselves.

—Gretchen Small

## London wants a showdown

*In an Aug. 4 commentary entitled "Who Inherits Nicaragua," the London Economist presented a scenario for forced radicalization of Nicaragua and a super-power confrontation in the Western Hemisphere. Excerpts follow:*

"Does the fate of so small a country really matter? Yes. The emergence of something that could be described as a 'second Cuba' would be the last nail in the coffin of President Carter's reelection chances. It would give Russia a convenient staging post from which to send arms and support to revolutionary movements in the Americas....

"Russia's hesitation in getting behind the Nicaraguan *compañeros* gives the Americans their chance. ... They certainly can afford, preferably channeled through other Latin American countries, the two types of aid Nicaragua genuinely needs: the food required ... to keep thousands of Nicaraguans from starving; and the foreign exchange to get industry, farms and cities moving again. What is not needed is massive helping of general aid without financial or democratic strings ... The United States and its democratic Latin allies have no obligation to save Russia money by rebuilding Nicaragua if it is then likely to turn around and bite them. The best service they can do Nicaragua would be to guarantee it foreign-exchange cover sufficient to mobilize its postwar resources to the full at a non-inflationary pace. Bring on the IMF?

"The Americans should not be misled, either, by the myth that Mr. Castro turned to the Russians because American aid to Cuba was cut off first....

"President Carter has one other weapon in his armoury. That is to warn Russia that the jingle of its money in Nicaragua would be seen as a direct challenge ... In the short run, Mr. Brezhnev must know that Salt II is dead if Nicaragua drops into his hands. In the long run, a kick below America's belt could provoke one back—a western guarantee to defend Yugoslav independence, perhaps? Mr. Brezhnev may wonder whether a foothold on the American mainland is worth arousing the sort of passion which has lain dormant in the United States since the Cuban missile crisis."