

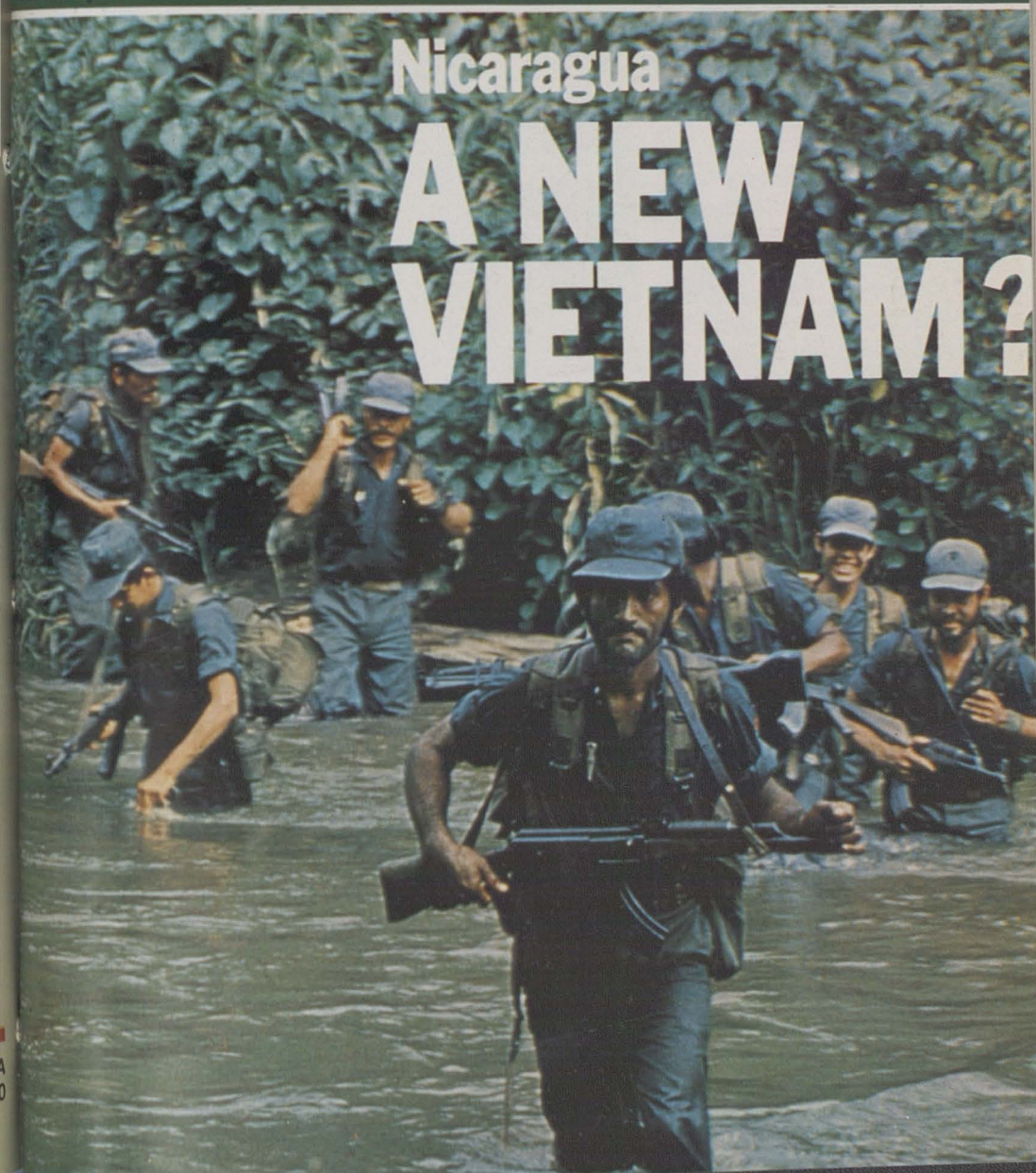
third world

*A New Challenge
for the Non Aligned*

Bimonthly • Number 3 • August/Sept. — 1986

Nicaragua

A NEW VIETNAM?



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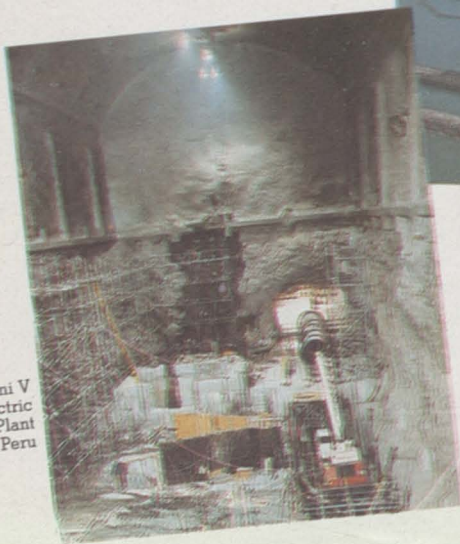


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Introducing the Third World Guide

third world magazine has been in good company since last July. Already on sale is its annual supplement, the *Third World Guide*, which is now regularly circulating in English after a trial issue for the 1984-85 period. The *Guide* is more than a mere collection of data, statistics, biographies and chronologies. It attempts to provide its readers with what is usually lacking in similar publications: an interpretation of current and historical facts from a Third World viewpoint. Take, for instance, its analysis of the history of Asian, Latin American and African countries. Most almanacs available in several languages tackle the history of these countries beginning with the arrival of colonizers, as if they had not existed before that. Their millenary past is omitted, and their peoples are presented as having always been subjected to foreign domination, which is not true. Many of them had developed cultures which in their time were vastly superior to the European civilization. The *Third World Guide* retrieves

their historical past for the reader, thus placing Asian, African and Latin American nations under a different light. By rejecting the standards adopted by the current dominant powers, the *Guide* places such countries as Namibia, Sahara, Palestine and East Timor in the category of nations with an identity of their own that are now struggling for their independence. From a Third World viewpoint, the fact that they are still under colonial rule or foreign occupation is only temporary.

The English version of the *Third World Guide* performs this function side by side with its sister editions in Spanish and Portuguese — two special editions in the latter language, one for Portuguese-speaking African countries and another for Portugal. *third world* magazine and the *Third World Guide* supplement each other in the effort to set the record straight and correct such distorted, untrue and biased information as is normally divulged on this planet's "third-class passengers."

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third world contains information on and analyses of the conditions and aspirations of emerging nations, with the aim of consolidating a New International Information Order

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A frustrated return from exile

I have lived in Europe for the past 20 years, but I consider myself to be a Latin American (I was born in Córdoba, Argentina). In my view, one of the most touching problems of our times is the return from Latin America of former citizens who had fled an oppressive dictatorship in their homelands. They now come back for economic reasons, and their depressed state is such that it affects us all.

third world magazine might eventually analyze this problem, perhaps telling its readers that the economic policies adopted by the new Latin American governments are responsible for this failure, and suggest the creation of a multicountry committee to look into the possibility of establishing a fund to avoid this double exile.

Juan José Morel - Paris - France.

The real terrorists

The moment President Ronald Reagan gave the green light for a Sixth Fleet attack on Libya, he showed the world who the real terrorists are. How would he react if a nuclear power such as the USSR had bombed Israel, destroying Mr Shimon Peres' residence and, in the process, killing one of his children? He would certainly not rejoice, even though Israel is known in the world community as an outright terrorist State.

If Mr Reagan is so opposed to terrorists, why does he not fight those of Unita (in Angola), and the Somozistas (in Nicaragua), among others?

Henrique José Nunes da Mata
- Luanda - Angola.



A Third World Viewpoint

third world is different from other publications on Third World affairs. Our offices are not located in Europe or in the USA. In terms of technical resources, this may be a disadvantage. But there is also a fundamental advantage: we can feel, interpret and reflect more clearly what happens in the Third World because we live here, and what we report is part of our daily experience.

Our editors, correspondents and contributors share a cultural heritage and a professional background stemming from a common struggle to emphasize and promote Third World values. Because we live through local Third World conditions, we can more easily detect any distortions and misinterpretations which often appear in foreign analysis of Third World events.

We are not a magazine on the Third World, but of the Third World. Our publication has been in existence now for more than ten years, and has gradually grown into four different editions in two languages Spanish and Portuguese. We have now added a fifth edition in English. As our reader, you are invited to share in our efforts by becoming a subscriber and a friend. See further information on the back of this page.



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General Stroessner



S. A. big stick
in Southern Africa



The rice scandal in India

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Tricontinental Panorama

MIDDLE EAST

Hassan's and Peres's Faux Pas

King Hassan II's resignation from the chairmanship of the Arab League was seen in the Middle East as official evidence of the failure of the Moroccan king's attempt to enter into a peace agreement with Israel without consulting the other Arab states in the area. The unfavorable reactions of Arab League governments to Hassan's meeting with Israeli Prime Minister Shimon Peres in mid-July were not restricted to the most radical regimes, such as that of Syria which severed relations with Rabat, or that of Libya. Moderate heads of state also frowned upon the meeting held in the Moroccan city of Ifni, and there were suggestions that Hassan may suffer the same violent destiny of late Egyptian President Anwar Sadat, who also attempted to establish a separate peace with Israel.

Sadat was killed in 1981 by Egyptian military who had not forgiven him for seeking negotiations with a country that was viewed as a traditional enemy of the Arab people. Five years later, Hassan II has now taken a similar initiative at a moment when talks for a negotiated solution of the Palestine question have stagnated. The conservative, pro-US sovereign welcomed the head of the Israeli government to his private palace for a meeting that was shrouded in mystery, without having been authorized

by the other Arab nations to hold discussions with Peres. At the time of the Ifni meeting, Hassan II was president of the Arab League.

Middle East diplomats believe the Moroccan king expected to produce significant results from such discussions with the Israeli Prime Minister, hence his decision to take such a risky step. Hassan apparently viewed Peres's decision

table, nor does it agree to change the current status of occupied territories on the West Bank and in Gaza.

This annulled speculations to the effect that the Hassan/Peres meeting might produce a proposal for the creation of a Palestinian state on the West Bank, with the support of the US, Egypt, and moderate governments in the Arab Gulf. Hassan was left with no alternative but to resign from the chairmanship of the Arab League due to the complete lack of political support in favor of his individual initiative. The Ifni meeting was thus no more than a "propaganda show," as some African diplomats put it.

According to this version, the Moroccan king had decided to bet on that meeting in the attempt to appear as a spokesman for the Arab world, and recover some of the prestige he has lost at the Organization of African Unity (OAU) and at the United Nations, where he has been repeatedly rebuked for his colonial war in the former Spanish Sahara. As for Shimon Peres, he expected to pocket political dividends as a result of his meeting with Hassan that would count in his favor in Israel as the month of October draws near, when the Prime Minister will have to hand over the government to the Likud "falcons." The Israeli Labor and Likud parties keep an agreement whereby they alternate in the post of Prime Minister.

In the absence of any practical or significant results, the "propaganda show" staged by Hassan II and Peres may ultimately turn into a dangerous boomerang.

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Hassan II and Shimon Peres: an "agreement" that backfired

to go to Morocco as evidence that the Israeli leader was willing to make substantial concessions to moderate Arabs. Peres, however, had no definite proposal to make, and merely reinstated what Israel has said all along: it will not admit the presence of the Palestinian Liberation Organization (PLO) at the negotiations

The Shin Bet Affair

☐ Shin Bet (the Israeli intelligence service) Director Avraham Shalom is suspected of having ordered the murder of two Palestinian prisoners in April 1984 and later covering up his and the Shin Bet's role in the affair. Prominent government officials — including Peres, Shamir, Rabin, Sharon, etc. — are all opposed to an investigation, fearing it might generate an explosive political scandal. Labor-Likud and their leaders are believed to be deeply involved in the affair. Thus the it-would-endanger-security argument used by the government to sidestep an inquiry is not to be taken seriously.

Attorney General Yitzhak Zamir ordered the police last May to begin an official probe into the affair. Since his order could not be vetoed under Israeli law, removing the Attorney General became essential if the government was to stop any such investigation.

Zamir's demand had the full support of the Israeli legal establishment, most of the press and left-of-center groups and parties. But the Attorney General, who had been in office since 1979, had announced several months ago that he intended to step down after seven years — and the government led by Peres and Shamir quickly grabbed the opportunity and replaced him on June 1, several days before the inquiry was to begin.

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If the government's immediate objective was to halt the investigation, its goal has been achieved. Zamir's successor Yosef Harish, 62, a former Tel-Aviv District Judge, is still "reviewing the details of the case," and in the meantime all proceedings relevant to the affair have been frozen. Harish will decide whether an investigation will take place at all and, if it does, who will conduct the hearings and what the terms of reference will be.

The facts behind the affair

On April 12, 1984, four Palestinian youths from Gaza hijacked an Israeli bus. Two of them, together with an Israeli passenger, were killed as Israeli troops stormed the vehicle. The other two were captured alive. Israeli press photographers who were on the scene took pictures of the captives. Their photos contradicted the official communiqué issued the next day, according to which all four hijackers had been killed during the assault.

Yitzhak Shamir was Prime Minister at the time. In two subsequent official inquiries which lasted 16 months from April 1984 to August 1985, Brigadier General Yitzhak Mordechai emerged as the chief suspect in the murder of the two survivors. He had been identified in the picture as the man who led the prisoners away. Mordechai admitted he had beaten the captives, but he claimed the prisoners were alive when he handed them over to Shin Bet officials who had arrived on the scene.

Medical reports ascertained that both hijackers had died from skull wounds.

Mordechai was eventually acquitted during a brief military trial in August 1985. Some three months later, three senior Shin Bet officials held a meeting with Prime Minister Peres, who is directly responsible for the intelligence service. They told him that Shin Bet Director Avraham Shalom had ordered the prisoners executed, and that later he covered up his role in the affair by faking evidence and bribing witnesses at both official inquiries. Mordechai was to take the rap for the Shin Bet and its chief, said the officials.

Over six months ago, the then Attorney General, Yitzhak Zamir, spoke with the three senior Shin Bet officials and took over the case. Political echelons in the government advised him to drop any planned investigations. In late May, Zamir officially demanded that the police begin a probe. On June 1, the Cabinet replaced Zamir.

Given that Shamir was Prime Minister when the hijacking and murders occurred, he possibly knew about the cover-up. When questioned about his involvement, he said: "I knew all that a Prime Minister had to know." His cryptical answer leaves many questions in the air. How much did Peres himself know about the whole case? Had he been briefed on all the details by Shamir, as he replaced him as Prime Minister in September 1984? Given his position at the time, he may have been aware of the two murders even earlier.

Tricontinental Panorama

BOLIVIA

Reuters

A U.S. "invasion"

□ In the best style of *Mission Impossible* and other sensational TV series, six US military helicopters and 160 troops made a surprise landing in Bolivia last July in an attempt to destroy 50 clandestine cocaine-refining laboratories. Unlike its TV counterparts, however, the so-called Operation Blast Furnace was a failure: only one of the laboratories was actually put out of operation somewhere in the Bolivian jungle.

If the mission's result were disappointing, its political repercussions were even worse. The cocaine blitz was the object of harsh criticism both in La Paz and Washington. For Bolivians, and especially for opposition political parties and labor unions, the operation amounted to a violation of the national Constitution, and seemed more like an outright foreign intervention. In the US, the monkey was successively thrown on the backs of the FBI, the Drug Enforcement Agency (DEA), the Department of State, and the White House.

The Mexican *El Dia* editorialized: "If President Reagan intended Operation Blast Furnace as a kind of disciplinary action destined to promote the US into a super-policeman in the hemisphere, this was a very poor beginning. Other Latin American governments are unlikely to accept the same political risks involved in such moves as Bolivia did."



The US operation in Bolivia failed to capture any of the drug traffic big shots

Bolivian President Paz Estenosoro is now having to cope with charges of constitutional violation raised against him by the opposition. Peasants in the Santa Cruz area suspect that the DEA anti-drug brigade may have sprayed toxic substances on the coca plantations, thus rendering the soil useless for other types of crops.

None of the so-called cocaine kings operating on the Bolivian plateau has been arrested. All of the facilities apprehended were crude and temporary. Thus, says the La Paz press, the whole

thing can easily be rebuilt as soon as the 160 US troops leave the country.

According to some sources, the US police intended to use its big stick also in Colombia, Ecuador and Venezuela, in the attempt to sharply reduce a thriving cocaine trade which involves some US\$ 20 billion a year in the US alone. If this materializes, the US Department of State will make it clear that it pays increasingly less attention to such matters as national sovereignty in its relations with Latin American countries.

The African debt increases fourteenfold

The foreign debt of African countries increased 14 times between 1972 and 1985, from US\$ 12 billion to US\$ 170 billion. Prospects are that it will reach US\$ 180 billion in

1986. The African continent pays one-tenth of that amount, or US\$ 17 billion, every year only to service its debt.

Western economists quoted by *West African* magazine estimate that the debt service of all African countries will soon exceed US\$ 20 billion, representing one-half of their total yearly incomes.

A New Challenge for the Non-Aligned

As it holds its eighth summit meeting in Harare next September, the Non-Aligned Countries Movement will have to face a second challenge in addition to the apartheid issue in South Africa. The Central American crisis will be put in all its dramatic colors before the delegates meeting in the Zimbabwean capital, as a new and urgent problem requiring action from the 102 member countries of this 30-year-old movement. Harare was chosen as the location of the heads of State meeting because of its geographic position and the political stance of the Robert Mugabe government. When the Non-Aligned foreign ministers met in Luanda last September, the very choice of Harare indicated the Non-Aligned Countries' attitude towards the South African crisis. The Movement as a whole made clear it was determined to use all of its leverage to put pressure not only on Pretoria's racist regime, but also on its international allies, by holding its eighth summit in a South Africa's neighbor country that has been frequently harassed by the intransigent South African white rulers.

Now in Harare, the appointment of Nicaragua as the seat for the coming ninth meeting of the 10 - third world

Non-Aligned heads of State will represent a new challenge on the part of a political movement which, since its inception, has been committed with the negotiation of world problems, non-intervention in domestic affairs, the pursuit of peace, and the right of every country to choose its own economic and social development model.

In the words of several Third World diplomats, the choice of the Nicaraguan capital for a ninth summit implies a definite political stance on the part of the Non-Aligned Countries at a time when the Sandinista government faces the very real threat of an armed invasion by United States troops backed by certain US allies in Central America.

Where apartheid is concerned, the Non-Aligned countries have added practical measures to the outright condemnation of Pretoria's racism, as expressed in every meeting they have held so far. In Harare their positions should be made even clearer in favor of global sanctions against the South African white minority government. Never before had a summit meeting been held so close to the South African border for the

specific purpose of condemning apartheid and to extend support to the domestic and foreign victims of South African white despotism. In less important occasions in the past, the Afrikaners had resorted to military intimidation in the effort to undermine international solidarity with anti-racist movements. As they arrive in Zimbabwe, many Third World leaders will have their first direct contact with South African refugees and political exiles. For a few days, they will also see for themselves the brutal reality of a country whose economy is permanently strangled by the garrote of apartheid.

Those Non-Aligned countries advocating the choice of Managua as the seat for the Movement's Ninth Summit argue that this would only be consistent with their organization's principles. They are convinced that the Movement should make itself physically present in those Third World's trouble spots where the interests of its member countries are at stake. This was the principle underlying the choice of location of many of its past meetings, a principle that also applied in the case of Harare. Made in Luanda last September, this last decision was unanimously meant as a show of solidarity and support on behalf of those South African neighbors that have been affected by Pretoria's interventionist policies. As Zimbabwe volunteered to serve as host to the eighth meeting, it would have been impossible to ignore the Movement's commitment against racism. To refuse Harare's offer would have been tantamount to reject one of the oldest principles of the Non-Aligned Movement.

For some Third World diplomats, the Nicaraguan case is very similar. This small Central American

nation has been constantly threatened by the United States and counter-revolutionary groups financed and directed by the CIA and the Pentagon. Washington's pressure is being used against a country's right to choose its own political and economic model. The nature of the conflict is made clear by the vast difference in military force between the world's number one military power and a people's army put together no more than six years ago. It is a case of the law of the strongest against the principle of self-determination and equality among nations which the Non-Aligned countries have stood for since the Bandung conference in 1955. If apartheid is an affront to equality among men, the aggression against Nicaragua is an affront to equality among nations. The rejection of Afrikaner racial despotism has its counterpart in the rejection of Reagan's "big stick" policy.

In the past, Nicaragua had the support of the overwhelming majority of Third World countries when the Managua government applied for a post in the United Nations' Security Council. In addition, it is now Latin America's turn to preside over the Non-Aligned Movement. The last Latin American nation to occupy its presidency was Cuba in 1979, followed by India (Asia) in 1983. Now it is Africa's turn, with the Zimbabwean head of State leading the Non-Aligned Movement between now and 1989.

In case the Sandinista government is confirmed as host to the Ninth Summit Meeting, the decision will bring strong support to a country whose most significant weapon against Ronald Reagan's bellicist and economic aggression is international solidarity.

CENTRAL AMERICA

THE VANISHING PEACE





No one would have believed it a few years ago, but now the prospects of war on the narrow strip of land separating

North and South Americas have become only too real. Since July, the United States has increasingly narrowed its military and diplomatic siege around Nicaragua. The Contadora Group's attempts at maintaining peace in the area have been repelled by the White House. Reagan has finally persuaded the US Congress to approve US\$ 110 million for "contra" aid, while Washington's allies in Central America have revived an old military concept (CONDECA) which had lain dormant since the Cold War days and may now become a crucial instrument in a future direct attack against the Sandinista government.

For at least the past four years, Reagan had been setting the stage for yet another military intervention in what the Pentagon views as a "US backyard." Latin Americans in general still find it incredible that the US may be actually preparing for a new armed adventure in Central America. Yet, in spite of their perplexity, Washington has positioned its pawns for an outrageous move which may turn out to be politically more damaging than the Vietnam War. This is what our correspondents and contributors in the area report in this cover story, under the general coordination of our Mexican staff.

Reagan's War against Nicaragua

US Congress approval of US\$ 110 million military aid to the contras has heightened the risk of war in Central America and met with worldwide protest

Ronald Reagan's most arduous foreign policy campaign reached its climax last June 25, as a predominantly Democratic US Congress finally yielded to the president's pressure and approved his request for US\$ 110 million in military and economic aid for counter-revolutionary bandits who for years have been trying to topple the Sandinista government in Nicaragua.

It had been a difficult, hard-won victory in which Reagan resorted to all sorts of weapons, from moral blackmail to misinformation tactics. In the end, dirty politics prevailed over the wise opposition of a large group of US representatives who repudiate Reagan's dangerously aggressive policy in Central America.

In carrying on their battle, Reagan and his advisors had bluntly ignored the opinions and appraisals of such international organizations as the Contadora Group, the European Economic Community, the Socialist International and the Non-Aligned Countries Movement, all of which disapproved the idea of extending help and supplies to a band of mercenaries, and advocated a negotiated solution to the Central American crisis. Deaf to any such considerations, the US president insisted that the only acceptable way to bring peace to the area was to forcibly oust the

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Daniel Ortega: Reagan is "a new Hitler, a true Fascist"

Sandinista government.

The congressional decision — won on a narrow twelve-vote margin — to support Reagan's personal war against Nicaragua will have far-reaching consequences for Central America in the future, as well as for Washington's relations with Latin American democratic governments. Mexican Foreign Minister Bernardo Sepúlveda has branded such decision as "an historical mistake which may jeopardize future American relations," since "nonintervention is not only a legal, but also a political issue."

In turn, the Managua government warned that the approval of *contra* aid may lead to the "Vietnamization" of the Central American conflict, and eventually involve the use of US troops in combat. An outraged Nicaraguan President Daniel Ortega saw in Reagan "a new Hitler, an outright Fascist, capable of murdering anyone who disagrees with him."

In trying to persuade Congress to approve *contra* aid, Reagan had built his campaign around three basic tactics: to turn a local Central Ameri-



an conflict into an East-West confrontation, in which Nicaragua would appear as an eventual Soviet beachhead; to neutralize any attempts at negotiation on the part of the Contadora Group; and to whitewash the Somozista image of the *contra* bandits by calling them "freedom fighters."

Verbal war

Washington's assaults on the Managua government in the past few months had taken on the nature of a real verbal war. To marshal public and congressional support, US government officials resorted to such scarecrows as "the Communist threat," and made it definitely clear they were determined to obtain aid for the *contras*. Reagan himself had on several occasions promised "to fight to the end" to ensure victory for the *contras*. Their defeat, he said, would constitute a strategic disaster that would open the door for the installation of Soviet bases on continental territory." Diplomacy without force, he insisted, would be useless in the case of Nicaragua.

In one of his many, repetitious oral deliveries on the Nicaraguan problem, the US president had warned that the Soviet Union might become "the dominant power" in Central America by building

on Sandinista and Cuban support. In turn, he added, this would jeopardize US freedom of action on the continent, threaten the security of the Panama Canal, and cut off sea routes that are vital for the United States.

Meeting on at least three occasions with UNO (Union for Nicaraguan Opposition) leaders, he assured the members of that spurious civilian façade organization created by the *contras* that he would not tolerate the emergence of a new Communist regime in Latin America. He also added that any setbacks in the struggle against the Nicaraguan government would cause History to pass "a shameful verdict on the United States."

In a violent speech early last March, Secretary of State George Schultz accused the Sandinista government of having links with terrorists in the Middle East, Europe and South America, and of dealing with drug merchants in Latin America. Both Reagan and Schultz had said that they considered Nicaragua to be "another Libya" in the US backyard. In one of his usual reckless metaphors, Schultz had added that "Nicaragua is a cancer that must be removed."

No less forcible were the words of US Under Secretary of State for Inter-American Affairs, Elliot Abrams, for whom the Contadora Group is

The Socialist International's position in favor of a negotiated solution was ignored by the US

Hélio Santos



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wrong in seeking a peaceful solution to the problem. Only an armed struggle, he said, will persuade the Nicaraguan government to negotiate with the *contras*. He also said on June 8 that US intelligence reports indicated that Moscow had resumed the supply of arms to Managua. Abrams apparently believes that military pressure on the Sandinistas will cause the Nicaraguan regime to disintegrate by itself.

The obstinate desire on the part of the US Republican administration to destroy the Nicaraguan government was recently epitomized by White House Chief of Staff Donald Regan, who said that "We have to get rid of this government (in Nicaragua) one way or another."

As the debate mounted in the US around *contra* aid, Reagan's misinformation tactics reached their acme. In a public statement on March 15, the US president accused the Sandinistas of violating human rights and "maiming and murdering civilians." Of course he offered no evidence to back up his statement. In addition, while several Latin American nations were asking Washington to accept a negotiated solution to the conflict,

Secretary of Defense Caspar Weinberger (right) and Chief of Staff Donald Regan (below) share with Reagan the obsessive idea of destroying the Sandinista government



Reagan assured the US public that those same countries supported his intention of extending military aid to the *contras*.

In the verbal war against Nicaragua, Secretary of Defense Caspar Weinberger also won some of the highest marks. He admitted that the US Marines might be forced to land on Nicaragua in case the anti-Sandinistas failed to bring the local government down by the force of arms. In fact, three months before the final Congress voting on *contra* aid on March 24, Weinberger had told US military advisors to start training the *contra* rebels.

Some of the most instrumental official documents in support of the US\$110-million aid request had come from the Pentagon. A Pentagon analysis appearing in *The New York Times* on May 20 arrived at the conclusion that a peace treaty in Central America, along the lines proposed by the Contadora Group, would force the US to a very expensive containment policy in Nicaragua. Thus, increasing *contra* aid seemed to be a better idea.

The Latin American position

Speaking through the Contadora and Support groups, most Latin American governments had made it clear that they rejected US support to anti-Sandinista rebels. Theirs was a clear-cut, firm stance. All communiqués and declarations coming out of mediator group meetings this

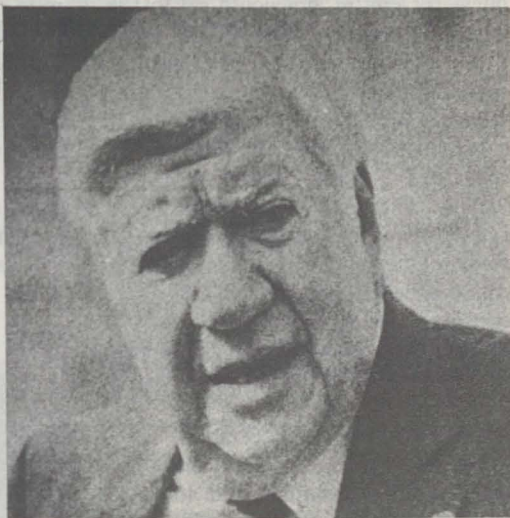
year condemn any attempt on the part of an alien power to help irregular forces to destabilize any of the governments in the area.

The peace negotiations proposed by the Contadora Group had become the main obstacle for approval of *contra* aid. Thus the recent stagnation of the Group's activities lent unexpected and valuable support to Washington's campaign.

Nevertheless, countries belonging to both groups had expressed their opposition to the US Republican administration's policy on Nicaragua. In mid-March, Colombian President Belisario Betancur



Terry Ache



O'Neill: "This is the Vietnam mistake all over again"

and condemned the request for funds submitted to the US Congress. The White House immediately accused the Bogota government of making concessions to Managua. Colombian Foreign Minister Augusto Ramírez Ocampo, who played a major role during the confrontation, made it clear that "The United States and Latin American countries are at odds on the Nicaraguan issue. Betancur's opposition represents the consensus of opinion of all governments on the continent."

Similar statements also came from Mexican Foreign Minister Bernardo Sepúlveda and Panama's Jorge Obadía. On April 1 in Buenos Aires, Argentina, President Raúl Alfonsín criticized Reagan's intent of delivering military aid to anti-Sandinista groups. The Argentinian Senate suggested that the US\$110 million should be delivered to the Contadora Group instead.

On an international level, the 102 member countries of the Non-Aligned Movement urged Washington to stop funding the *contras*, and condemned the escalation of military aggression against Nicaragua. The Latin American Council of Churches uttered a similar declaration against Reagan's "malign" attitude versus Nicaragua.

Even some of Washington's allies in Central America opposed the provision of military aid to the *contras*. In spite of his criticism of the Nicaraguan government, the new Costa Rican president, Oscar Arias Sánchez, opposed the delivery of financial help to mercenary bands.

Criticism in the U.S.

One of the main opponents of Reagan's policy with respect to the Managua government was House Speaker Thomas O'Neill. Among Democratic representatives, positions ranged from an outright repudiation of the presidential request to calling a freeze on *contra* aid as long as negotiations were going on in Central America.

As the leader of the Democratic sector in Congress, O'Neill said that the *contras* were actually "a number of wild and unmanageable terrorist groups led by former Somozista officers." He noted that Reagan's policy on Nicaragua "is exactly the same one we adopted in Vietnam: in time, financial aid was replaced by military advisors, and later by US troops."

US representatives opposed to *contra* aid repeatedly denied Reagan's declarations to the effect that his position had the support of several Latin American governments. Democratic governments in Latin America, they insisted, were strongly against US aid to Nicaraguan mercenaries who, even if they get the US\$110 million, will never be able to defeat the Managua regime.

The US Bishops Conference played a major role in the domestic opposition to Reagan's plan. Over 200 bishops publicly repudiated *contra* aid, and wrote to Ronald Reagan in an attempt to make him change his policies on Central America.

Also noteworthy were public demonstrations against Washington's hostility towards Managua in several US cities. Demonstrators came from different sectors, including religious groups and Vietnam veterans.

Such opposition won a partial victory on March 20, when the House voted against the presidential request. The US Senate, however, voted for it one week later. The impasse made it necessary to submit Reagan's bid for funds to a second voting at the House.

It was then that O'Neill attempted a parliamentary maneuver against Reagan by including the US\$110 million in a bill requesting additional funds for the current US budget. Since the president had let it be known that he would veto that bill, the re-

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quest for *contra* aid would get lost in a limbo of legislative procedures.

O'Neill's efforts, however, failed as Republican representatives preferred to vote against Reagan's request rather than let it be included in the budget supplement bill. Thus the aid request was taken to the House for a third voting on June 25.

For this final voting, Reagan resorted to all means of persuasion at his disposal. He met personally with 30 Congressmen at the White House, called others on the phone, and eventually won by 221 votes against 209. He thus obtained not only the US\$110 million he had asked for, but also the permission to have the Central Intelligence Agency oversee the mercenaries' operations and to extend Pentagon military training to anti-Sandinistas.

The Sandinista position

For the Managua government, regardless of the US\$110-million aid, the mercenary rebels have already been strategically defeated. Minister of the Interior Tomás Borge has said that Nicaragua is prepared to cope with a direct intervention on the part of the US. In turn, President Ortega has repeatedly rebuked the US Congress for treating Nicaragua as if the country were a US colony, and warned that, if Washington sends in any military advisors for *contra* training, "they will not survive."

Ortega himself defined the Sandinista position in the search for a solution to the regional crisis at an interview broadcast by the US CBS television network. The Nicaraguan president suggested a US-Nicaraguan agreement for the removal of all foreign military advisors from his country, whereby Central America would become a neutral zone. He restated his willingness to establish a dialogue with Reagan — "the real leader of the *contras*" — through the Contadora Group, and noted that the US policy has destabilized the region and remains as the main block against a peaceful solution to the local conflict.

Underlining that Nicaragua has no wish to take up arms against Washington, he said he nevertheless felt Reagan was determined to eliminate the Sandinista government by military means. In late April, in the wake of the US attacks on Tripoli, Ortega announced that the Pentagon intended to launch similar attacks on his country.

Both Ortega and his Minister of Defense, Commander Humberto Ortega, have declared that Nicaragua does not feel threatened by any Central

American country: the threat comes only from the US. Thus, said the president, Managua sees no prospect for peace in the area.

With the *contra* aid bill approved by the US Congress, the Nicaraguan government took a number of steps to ensure national security. Among the measures imposed by this new state of emergency was the closing down of *La Prensa* and the refusal to grant a Nicaraguan entry permit to any Catholic priests who openly support counter-revolutionary activities. Nevertheless, the Sandinista leaders insist that they will not reverse their proposal for a multiparty system, a

mixed economy, and non-alignment.

International reactions

Two days after the *contra* aid bill had been approved by the US Congress on June 27, the World Court of Justice in The Hague ruled against US violation of Nicaraguan sovereignty, and held the US liable for reparations in view of damages caused to Nicaragua by CIA-directed attacks.

Repudiation of the *contras* ranged from the Soviet Union and the Non-Aligned Countries Movement to the Christian Democratic Organization of America (ODCA). The latter noted that Washington definitely seemed to favor "the violent means of war, which have already proved ineffective and counterproductive."

In Bonn, the leader of the German Social Democrats in Parliament, Hans Jochen Vogel, said that Reagan's evident contempt of the World Court



Ortega: "They will not survive"



"Barricada"

Together with progressive forces in the area, the Nicaraguan people is ready to resist US aggression

Justice was "regrettable." As the United Nations Security Council met to discuss the US policy towards Nicaragua, most council members condemned Washington's attitude.

The governments of Honduras and El Salvador stood alone in Central America in their support of US aid to the *contras*. Equally conspicuous was Pope John Paul II's silence with regard to the aid approval and the rulings of the World Court. Nevertheless, the Pope was quick to react when the Nicaraguan government denied entry to priests Ismarck Carballo and Pablo Antonio Vega, who are known to keep close ties with the mercenaries.

With the provision of new aid to the *contras*, the chances of arriving at a political solution to the Central American crisis have been drastically

reduced. Most likely the problem will be solved by military means, since the Contadora Group will find it increasingly more difficult to negotiate from now on.

Having secured congressional support, ignored world public opinion and the protests of his own allies, determined to make full use of the military infrastructure he has built in Honduras, and possessed of the idea of destroying the Sandinista government, Ronald Reagan can now give his bellicist policy a free rein in Central America. Meanwhile, the Nicaraguan people and the progressive forces in the area are preparing to resist. For Central America, and especially for Nicaragua, the time for a major decision is drawing near.

Horacio Castellanos Maya

The Economic Siege

□ Last June 17, Costa Rica's decision to withdraw from the Central American Clearing House — an organization in charge of making transfer payments on regional trade — may have represented the *coup de grâce* to an already ailing Central American Common Market (CACM).

With this decision, the Costa Rican government set the stage for implementing an old project formulated by its predecessor, the Monge administration: that of replacing the CACM by a regional cooperation organization including El

Salvador, Honduras and Guatemala, but excluding Nicaragua. If it materializes, the project will consolidate a trend that has been observed in the development of Central American relations: the isolation of Nicaragua on the part of El Salvador, Honduras and Costa Rica, three countries that have gone along with the current policy of the US Republican administration on the area.

The emerging crisis in the process of Central American economic integration is inextricably tied to the political crisis and military conflicts that have shaken the region in the past six years, leading to divisions that threaten to cancel any effort towards establishing a solid ground for cooperation between the five countries.

The CACM dates back to 1949, when the United Nations' newly created Economic Commission for Latin America (ECLA) began to concern itself with the Central American situation, and set about to analyze the possibility of integrating economic development there. As the then ECLA Secretary-General Raúl Prebisch said at the time, "The limited size of the market is an obstacle to economic development and a major impediment to the progress of Central American republics."

Following an ECLA recommendation to the effect that Central American governments should encourage economic integration and thus build a larger market for themselves, a bilateral agreement was signed in 1950 by Guatemala and El Salvador. The terms of this agreement would later become the foundations on which the CACM was built. Other similar agreements, aiming at such things as eliminating customs barriers in the case of certain products, were subsequently signed by other Central American governments.

In December 1960, Guatemala, El Salvador, Honduras and Nicaragua finally signed in Managua a general agreement on economic integration. Thus the CACM came into existence, with the purpose of unifying their economies and initiating a joint effort towards regional development.

Under the treaty, a common market was to become operational in the next five years through trade liberation in the case of such products as were considered fundamental by the four governments. Common and uniform customs tariff schedules were to be established. Trade regulations were to be eliminated along with duties on products originating in the area and all subsidies to the export of manufactured goods, commodities and raw materials.

A supplementary agreement provided for freedom of transportation, thus permitting companies to be contracted for operation in any point of those countries' territories. Fiscal incentives were created for industrial development, while banks would ensure the full convertibility of the four different currencies.

Rise and fall

The CACM's golden age lasted from 1961 to 1969. During this period, trade in the area

increased from US\$ 36.3 million to US\$ 286.3 million, while the average gross domestic product grew by 5.6 percent. Industrial production rose by 11.8 percent. Nearly all countries substantially increased their regional exports.

This era came to an abrupt end in 1969 as a result of the war between Honduras and El Salvador, which stifled trade between the two countries as customs barriers once again came into effect. Highways between the two countries were shut off, affecting the movement of goods to Nicaragua and Costa Rica in the south, and to Guatemala in the north. El Salvador's trade with CACM countries dropped to 11.9 percent of the country's total in 1969, and to 4.5 percent two years later.

Early in this decade, CACM disintegration accelerated even further. In 1982, forced by a deepening economic crisis and increased political and military conflicts, most governments in the area decided to introduce new protectionist measures in violation of the free trade agreements.

In the past few years, military conflicts in a number of Central American countries and the emergence of a world recession strongly depressed all of the region's economies and, for all practical purposes, cancelled the prospects for short-term development. The GDP of CACM nations dropped by an average of 12.5 percent in 1984. Unemployment rose, industrial production dropped, and in some cases capacity utilization was cut by one-half.

Trade dropped from US\$ 1.3 billion in 1980 to US\$ 780 million in 1982, and barely made the US\$ 690 million mark in 1985. The Central American external debt rose to US\$ 14.41 billion in late 1984, while foreign investment declined due to the severe political and social instability in the area.

According to experts of the Secretariat for Central American Integration (Sieca), Central American economies would have to grow at a cumulative annual rate of 5.2 percent in real terms throughout the decade if the level of per capita income in 1990 is to reach that experienced in 1980. Such target, however, seems entirely out of reach in case the current economic recession, political crisis and military conflicts persist, as they probably will.

(Theo Peter/ANN)



The Internal Front

Increased foreign pressure has led the Sandinista government to tighten its control of local opposition, which includes certain right-wing sectors of the Church

The multimillion-dollar aid approved by the US House of Representatives for anti-Sandinista groups, the closing down of the opposition newspaper *La Prensa*, the banning of Monseigneur Bismarck Caballo's return to the country, and the expulsion of Bishop Pablo Vega are the high points in one of the most dramatic phases of the confrontation between right-wing forces and the Nicaraguan government.

The *contras* should get US\$ 30 million immediately for logistic and military training purposes, another US\$ 30 million in weapons between September 1 and October 1, with the remaining US\$ 50 million coming in around February 15, 1987. Included in this latter sum are US\$ 27 million in weaponry, US\$ 5 million for indigenous groups known as Misurasata and Kisan warriors, and US\$ 3 million for a purported "investigation" of atrocities perpetrated by the *contras*.

The newly granted funds exceed the total official aid previously extended to the *contras* ever since money began to flow in 1981. Official aid had been granted by the US on four different occasions in the past: in November 1981 the Security Council had approved the amount of US\$ 19.95 million for "undercover operations;" in December 1982, another US\$ 30 million; in December of the following year, US\$ 24 million were allocated by the US Congress for "direct or indirect support of military action in Nicaragua;" and in June 1985 the two houses approved US\$ 27 million in "humanitarian aid."

The US Congress session which approved the latest US\$ 110 million aid adjourned at 11:00 p.m. (Managua time), July 25. The next morning, *La Prensa* was closed down for an indefinite period of time by the Sandinista government, since it had become "a forum for the counter-revolution," in the words of the official communiqué.

The closing down of the pro-US newspaper was later followed by the government's refusal to let Monseigneur Carballo return to the country. Carballo was the official spokesman for the Archbishopric of Managua and the right hand of Cardinal Obando y Bravo, who had been accused of "defaming the Nicaraguan government abroad." At the time, Carballo was engaged in a propaganda campaign against the Sandinista revolution in the

The *La Prensa* daily was closed down: it had become a "forum" for the *contras*



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US, as part of a White House effort to persuade Congress to vote in favor of the US\$ 110-million grant to the *contras*.

The Nicaraguan government let it be known it was taking a number of measures to increase the military, political and economic defense of the country. An official communiqué indicated that the "excessive flexibility" which had marked the previous period had come to an end. In response to speculations in the world press, the government explained that its decision did not imply "a radicalization of the Sandinista process, nor a change of direction in the revolution's strategy, but merely a strengthening of national defense."

Right-wing segments had embarked on a series of provocations which, the communiqué said, confirmed the Sandinista government's suspicion that an "internal front" had been established by the counter-revolutionaries.

Bishop favors US invasion

Statements made on July 2 by Bishop Pablo Vega against the Sandinista revolution indicated that he was sitting right on top of the iceberg of such internal front. With his constant anti-Sandinista campaigns in Europe, in the US and in the interior of Nicaragua, Vega had quickly become the main ideological pillar of counter-revolutionary groups, and was confirmed in that position after the new aid to the *contras* had been approved.

At a press conference held with foreign correspondents in Managua, Vega said the aid was "legitimate and valid," and found justification for an eventual invasion of the country by US troops. And he went even further, by rebuking the "partiality" of the World Court of Justice's verdict which declared illegal the Reagan administration's policy on Nicaragua and held the US responsible for paying for damages caused to that Central American country.

A few hours after the press conference, a US-made antitank mine detonated by counter-revolutionaries on a road in northern Nicaragua killed

twelve children, their mothers and eight men who were travelling on a civilian truck. At the same time, on the south Atlantic coast, another group attacked a river boat, the *Rio Escondido*, that was navigating between the city of El Rama and the Bluefields port. Two civilians were killed and twelve were wounded.

In the days that followed, Nicaragua was literally in a state of war. The two local newspapers, the official *Barricada* and *El Nuevo Diario*, carried headlines and editorials on the criminal acts that had cost the lives of 34 civilians. Referring to the

death of twelve children at the mine explosion, the *Barricada* editorial asked, "Can this be called the 'right to insurrection' advocated by Vega on behalf of the mercenaries in his insolent provocation last Wednesday?" The editorial went on to say that "There is an intellectual culprit, a material culprit in all this... The Vegas, who never disbursed a dollar nor pressed a trigger, under the false pretense of representing the Catholic people...



Troublemaker Father Carballo

have done us more harm than the mercenary who detonated the mine." And it added, "As a political instrument for this constant aggression, Vega has sided with those who daily kill Nicaraguans whose only crime is the wish to live in peace and under social justice."

Some Central American newspapers quickly reacted. The Panamanian *La Prensa* said that the new measures taken by the Sandinista government confirmed "our worst suspicions with regard to the totalitarian and repressive nature of the Nicaraguan regime." Its Honduran homonym claimed that "Nicaragua's Leninist government has raised the already stifling level of internal repression."

Pope John Paul II, who was on a visit to Colombia at the time, as well as French, Canadian and US bishops joined their voices in a strong repudiation of the Sandinista government. The final word on the affair came from Cardinal Miguel Obando in a homily in which, in typical esoteric language, he paraphrased Biblical quotations to vehemently condemn Managua's measures. Not a word was



about the civilians who had been massacred two days before.

the priests' opposition

In April 1984, Nicaraguan bishops published a pastoral letter on the theme of "reconciliation," urging a dialogue with those "Nicaraguans who had taken arms against their government."

In July of the same year, in response to a public demonstration called by Monseigneur Obando as an act of solidarity with Priest Amado Pena, the government revoked permanent visas granted to ten foreign priests at the diocese of Managua. Amado Pena had been indicted before the people's anti-Somoza courts for illicit connections with FDN counter-revolutionary groups.

As the November 1984 elections drew near, and with the onset of the electoral campaign, talk was

increasingly heard about a letter supposedly being prepared by the ecclesiastic hierarchy. Among other things, the letter was to reflect the skepticism vented in public declarations by Obando and Vega, who repeatedly challenged the legitimacy of such elections due to a "lack of adequate conditions."

The letter was never made public, but in numberless public declarations on the subject of elections, both Monseigneur Obando and Monseigneur Vega made it clear their positions were the same as that of the Nicaraguan Democratic Coordination (CDN), which had justified its abstention precisely for the same "lack of adequate conditions."

Subsequently, the ecclesiastic group made up of Obando, Vega and Carballo resumed the central role they had played in an active, organized opposition to the Sandinista revolution, as they had done in 1981, 1982 and 1983.

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Vega, Bishop of Chontales and Vice-President of the Episcopal Conference of Managua, intensified his activities in the past two years, polarizing the political stance of the country's high prelates.

In September 1985, Vega travelled to West Germany where he commented on official and private aid grants to the *contras*: "A people whose civilian and social rights are in jeopardy," he said, "has the right to look for help anywhere." His statement was a determining factor in the success of the campaign launched in West Germany for the definitive suspension of aid to Nicaragua.

On March 6, a semisecret seminar was held at the Heritage Foundation in Washington as part of President Reagan's campaign to persuade Congress to approve his aid request. Vega was there, together with counter-revolutionary chiefs Adolfo Calero, Enrique Bermúdez and Arturo Cruz, saying that "Until recently, Nicaragua's basic problem

had been underdevelopment; now its number one problem is how to escape from the Soviet block."

Vega took the opportunity to denounce Sandinista "persecution" of Church dignitaries, and accused the Sandinistas of "killing three priests, and arresting

Monseigneur Obando y Bravo is a harsh critic of measures taken by Managua, but has said nothing about the *contras*' massacre of civilians



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or preventing others from using the media"—all of which were thoroughly false charges.

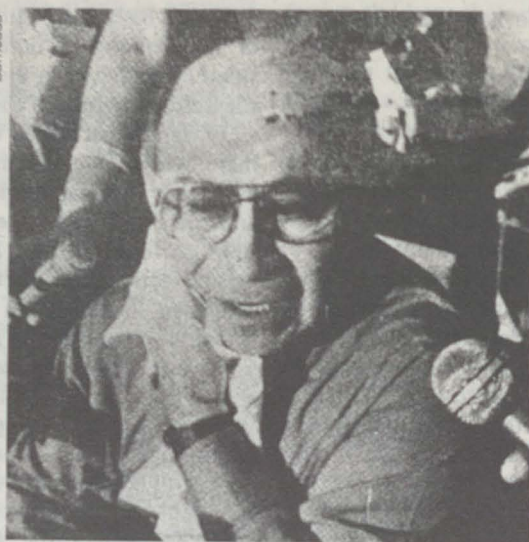
In the company of several Nicaraguan rightist politicians who favor the *contras*, Vega attended a conference held in Washington on June 5 under the sponsorship of Prodemca, a CIA-linked private organization that has provided much financial aid to counter-revolutionaries, *La Prensa*, and reactionary parties. Said Vega at the conference: "We have a totalitarian, Marxist-Leninist regime in Nicaragua. ... Armed struggle is a human right. What other way remains open to a people that is both politically and militarily oppressed?"

Vega's speech was vindicated by no other than President Ronald Reagan himself on June 24, during a dramatic televised speech on the eve of the Congress voting session on mercenary aid. Reagan even quoted Vega: "He said those humble peasants have a right to act and defend themselves. Pablo Vega said that, in Nicaragua, (the *contras*) stand for man's right to existence."

Vega's press interview with foreign correspondents was the last drop that emptied the vessel. Ignoring the very real security and defense needs of the Nicaraguan revolution in the face of stepped-up US aggression, he urged a dialogue for "national reconciliation" with the mercenary forces, and added that the ecclesiastic hierarchs, by choosing to side with the opposition, "are only fighting for human rights in Nicaragua."

Military action buildup

Vega's expulsion may be viewed as the closing of a chapter, but not of the full story. Evidence from other quarters point to what the next chapters may be, among which the refusal on the part 24 — third world



For Bishop Vega, the US aggression is "legitimate"

of Honduras, El Salvador and Costa Rica to sign the final version of the Peace Treaty minutes proposed by the Contadora Group that had been accepted in principle (see article on Contadora).

Meanwhile, military action intensifies in north Nicaragua, along the Honduran border where the *contra* bases are located. In the Mosquitia region of Nicaragua, new acts of terrorism have erupted after a full year of relative peace.

Contadora seems unable to reverse this situation. Some time ago, a New York journal published a funny story taking place sometime around the year 2000, about a meeting of veterans of the Nicaraguan War, which had been triggered by some incident in the Gulf of Fonseca. The former



US aid to the *contras* will not change the balance of power fighters discuss the causes of the US defeat. In the end, the now Secretary of State George Schultz, who in the year 2000 is a university lecturer (just like Kissinger and Kirkpatrick), sums up his opinion on the whole affair. He explains to his listeners that the invasion was the correct thing to do, in spite of the defeat that came after a long struggle, "because, without it, it would have been impossible to prevent Haiti from going Communist."

H. G. Verzi/ANN

Sergio Ramirez: "We're Not Giving the Enemy Room"

The Nicaraguan Vice-President reviews his country's strategy to cope with tensions in Central America

Shortly after the US Congress approval of US aid to the *contras*, Nicaraguan Vice-President Sergio Ramirez Mercado announced that the Sandinista government would step up popular mobilization against foreign aggression and preserve its right to build up its military power in order to safeguard national security. He also explained that the religious priest recently expelled from Nicaragua had sided with the *contras*, in spite of the World Court's condemnation of US aggression. Our contributor Arqueles Morales interviewed Ramirez for the ALASEI news agency.

How do you view the US Congress approval of a US\$ 110-million grant in the form of aid to counter-revolutionary groups operating on the Nicaragua border?

— First of all, it means that the policy of aggression adopted by the Reagan administration towards Nicaragua is dangerously escalating. The mercenaries will initially receive light weaponry; heavy weapons will probably begin to pour in in October, including missiles and radar equipment, logistic and communications support, together with CIA and Pentagon secret information. It will also mean the presence of US military advisers in the combat areas, which is a very serious step for the US to take.

Could the supply of such sophisticated resources mean a change in Nicaraguan military tactics?

— Nicaragua has a well-defined strategy of



Hélio Santos

Vice-President Sergio Ramirez Mercado

defense. The entire Nicaraguan people is ready to resist, both through the permanent mobilization of the Sandinista People's Army and the ability of peasants to defend themselves in their villages, cooperatives, and rural communities. Of course we will reinforce our domestic security, which means giving the enemy no chance to organize themselves internally in support of terrorist action. We plan to reinforce the current state of emergency by assigning new defense tasks to the population, since anyone can handle a rifle.

You have been training several reserve battalions lately. Is this in response to the escalation of the counter-revolution?

— We are prepared to cope with two sets of circumstances. In the event of an overt war against the mercenaries, we can handle it wherever it takes place — along the border or in the mountains up-country. But our reserve forces are intended to reinforce defense in the capital, along the Pacific coast and in the interior in the event of a direct military intervention on the part of the United States. We are seriously looking into this possibility right now.

*What would the delivery of land-air missiles to the *contras* potentially mean to Central American civil aviation?*

— Ever since a military transport helicopter was shot down by one of these missiles, we have been warning against the terrible risk that the provision

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of such weapons to mercenary forces can entail for all of Central America. The Reagan administration is placing itself in jeopardy when it makes such sophisticated weaponry available to bands of assassins, drug dealers, smugglers and common criminals, since no one can say that they will not use them for criminal purposes. This irresponsible act on the part of the Reagan administration may have serious consequences for the entire Central American area.

Is Nicaragua willing to increase its military power to counteract such a threat?

—Under the current circumstances, and in view of the escalation of the war, we cannot neglect our defense. It is our wish that every Nicaraguan may have at his or her disposal the means required to defend his or her home, neighborhood or community in the event of a mercenary attack or a direct military assault on the part of the United States. We do not plan to renounce our right to defend ourselves, to arm ourselves as long as we are exposed to aggression, and as long as peace is not obtained through comprehensive negotiations such as those initiated by the Contadora Group and which the US government has consistently boycotted.

What in your opinion is the outlook for Contadora, now that the US Department of State has refused to see the organization's ministers of foreign affairs who planned to deliver the minutes of a peace agreement, and especially after the US Congress has voted for contra aid?

—The US has consistently evaded any peace efforts on the part of the Contadora Group. As far as we are concerned, we will fight with every means at our disposal to counteract this attitude and to have the Contadora Group proceed with the negotiation process.

Together with the US\$ 110 million for the contras, the US Congress also voted for a US\$ 300 million aid to Central American governments. How does Nicaragua view this gesture?

—As blackmail, of course. The US plans to buy some Central American governments and have them oppose Nicaragua. The purpose is to isolate

Nicaragua from the rest of Central America. The governments that have been offered this money still have time to reflect, refuse it, and thus help make peace more likely in the area. Accepting this money, they will be joining a foreign government willing to help a group of criminal mercenaries. This would only contribute to exacerbate tensions in Central America.

What do you plan to do since the US is intent on isolating Nicaragua?

—We will continue to work along the lines established by the Contadora Group, to strengthen our position in the UN General Assembly and Security Council, and in the Non-Aligned Countries Movement. We will continue to reinforce the relations we have established with different communities throughout the world, including Socialist, West European and Latin American countries. Where Latin America is concerned, we will continue to back the negotiation process led by the Contadora Group, and to cooperate with the Central American Parliament project.

As one of the men responsible for Nicaraguan economic planning, what do you think the effects of a prolonged war will be for the national economy?

—Our economy has been under great stress. It has experienced a number of maladjustments and deteriorations which will have a direct impact on the country's productive capacity and the normal operation of its services—not only because of the destruction being caused daily by the *contras* in rural centers, but also because of the influence of war on the normal operation of an economy.

Given this war situation and the support the *contras* will now receive from the US, we cannot hope to bring our economic situation back to normalcy in the near term. All we can do is to cope with these difficult circumstances, to marshal the popular forces that are so crucial to a people's government, and to make the best possible use of our people's morale and political resources, as well as our organizational ability in order to keep moving forward. As long as peace is not attained, economic normalcy will be impossible. We will have to manage a war economy.



Reuters



"... It's our wish that every Nicaraguan may have at his or her disposal the means required to defend his or her home..."

The expulsion of Bishop Pablo Antonio Vega was announced on July 4. What made your government take that step?

—We had warned—as President Ortega also had warned after the US Congress approved the request for *contra* aid—that it was necessary to strengthen enforcement of the Emergency Law so as to prevent counter-revolutionaries from infiltrating the country and having freedom of action to promote military encounters or terrorist attacks. A number of Nicaraguan far-rightist leaders with links to US interests, among them certain bishops, began to conspire against the Nicaraguan government's determination to preserve a multiparty political environment and a mixed economy under the tense circumstances resulting from foreign aggression.

They did not heed our warning. Bishop Vega carried out a slanderous campaign against the Sandi-

nistas and Nicaragua. He advocated US support of the mercenary forces. He challenged the legitimate World Court rulings in The Hague against the US. He found justification for the crimes committed by the *contras* in Nicaragua. He even justified their acts of terrorism. So we decided to expel him from the country. Now in Honduras, he can join the *contras* and serve them as he sees fit.

What may be the international impact of this measure?

—We know this will cause many a debate, that our foes will seek to explore the fact to attack our position. We are prepared for this. We know that our revolution has won world recognition, that the measures we are taking are no more than a response to constant US attempts to destabilize our government. We are confident the incident will be understood in due time.

Arqueles Morales/ALASEI

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Who are the "Contras"

Ronald Reagan and his White House staff refer to them as "freedom fighters," but Nicaraguans prefer to call them beasts. Given their origin and recent crimes, the second designation seems rather more fitting

When the Sandinista Front put an end to several decades of a corrupt Somoza regime in Nicaragua in July 1979, some 10,000 National Guardsmen escaped to Honduras and settled there in the southern provinces of Choluteca, El Paraíso, and Danlí, close to the Nicaraguan border. A forlorn and disbanded group, they were often desperate men intent on restoring in Managua the only political regime they had known

and under which they had thrived: despotism. Using their new Honduran home as a base, they launched frequent assaults across the border for the purpose of harassing the newly installed government in their country. In the process they built themselves a reputation as cattle thieves and assassins, as they raided Nicaraguan rural communities for badly needed provisions and took a toll of many dead among the civilian population.

Their new plight must have seemed both outrageous and unbearable to them. After all, they had once been members of an all-powerful, prestigious organization that had been installed in Nicaragua way back in 1927 at the initiative of the United States, under Anastasio (*Tacho*) Somoza García's dictatorship. A truculent armed force accustomed to an almost unrestricted use of power, they soon became known to the population as "the blood-thirsty ones." Their founder was to rule supreme over the country for many years, having also created a Nicaraguan Military Academy where the crafts of war were taught by US Army officers, in addition to an Air Force School and a Non-Commissioned Officers Club. *Tacho's* son and successor, Anastasio (*Tachito*) Somoza Debayle,



Contra civilian leaders Arturo Cruz, Alfonso Robelo and Adolfo Calero during their campaigning in the US



was to follow his father's career, having endowed his country with a Basic Infantry Training School in 1970; to direct it, he appointed his own son Anastasio Somoza Portocarrero, also known as *Tacho III* or *El Chiguín* (the cub), who though he was only 22 at the time, had already been hoisted to the rank of major in the National Guard.

Such sweet memories must have haunted the former National Guardsmen as they struggled through their self-imposed exile. Lacking the resources to operate as a single, organized army, they had split into three different groups under whose banners they



Somoza's former National Guardsmen masquerading as "guerrilla fighters"

intended to appear as dignified counter-revolutionaries fighting for a just cause: the Nicaraguan Revolutionary Front (Frenica), the Nicaraguan Revolutionary Democratic Alliance (Adren), and the National Liberation Army (ELN), originally known as the September 15 Legion.

None of these high-sounding names, however, did much to enhance their image. To local peasants, they continued to be murderous plunderers who did not hesitate to shoot at unarmed civilians; to international observers, they were only a bunch of "bad losers" for whom surrendering and getting pardoned by the new government was the only decent thing to do. But after he rose to the US presidency in 1981, Ronald Reagan decided to take the bull by the horns in Central America, and had the CIA devise a plan to upgrade the *contras*.

The first step was to regroup them under a single organization under the name of Nicaraguan Democratic Front (FDN). With typical CIA logic, this was intended to make them sound more like civilians. Then came the money. In November 1981, Reagan approved a first secret donation in the amount of US\$19.5 million for the installation of

training camps for the *contras* in Florida and California, but much more was to follow. According to the *US News & World Report*, total grants approved by the White House to the *contras* between 1981 and 1985 amounted to something like US\$130 million. To critics of such aid policy, Reagan has repeatedly argued that the *contras* are the legitimate representatives of the Nicaraguan people, a group of brave civilians "standing alone between democracy and the Communist threat in this hemisphere." And as a result of this generous help, the "civilian" FDN is now equipped with heavy weaponry deployed among tactical groups, task forces, detachments and squadrons, and such infrastructure as training camps, warehouses, depots and even a number of airfields.



"Patriarch" Tacho Somoza

The bosses at the FDN

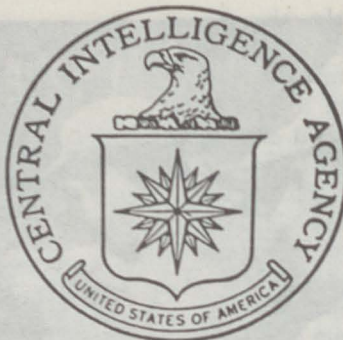
When the CIA decided in 1981 to organize and upgrade the *contras*, one of its first steps was to endow the FDN with a "political directorate" headed by Adolfo Calero and a former National Guardsman, Colonel Enrique Bermúdez. Calero had been the Coca-Cola manager in Nicaragua when the Sandinistas

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ousted Somoza in 1979. A recent investigation conducted by the Nicaraguan Ministry of the Interior has determined that he had been acting as a CIA agent ever since 1961, having been recruited by the CIA's Managua Division while he headed the Managuan Chamber of Industry.

After the Somoza downfall, Calero remained in Nicaragua as Secretary to the Conservative Party, as a member of the board of the Private Enterprise Council, and continued to collaborate with the CIA in the organization of clandestine cells engaged in terrorist action. In late 1982 he was exposed by the Nicaraguan security office and escaped to Miami, where he let it be known that he was now the supreme FDN commander.

As for Bermúdez, a 1952 graduate from the Ni-



as a military attaché in Washington.

Other FDN directors included Indalecio Rodríguez, head of the Civil Services Center; Marco Zedlón, chief of communications; Alfonso Callejas and Aristides Sánchez, both in charge of FDN's international relations; and Lucía Cardenal, the FDN's chief spokeswoman. Her husband, a businessman who chaired the Private

Enterprise Council, had been killed by Sandinista soldiers as he was caught overseeing an illicit transfer of arms.

Organized into nine regional commands, the FDN is alleged to comprise some 18,000 to 20,000 men. The independent *Kirkpatrick* task force falls under the jurisdiction of the main command, headed by former National Guardsman Juan Ramón

Rivas, also known as *El Quiché*.

Later, on June 12, 1985—the same day the US Congress approved a Reagan request for US\$ 27 million in “humanitarian aid” to the *contras*—a Union for Nicaraguan Opposition (UNO) was founded in El Salvador, directed by Adolfo Calero, Alfonso Robelo and Arturo Cruz, a trio known as the Triple A.

The FDN does not rely exclusively on Washington for financial support, but also receives funds from such “private” institutions as the International Cause (see article on the Knights of Malta in *third world* magazine, number 2, June/July 1986). The In-

ternational Cause has close links with both the Reverend Moon's sect and the *Soldier of Fortune* magazine, published in Boulder, Colorado, USA, by former Green Beret Colonel Robert K. Brown and addressed to mercenaries of all nationalities. It is also connected with the World Anti-Communist League (WAL), an organization founded in Taiwan in 1967 at the initiative of Nationalist China and South Korea, congregating conservative and Fascist



A group of *contras* proudly exhibit US-supplied weapons

caraguan Military Academy, he had taken a military engineering course in Brazil in 1956 and several infantry courses at the School of the Americas in the Panama Canal Zone. In 1956, he had participated in the invasion of the Dominican Republic and, in 1971 and 1972, he had planned the Black Eagle I and Black Eagle II operations conducted by the Central American Defense Council (CONDECA). From June 1976 to July 1979, he acted



groups from 100 different countries, and directed by retired Major General John Singlabu. The WAL, which has by now cumulated 19 years of experience in fighting Communism all over the world, has contributed with US\$20-30 million to the *contras*.

Another major donor of *contra* aid is the National Humanitarian Office, an organization with obscure connections with the US Department of State and directed by Robert Werner Duemling. The NHO's semiclandestine headquarters are located in a 12-story building with a nice view on the Potomac River, just a few minutes' drive from downtown District of Columbia.

Civilians as military targets

In the past five years, civilian populations in Nicaragua have been the *contras*' main target. Most armed assaults, bombings and sabotage work performed by FDN members have been aimed at such civilian targets as roads, bridges, production centers, small rural villages, agricultural cooperatives, schools, and first-aid stations.

Last January 20, *The New York Times* revealed that "reports received from private groups indicate that a whole agenda of savage attacks against civilians were carried out by the Nicaraguan *contras* last year. The Reagan administration's response to such disclosures was to besmirch the reputation of those who had signed the reports."

Christopher Dickey, a *Washington Post* envoy in Central America, lived for over three years among the *contras* in Honduras, from January 1980 to September 1983. His 327-page book *With the Contras* is the result of this formidable experience. Says the author: "They are violent men, capable of indiscriminate brutality. Their victims range from public servants, agricultural experts, teachers and other people they may select for torture, violation and murder, to Nicaraguan Army privates and native peasants suspected of sympathizing with the Sandinistas."

The cold-blooded murder by the FDN of nine mothers on their way to the Mulukuku Military School, in the North Zelaya province, where they planned to visit their sons, caused a real shock wave in all of Nicaragua in July of last year. Ac-

cording to the Nicaraguan Ministry of Defense, the *contras* murdered, wounded or abducted a total of 3,346 children and teenagers in 1981-1985, having left an estimated 6,300 "war orphans." During the same period, close to 1,000 civilians were killed in Nicaraguan villages, 232 peasants were taken away as war prisoners, 345 ambush operations were carried out against government and private vehicles, and 640 acts of sabotage were performed against economic targets.

Between January and May 1985 alone, the *contras* killed, wounded or abducted 27 health brigade workers and 246 primary school teachers and students. They also destroyed 20 first-aid stations and 14 elementary schools, while another 359 schools and 840 adult literacy courses were forced to close down in view of such widespread violence.



The civilian population is the *contras*' main target

By now it is estimated that this undeclared, dirty war has cost the Nicaraguan civilian population seven times as many casualties as those suffered by Vietnamese civilians during the 1960-1975 conflict. Curiously enough, very few direct confrontations with the Sandinista People's Army have been recorded.

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CONDECA: Reoiling an Old Weapon

Late last May, only a few yards from where Central American heads of state met in the Guatemalan city of Esquipulas to discuss the creation of a Central American parliament that was supposed to "foster cooperation between countries in the area," their military chiefs were holding a get-together of their own to examine ways and means of imparting new life to a stagnant Central American Council (CONDECA). Conspicuously absent from the latter meeting were representatives of the Nicaraguan Armed Forces.

What the military were really trying to do was to spell out the principles of a tactical and strategic doctrine "to cope with the Nicaraguan threat." General Adolfo Onecéfero Blandón, chief of staff of the Salvadoran Army and one of the most enthusiastic proponents of a revival of the old Central American military alliance, said at the time: "We face a challenge here, and this challenge is called Nicaragua. We believe the Salvadoran experience in five years of conflict can help other democratic-leaning armies in the area to confront the Sandinista government." Though he failed to say that the "five years of conflict" referred to a civil war in his own country, and declined to name the "democratic-leaning armies in the area," he seemed perfectly convinced that CONDECA could become the most adequate instrument to cope with the Sandinista challenge.



Anastasio Somoza Debayle

A decaying military institution created in 1964 by former Nicaraguan dictator Anastasio Somoza at the suggestion of the United States, CONDECA's self-appointed goal was "to strengthen the armies in the area against any threat from Communist countries or movements." Considering Nicaragua's central role in the creation of CONDECA, the absence of Nicaraguan military personnel in that meeting was, at least, awkward.

Shortly before the meeting of heads of state, Honduran Army Chief General Humberto Regalado Hernández, who was perhaps the most active supporter of reviving the old military treaty, paid a visit to senior officers of the Guatemalan Armed Forces to justify the exclusion of Nicaragua. He argued that "the legal concepts outlined in (CONDECA's) statutes, currently being kept at UN and OAS archives, aimed precisely at opposing the Communist ideology." Nicaragua could not, therefore, have any part in their meeting. "Nicaragua is a Communist country," he added.

That CONDECA should still be alive at all was a surprise in itself. In the past, the old military organization had suffered two crippling blows. The first one came in 1969 when, after a 100-hour war between Honduras and El Salvador (over a border dispute, among other things), Honduras resigned from its position as a member of the pact. Ten years later, in July 1979, the Sandinista National Liberation Front (FSLN) overthrew Somoza's dictatorship in Nicaragua. Since Somoza represented the very backbone of the military alliance, CONDECA

understandably remained inanimate ever since.

In turn, the Nicaraguan government expressed its "alarm at plans to exclude (the country) from the military meeting on CONDECA." Manuel Cordeiro, a Nicaraguan Embassy official in Washington, let it be known that his government had assigned Army Chief of Staff Joaquín Cuadra and Army Operations Chief Oswaldo Lacayo as participants in the Esquipulas meeting, "to ensure the inclusion of Nicaragua in the schemes being discussed." He



added that, "In case Nicaragua were excluded, such an alliance would only contribute to exacerbate tensions in Central America."

The military of other Central American countries, however, disagreed with him. Blandón argued that, "Under the present circumstances, it would be romantic to believe that Nicaragua could remain in CONDECA." On the contrary, he added, "This is an ideal time to reanimate CONDECA, since Nicaragua now poses a threat to the region."

"Willing to help"

While denying that they had anything to do with the reactivation of CONDECA, Pentagon officials quickly admitted they were "greatly interested in the recent development." An IPS news report quotes a US Department of Defense official as saying that "If the countries in the area decide to take this issue at heart... we will certainly be willing to help."

Curiously enough, the last attempt to revive CONDECA took place in 1983, after the US invasion of Grenada. Ever since, a major item in the agenda of Central American and US strategists has been an eventual joint military attack on Nicaragua.

In the opinions of Regie Norton, of the Washington Office for Latin America (WOLA), and William Leogrande, of the American University of Washington, CONDECA "certainly may become the organization that will request the US to intervene militarily in Nicaragua." They point out that, "In October 1983, the Organization of Caribbean States (OCS) asked Washington to (do the same) in Grenada." Political observers also agree with these views.

Meanwhile, Guatemala has been keeping an ambiguous position. After its Minister of Defense agreed to host last May's controversial military meeting, President Marco Vinicio Cerezo has repeatedly pointed out that Nicaragua "never withdrew from CONDECA, but merely called back



CONDECA went into a crisis after the Sandinista victory in Nicaragua

its delegates" after the Somoza downfall.

The Sandinista proposal

Just two days before the summit meeting in Guatemala, Nicaragua proposed a limitation of offensive weapons and the banning of international military maneuvers in Central America—thus laying on the table the crucial military topic in the peace talks conducted by the Contadora Group.

The Central American Peace and Cooperation Act proposed by the Contadora member countries had come to a halt precisely because of the tenor of its third chapter relative to the building up of military power in the area, the carrying out of military maneuvers there, and the monitoring and control mechanisms provided for in the Act to abolish such trends.

Actually, Nicaraguan President Daniel Ortega had made a sweeping proposal for reducing the number of any kind of airplanes, helicopters, military bases, tanks, heavy mortars, self-propelled antiaircraft guns, multimissile launchers, self-propelled artillery, warships, surface missile launchers installed aboard war vessels, international military maneuvers, and foreign military advisers in Central America. All of this he considered of

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fensive weapons; as for "defensive weapons," he insists they are not negotiable.

Washington's allies in the area reacted violently to Ortega's proposal. Salvadoran Foreign Minister Ricardo Acevedo Peralta declared to a Mexican *La Jornada* newsman that the "Nicaraguan proposal is confusing, incomplete, warmongering, illogical, and insufficient." Calling Ortega's words "mere propaganda," he indicated that his country would not accept such "misleading" proposition.



After the ousting of Somoza, the number one priority for US military aid in the area was transferred to Honduras

Of the same mind was a high official in the Honduran Foreign Ministry, who said that "Nicaragua's proposal, itemizing offensive weaponry in minute detail, is not to be taken seriously, since Managua never had most of those weapons," and that his government would reject it. Retorted Nicaraguan Vice-Minister of Foreign Relations Víctor Hugo Tinoco: "Then how do you explain the fact that the Reagan administration has been saying all along that we have every one of those weapons?" Though he failed to get an answer for his question, Tinoco added that "what Nicaragua had proposed was to limit and reduce the number of helicopters about which the US Department of State itself had complained, and the number of tanks about which Central American countries themselves had complained."

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Guatemala and Costa Rica: an alternate proposal

On the other hand, Guatemala and Costa Rica chose to lay down an alternate proposal which was quickly backed by Honduras and El Salvador. According to the ANN news agency, "The counter-proposal of these four Central American countries openly favors proceeding with international military maneuvers in the area, for the ultimate purpose of launching an attack on the Sandinista government, preserving the military wherewithal brought to the area by the United States, and ensuring a 'breathing space' to those who oppose the Sandinista government both inside and outside Nicaragua."

The ANN report goes on to say that "The obstinate argument on the part of these countries in favor of continued military maneuvers is justified by the fact that such maneuvers have contributed to the installation in Honduran territory of thousands of tons of weaponry, the construction of military bases, airfields and roads, in addition to the installation of sophisticated radar and communication facilities, adding up to the creation of a strong beachhead for all types of major military operations."

Military observers have revealed that, since 1983, military maneuvers in Honduras have served to "season and acclimate" over 60,000 US troops, while another 60,000 will probably receive similar training between now and 1989. Alarmed over this situation, the Contadora and Support Groups issued a so-called "Panamanian Message" on July 7, urging Central American countries to "quickly and efficiently complete the negotiation process." The document adds that "it is indispensable to accept three basic commitments: a) to ban the use of national territory as a base for offensive action against another country or for the purpose of extending logistic or military support to irregular forces or subversive groups; b) no country shall take part in any military or political alliance that may pose a direct or indirect threat to peace in the region by making it a protagonist in the East-West confrontation; c) no major power must extend logistic or military support to irregular forces or subversive groups active or planning to become active in any country in the region, or use or



threaten to use force to topple any government in the area."

Central American countries were quick to react. At a press conference in El Salvador, Salvadoran Foreign Minister Rodolfo Castillo Clamound said categorically: "This puts a definitive end to the Contadora Group's tutelage over the search for peace in Central America." Speaking for El Salvador, Honduras, Costa Rica and Guatemala, he added that "The Panamanian Message issued by the Contadora and the Support groups is a gray document, an incomplete and inconsequential one. From now on, Central America will assume the responsibility for establishing peace in the area. ... We ourselves will decide how, when, where and with whom we meet. The tutelage is over."

The US hand could be clearly seen behind this

new position of the "Tegucigalpa Group." Two days earlier, on June 11, US Secretary of State George Shultz had said that, "as democracies located on the fire line of Nicaragua's Communist aggression, Costa Rica, Honduras, El Salvador and Nicaragua wish to decide for themselves what kind of local treaty is best for them." And he added: "What these countries are saying is 'We want to control our own destinies. We will not remain passive as other countries tell us what treaty is good for us. We will say what treaty suits us best.'"

What all this boils down to is that peace initiatives in Central America are now closer to failure than ever.

Víctor Flores García*

* Mexican journalist.

Chamorro: "They've been brainwashed"

□ In November 1982, former Jesuit priest Edgar Chamorro was contacted in the US by a CIA agent who assured him that the CIA-backed *contras* "would return as victors to Nicaragua in July 1983," and offered him a monthly salary of US\$ 2,000 if he agreed to cooperate with them.

For exactly two years—from November 1982 to November 1984—Chamorro earned his money as an FDN leader, an FDN spokesman in the US, an FDN Public Relations official in Honduras, as well as a paid CIA agent. Disenchanted with the *contras*, he recently left Nicaragua to denounce his former allies, and is now one of the most outspoken critics of the US policy on Nicaragua.

The return of the *contras*, said Chamorro in December 1985, "would mean a blood bath. They are anti-Communist fanatics of the worst kind. They have been brainwashed. Their return would be like a return to the past. They are zombies who wish to come back to life as if nothing had happened. They have no such thing as a democratic program: their aim is to install another dictatorship, and recover what they have lost in terms of properties and privileges."

As for the FDN commander-in-chief Adolfo Calero, Chamorro added: "He is a dictator,



Former priest Edgar Chamorro

another Somoza. The style is the same. He has no respect for the Constitution and the Law. He is the new US proconsul in the area. The yankees see us as a banana republic that can have a former Coca-Cola manager as president. They want a well-behaved subsidiary that will cause them no problems. That's the FDN and Calero for you."

Stroessner's Comic Opera

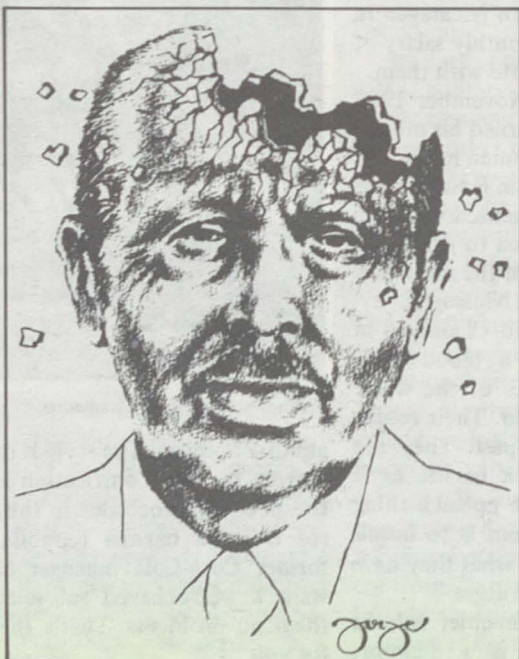
In power for the past 32 years, Latin America's oldest dictator is finding it increasingly difficult to retain his grip on Paraguay, and now seems to have turned ironical towards the USA

In a sixth attempt to return to his country, Paraguayan journalist Domingo Laino arrived recently in Assunción in the company of a former US ambassador to Paraguay and a group of foreign newsmen. He was nevertheless brutally beaten by Stroessner's police as he landed at the airport, coming from Uruguay where he lives in exile. Not even Robert White, the former ambassador, was spared the "welcoming treatment" prescribed by the Paraguayan dictator: in addition to being equally bludgeoned, he had his watch stolen by the police thugs. A bruised and shaken Laino eventually returned to Montevideo on the same airplane, having failed to see his wife and children in Assunción.

The episode, which was recorded by TV crews and shown to viewers worldwide, did not in the least disturb the aging

dictator; on the contrary, he seemed pleased to build on it by challenging world public opinion via his son-in-law Humberto Dibb, who owns a newspaper called *Hoy*. In an editorial signed by him, Dibb said, "I am convinced that Latin America is not prepared for democratic rule. To give it democracy would be like handing a rifle to an ape. What if the animal is not tame?" For good measure, Stroessner's son-in-law added a few paragraphs addressed to Ronald

Reagan: "What is really on your mind when you try to interfere in Paraguayan domestic affairs? Remember we have already burned a US flag here once. Next time something much worse can happen. And your Sixth Fleet cannot attack us, since we are a landlocked country." What Dibb failed to mention was that, even without resorting to the Sixth Fleet, Washington has often managed to bend his father-in-law merely by threatening to withhold military aid.



Stroessner: Latin America's most durable dictator

Since 1978-81, when Paraguay experienced a Gross Domestic Product (GDP) average growth of 10.2 percent, due largely to the construction of the Itaipu hydroelectric plant on the Paraná River and to soybean and cotton exports, the country's system has begun to flounder. Yet, General Stroessner, who presides over that "democracy without Communism," still retains most of his control over the country's two major sources of power — the Colorado Party and the Armed Forces — by militarizing the first and "coloring" the second.

The economic crisis now faced by the country has caused significant social discontent. Over 20 percent of the total labor force — or some 1.7 million



One-half of the country's arable lands are occupied by 130 large properties, while the rest is divided into small farms

people¹ — is now unemployed, while in Assunción, according to November 1985 data, unemployment has climbed as high as 44 percent.

Inflation has soared in the past few years: 17 percent in 1983, 30.5 percent in 1984 and, according to estimates of the Federation of Bank Workers (Fetraban), 35 percent in 1985. The recession has brought along a major drop in the GDP, which showed negative growth rates of -2 percent in 1982 and -3.7 percent in the following year. Cotton and soybeans, which account for 84 percent of total exports, experienced a price decline of 56.2 and 23.2 percent, respectively, in the first half of 1985 as compared with the previous year. Foreign reserves have dropped to US\$ 130 million. The country's external

debt has reached US\$ 1,659 million, aggravated by an overvalued currency and unreasonable public expenditures, according to International Monetary Fund (IMF) experts.

The land problem

In the provinces, social discontent has mounted. The export-oriented agricultural sector has been the number one victim of Stroessner's economic policy. Rural populations are forced to cope with the classic problem of latifundia, with 130 large properties occupying one-half of the country's arable land, while the rest remains divided into small, 10-hectare farms.

Since the beginning of the crisis, peasants who are completely deprived of land for subsistence agriculture, have invaded a total of 360,000 hectares of large properties in the provinces of Alto Panamá, Caaguazú, Guairá, San Pedro, Da-

mindeyú and Presidente Hayes, in the Chaco region. More recently, 1,600 people found themselves totally deprived of food in the village of Santa María (Misiones); like so many others, they had given up their corn, manioc and bean crops in order to grow cotton.

Faced with this situation, Paraguayan peasants have begun to organize themselves. On August 8, 1984, a Permanent Assembly of Landless Peasants (APCT) was created at the initiative of the Paraguayan Peasant Movement. At first, APCT meetings were held in secrecy; one year later, however, the organization came out in the open in a mass concentration of over 10,000 people in a public square at Caaguazú. Invoking articles 83 and 128 of the Constitution, the peasants called for recognition of their right to own land.

The total lack of response to peasant claims on the part of the

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¹According to the 1983 census, the total Paraguayan population is around 3.47 million people.

Rural Welfare Institute, an official agency, as well as the pressure of large landowners, caused the rural population to resort to new methods. Thus a Coordination of Peasant Women came into being, made up of wives, mothers and daughters of APTC members, who demanded "land access, the freedom to organize ourselves and the end of repression against us."

APCT spokesman Severino Santacruz says that, "For us, land reform means a lot more than mere access to land. We demand the right to buy land under an instalment system, and we demand schools, roads, and other infrastructure. We must have credit, seeds and fertilizers."

The Indians speak up

In turn, Paraguayan Indians have begun to make themselves heard. After centuries of silent suffering, members of the Maskoy community in Puerto de la Victoria (former Puerto Casado)—an Anglo-Argentinian latifundium comprising 1.5 million hectares in the Chaco area—decided to take a stand against the Paraguayan Indian Institute (Indi), a state agency managed by Minister of Defense General Germán Martínez, and demand some 300,000 hectares of land for which they have persistently fought in the past.

The Mbya community, of Sommerfeld, province of Caaguazú, also resisted the Indi and the Mennonites in the region as they tried to transfer them from their lands to areas that seemed undesirable to them. Similarly the Mbya of Paso Romero, in the La Golondrina farm owned by Blas Riquelme, former president of the Paraguayan Indus-

trial Union, have refused offers of compensation for their original lands.

The Ko'eyu and Itabó Indian communities have strongly rejected the exploitation of their forest resources by third parties, and the Pai-Tavyterá, of Pypucú, have also questioned an Indi purchase of land for their use, claiming that the area that has been bought is insufficient and that the transaction had been made without their previous knowledge. The Association of Indian Communities (API) went as far as questioning the professional ability of high Indi officials.



The Itabó community leader

Repression and international isolation

The Paraguayan regime is increasingly becoming isolated from the international community. The closing of the independent morning paper *ABC Color* in January 1984, the temporary closing of Radio Ñandutí in

August of last year, and the permanent state of siege in Assunción since 1954 (before that, the entire country was under state of siege) are measures which increasingly contribute to downgrade Stroessner's image abroad. In addition, there is the persecution inflicted on such opposition leaders as Domingo Laino, of the Authentic Radical Liberal Party, and Alfonso Resk, of the Christian Democratic Party, who are currently in exile, and members of the Colorado People's Movement (MOPOCO), whose leaders were violently beaten by the police as they recently tried to hold a meeting.

The country's traditional relations with Taiwan (Formosa), South Korea and South Africa's racist regime continue to thrive as ever. As for the United States, it seems the US administration has been keeping the Paraguayan regime at bay. During his May 1985 visit to Europe, Ronald Reagan said that the exceptions to democratic rule in Latin America could be counted on the fingers of one hand. "There are only four," he said, "and two of these four, Chile and Paraguay, are under dictatorial regimes."

Though the recent toppling of the Duvalier regime in Haiti has so far failed to cause a burst of popular euphoria among Paraguayans, there are those who say under their breath that their country might well be next.

Official Paraguayan relations with Latin American countries have cooled down. Typically, Stroessner has failed so far to hold interviews with president Raúl Alfonsín, of Argentina, Julio Sanguinetti, of Uruguay, and Víctor Paz Estenssoro, who have avoided sending their foreign ministers to Assunción. Stroessner's meeting with Bra-

ilian President José Sarney at Itaipu during the commissioning of the hydroelectric plant's third turbine was a mere formality. On his turn, former Brazilian Minister Olavo Setúbal, in a recent visit to Asunción, restricted himself to negotiating Itaipu-related issues, taking no concrete steps on the so-called "soybean railroad" project.

A divided party

In the late 1940s, Stroessner told his army comrades in the Guaraní language, "*Che nicó nai cuaaimbaevé policaquí*" (I know nothing about politics). Nevertheless, he has become the pivot of Paraguayan politics in the past 32 years. At the time, Major Alfredo Stroessner felt this would somehow explain opposition to the Colorado Party, though he later became its revered leader, in addition to being an honorary president of the governing junta.

Though he managed to impose a vertical structure on his party, Stroessner was never able to dominate it entirely. A breach is now clear between the militant members led by his private secretary Mario Abdo, who favors reelecting the old dictator—or, as an alternative, launching the candidacy of the dictator's son, Lieutenant Colonel Gustavo Stroessner—and the so-called "traditionalists" in the governmental junta, who prefer a democratic solution. The dispute now takes place in the so-called Party's *seccionales* all over the country.

The statements made by Mario Pastora Almada, president of *seccional* nº 23, to the effect that "if the governmental junta worked more closely with the grassroots and showed some

concern with them, such split might never have occurred," gave rise to much reproach in political circles.

Another Party splinter group, the MOPOCO, is definitely in the opposition, with its leaders having only recently returned from an exile of 25 years. Together with the Februarist Revolutionary Party, the Authentic Radical Liberal Party and the Christian Democratic Party, the MOPOCO forms the so-called "National Covenant" which last year, on November 29, asked the Church to take the necessary steps to promote an ample dialogue on the country's

i.e., those recognized by the government-controlled electoral junta.²

Humberto Domínguez Dibb, owner and director of the *Hoy* and *La Tarde* newspaper, and Stroessner's son-in-law, asked the head of state, in an editorial entitled "To Mr. President," to take definitive action, saying that the Colorado Party was divided, and encouraging him to stage a self-coup.

Two other elements have also come into play. First, the scarce official influence on the Colorado youth itself, which came to light when the government proved unable to avoid a



Paraguay's capital has been under permanent state of siege since 1954

problems, "foster the reconciliation of all Paraguayans, and avoid the deepening of a crisis which can eventually bring further evils to our suffering and beloved people."

In an extensive reply, the Colorado Party's junta said it is still willing to carry out a dialogue, but only with "regular parties,"

confrontation between the two trends and had to resort to the ballots. It was then made clear that the number of Colorado

²Two parties make up the tolerated opposition: the Liberal Party and the Radical Liberal Party, both with representatives at the House and Senate, while the Februarist Party has lately refused to run for elections.

youths who side with the government does not exceed 5 percent of all students. Second, voter apathy and indifference became evident in the latest municipal elections, when out of a total of 1.7 million voters, only 793,301 cared to exercise their right to vote.

The winds of change

The Paraguayan case is atypical not only among South American nations, but also among all developing countries. Its political

tions. Workers have founded the Inter-Union Workers' Movement (Mist) on May 10, 1985, which is already serving as an umbrella for major sectors such as commerce employees (over 100,000 of them), the National Union of Collective Transportation Workers, the Federation of Bank Workers, the Journalists Union, etc. In December of last year, the Mist secured the support of the Latin American Workers' Central (Clat), which sent a delegation to Paraguay headed by its General Secretary Emilio

exchange—or three times the country's export revenues and more than one-half its foreign debt—is unprecedented in the history of this South American nation. Initially appearing as mere talk on the part of unscrupulous businessmen, the fact quickly became a national affair involving the very president of the country's main banking institution. Dismissing the possibility of starting an administrative probe as prescribed in the Bank's own regulations, Central Bank President Romeo Costa initially brought the case to an ordinary court. Having heard the testimonies of high Central Bank officials, however, the court came to the conclusion that the head of the institution himself was involved in the crime, and decreed the seizure of his properties worth some 18,000 guaranis, a record amount in that famous case.³

The breach existing in the Colorado Party became even more evident when Representative Oscar Zacarias Cubilla (a Party member) accused 38 of his peers of being involved in the foreign exchange flight case. His accusation cost Cubilla a one-year suspension from his position as a member of the House of Representatives.

Nevertheless, the winds of change are blowing in Paraguay. Though 70 percent of the population knows no other government system, with dictatorships dating from well before the Stroessner era, no one is too sure nowadays that the regime cannot be changed.

Rolando Acuña



In spite of repression, Paraguayans believe the regime cannot last very long

regime cannot be called a mere military dictatorship; with the support of the Colorado Party, the government controls all kinds of institutions, such as the Paraguayan Federation of University Students (FUP), the Paraguayan Confederation of Labor (CPT), the Associated Paraguayan Authors (APA), and even the Paraguayan Football League.

However, in all these sectors the winds of change are beginning to blow. Students talk of the need to create a new federation, since the current one is no longer representative of their aspira-

Maspero, thus matching the support previously extended by the World Confederation of Labor (WCL), the Spanish General Union of Workers (UGT), and the International Confederation of Free Trade Unions (CIFTU).

The catalyzing factor which may be right now precipitating events to a point where people begin to talk about a transition is the widespread corruption prevailing in Paraguay, in the administration of public affairs. The Central Bank's foreign exchange flight scandal, involving an estimated US\$ 1 billion in foreign

³The official exchange rate is 240 guaranis for one dollar, the black market rate being 850 guaranis for one dollar.

A Losing Right Looks to the Military

A surprising defeat at the polls has deprived the Febres Cordero government of all options for the coming presidential elections

Amid rumors of conspiracy and tense behind-the-scenes negotiations, 3.5 million Ecuadorian voters defeated their government at a public referendum last June by rejecting constitutional changes which would allow "independent" politicians to run for public office, and giving a two-thirds majority to the opposition in Congress.

A few months earlier, members of the current pro-government majority in the House

had attempted a sly maneuver in violation of their own constitutional principles, by proposing that the next presidential elections be postponed and the mandate of Congress members be extended until 1988. While maintaining public decorum, the León Febres Cordero government seemed only too happy to concur. The move would ensure it an extra two years in power and a comfortable majority in Congress till then. However,

upon returning from an official visit to the United States not too long ago, Cordero had personally vowed to stick to the electoral timetable prescribed by law. During that visit, the US president had called him "a leader of free enterprise and the head of an authentic democracy," and to some local observers it seemed for a moment that Cordero had taken Reagan's accolade too seriously.

Be as it may, Cordero had to think twice before he took his next step. His reputation as "the head of an authentic democracy" was certain to go down the drain if the next elections were postponed. On the other hand, as a country eligible to funds under the Baker Plan, Ecuador would be breaking the pattern of "controlled democracies" that Washington is trying to establish. Sticking to the rules of the game

Reuters



The pro-government majority in congress tried to postpone elections so as to remain in power for an additional two years

thus seemed still the best solution to the country's conservative regime, and this became evident in the ensuing show of self-confidence staged by government officials.

It all hinged around one of Cordero's favorite themes in his electoral campaign, having to do with the political participation of independent citizens (not belonging to any registered party) who are not permitted by law to run for elective positions. First Cordero sent Congress a constitutional reform bill which would cancel that restriction; then, before Congress had a chance to act on it, he hastened to call a plebiscite on the issue. The question that Ecuadorians would have to answer was worded in such a way as to practically ensure the approval of the government's proposal: "Do you agree that any independent citizen is entitled to run for an elective position without having to belong to an established political party, since all Ecuadorians are equal before the Law?"

To be sure, the vast majority of Ecuadorians are not active members of the country's 16 political parties and organizations. Some of these parties are no more than a play on words, concepts and sigla inherited

from the last military dictatorship, a period when political participation was restored and new parties proliferated. Since then the predominant trends and, behind them, the various interests that really affect the country's political scene eventually came to light.

Independence versus freedom

León Febres Cordero, 56, is a US-graduated mechanical engineer who had made a career as an entrepreneur in the Noboa group (one of the most powerful and diversified oligopolies in Ecuador), and rose to the presidency as a defender of private enterprise, a proponent of a free-market economy, and a champion of foreign investment. His political image had been quickly enhanced during his years as a militant member of the Social Christian Party founded by the late former president, conservative Camilo Ponce.

Several right-wing organizations (including conservatives, liberals, nationalists, revolutionists, etc.) coalesced around his quick-tempered, inquisitive personality to form a National Reconstruction Front (FRN). By spending lavishly on its

electoral propaganda, the FRN managed to profit from popular discontent generated by the previous Osvaldo Hurtado's Christian Democratic regime.

The Ecuadorian Right, which throughout history has imposed its rule on the country via military dictatorships or transient alliances with economically-dominated populist movements, could this time come out in the open and show its real face: that of an oligarchic leadership based on a frank admission of its economic purposes — namely, to foster private activity and curtail the State's discretionary powers by exposing it as a poor manager who has been responsible for the past low rates of economic growth.

Febres Cordero's image now enabled this oligopolistic elite to exert power through a number of administrators who, though they lacked any political fame, were recognized in narrow business circles. Such situation, made possible thanks to the loquacious, provincial and aggressive style of a leader who seemed more attuned to the rural classes than to the political leaderships in the capital, appeared as perhaps the last chance for the traditional economic segments to retain the

A two-thirds majority

☐ The official count disclosed by the National Secretariat of Public Information indicates that 57.75 percent of all Ecuadorian voters said "no" to the question put before them in the referendum held last June, thus expressing their repudiation of the current regime. Only 25.22 percent of the voters supported the government.

In the concomitant congressional elections,

the ruling party came out as the second strongest political force. Nevertheless, the opposition won nearly two-thirds of all Congress seats — i.e., 47 out of 71 legislative positions. The right-wing parties which in 1984 coalesced into the National Reconstruction Front will retain only 15 representatives, while other pro-government groups have secured nine seats. Two of these, the Concentration of Popular Forces and the Alfariata Radical Front — both of them populist organizations — were clearly rejected by the popular vote, having experienced the greatest political setback of the past few years.

power they had wielded throughout Ecuador's 150 years of republican life.

A major feature in the current democratic phase is the consolidation of modernizing currents in Ecuadorian politics. A Social Democratic trend represented by the Democratic Left Party, and a Christian Democratic one represented by the Popular Democracy Party, in addition to newly born Marxist organizations, are active in the country's political scene. On the other hand, the traditional right-wing organizations (including liberals, conservatives, populists and a number of groups with little or no political significance) have remained frozen in their old political styles — electioneering, openly opportunistic, and forever fearful of any action or movement emanating from the people. Certain jaded sectors, incapable of formulating a program that would meet the demands of an increasingly politicized electorate, saw in the Social Christian candidate the possibility of installing a right-wing regime with real popular support. Febres Cordero would act as a regulator of the oligopolistic power, situated above regional and sectoral disputes — and businessmen, financiers and bankers all closed ranks around this novel type of oligarchic populism which, they were convinced, was certain to prosper.

After two years in power, however, the regime is facing a loss of prestige and popularity unmatched by any previous government. Last March, the insubordination of a former Air Force Commander, General Frank Vargas, made it clear that corruption and influence peddling had permeated the highest government echelons. Equally clear

was the fact that the regime kept a dubious accord with the Armed Forces, on which the appointment of new military chiefs by Cordero had a negative impact. There were also charges of illicit profiteering from the construction of million-dollar public works, and under-the-table manipulation of State resources and institutions, which forced official spokesmen to cope not only with outright accusations but also with pervading rumors and suspicions.



President León Febres Cordero

Two years of absolute control over all governmental functions thus gave rise to an increasingly vigorous opposition. Resentment deepened among industrial and commercial sectors in the Sierra region, especially against the agroindustrial and banking groups in the coastal cities which are more strongly represented in the Cordero government. Catering to regionalistic feelings promoted by a centralized administration, the regime focused its political and economic action on the huge political clientele at the Port of Guayaquil, whose votes are decisive for winning any

election in the country. Nevertheless, the impressive propaganda campaign in favor of saying "yes" at the plebiscite fired right back, and the majority of "no's" led to a substantial loss of local governments that were controlled by Cordero.

Altering the law which bans participation of independent citizens in public elections was crucial to the solution of a problem that has been haunting the oligarchic groups: the succession of Febres Cordero. With the defeat at the plebiscite, these groups may very well try to penetrate popular parties and eventually trigger a revolt among the Armed Forces. Fearing an advance of the Left in the country, the military are extremely vulnerable to the ultra-rightist jargon repeatedly used by the current government, for which all opposing parties are "Communist" or "pro-terrorist." In fact, the recent artificial creation of an atmosphere of political violence was one of the methods resorted to by the regime to gain additional support from military chiefs. The resulting bloodshed has not changed the official attitude of unmistakable sympathy with the use of police force and repression.

The deterioration of Ecuadorian standards of living brought about by an economic policy committed with a "stabilization plan" negotiated with the International Monetary Fund is only likely to strengthen this style of government. A drastic curtailment of the government's social programs and the latest drop in oil prices will tend to deepen the country's economic crisis, posing new problems to a fragile, young Ecuadorian democracy.

Eduardo Khalifé

third world — 43

Africa/ South Africa

Aggressions against Zimbabwe

South Africa's white minority government has intensified clandestine operations against Zimbabwe, thus creating a war zone along the border



Following the explosion of a number of land mines planted by combatants of Umkhonto we Sizwe in the border areas of the northwestern Transvaal last December, the P. W. Botha regime, supported by the South African mass media and their counterparts in the West, has once again accused the ANC of killing "poor innocent civilians" and going for what the enemy press terms "soft targets." The South African Minister of Defense, General Magnus Malan, went further and falsely accused Zimbabwe of threatening South Africa's security by allowing ANC guerrillas to use its territory as an infiltration route, for which he threatened to launch "hot pursuit" raids against the neighboring country. But when one examines the facts of the matter, the opposite turns out to

be the case: South Africa is threatening the security of Zimbabwe.

Long before the explosion of these land mines, the South African racist minority regime decided to go on the warpath against independent Africa by expanding its military and police forces in response to the challenge that the achievement of independence by African countries in the 1960s may pose against it in the future.

Among the first steps it took in expanding its forces was the construction of three military bases for the South African Air Force (SAAF) in the northern and northeastern Transvaal in 1966. One was established in the Pietersburg district, not very far from the border with Zimbabwe, and equipped with a squadron of Sabre jets and three S247 super-

sensitive surveillance radar systems supplied by the British Marconi Avionics Ltd, a subsidiary of GEC. Another was established at Nelspruit for use by border ground and air patrols, and a third at Dunnottar at the headquarters of the 40th Air Squadron and major training center of Harvard planes. The authoritative *Jane's Weapons System Yearbook* once mentioned the highly sophisticated radar system installed at the Pietersburg military air base, which allows the planes stationed there and at the nearby air force bases to carry out operations in all kinds of weather, and described the S247 as a "highpowered static radar system used for defense purposes."¹

In 1977 the South African regime began to construct another military base, this time at

Hoedspruit in the eastern Transvaal, under the pretext of the need to deploy reconnaissance and interceptor planes in order to "defend South African air space." However, it later turned out that the first air unit to be permanently stationed there was in fact the No. 1 Squadron, which was recently joined by the No. 2 Squadron, both of which are ground attacks squadrons equipped with Mirage F-1 supersonic fighter planes. The air base, which is located within 15 miles of the Mozambican border and lies within 15 minutes' flying time from Maputo, the capital of the People's Republic of Mozambique, became fully operational in 1981. According to the commanding officer of the No. 1 Squadron, the Hoedspruit air force base will enable the SAAF "to cover all borders from northern Natal up to the Zimbabwe border," and will also provide it with "strategic depth."²

In 1981, the regime opened another military base at Phalaborwa in the northeastern Transvaal, to serve as a training center for the 7th Infantry Battalion. The military base cost R6 million to construct. Speaking at its opening, Magnus Malan issued one of his many threats against the sovereignty and territorial integrity of the Front Line States, declaring that "every country that harbors terrorists must know it stands to lose in this struggle," and that South Africa is "determined to wipe out terrorists even if" it has "to cross borders to do it."³

At the beginning of 1982, the South African Minister of Manpower Utilization announced that plans were afoot to construct a new military air base for the SAAF in the Louis Trichardt district, close to the border with

Zimbabwe, in the northern Transvaal. Later, when asked to elaborate on the new military base, the Minister referred to it as a "tactical air force base." He further added that, when complete and opened, the new base would serve as the focal point for the entire northern border system, and it would be bigger than the one located 100 kilometers away in Pietersburg.⁴ To drive the point home about the aggressive intentions of the regime towards Zimbabwe and the rest of the Front Line States, the South African prime minister, P. W. Botha, declared later, in September 1982, that "South Africa's sphere of influence extends to all its neighbors."⁵

Military bases and forced removals

In various parts of the country the Zimbabwean people has suffered both directly and indirectly as a result of this military build-up in the border areas. In 1977 an undisclosed number of Zimbabweans, mostly peasants and rural workers, were forcibly removed from their traditional homes in an area covering 24,000 hectares around the Sibasa district in the north of the Venda bantustan, to another in the north-western dis-

trict of the same territory, in order to make way for a military buffer zone completely under the control of the SADF south of the Limpopo River and close to the border with Zimbabwe.

Again, in 1979, more than 1,000 people were forcibly removed from their traditional homes at Kliplaatdrift, in the northwestern Transvaal just outside the Lebowa bantustan, to Kromhoek near the town of All-days, for military strategic reasons. Another 3,000 have been forcibly removed from Sodwana Bay and St. Lucia, nearly 20,000 from Reserve Four are still under the threat of forced removals, and many others have been removed in northern Natal in order to make way for the construction of a missile testing range and setting up of military camps in the area. When one considers these, then



Numberless blacks have been forcibly removed from border zones

it becomes clear that the remark made by the commanding officer of the No. 1 Squadron about the range covered by the Hoedspruit air force base and the Zimbabwean border was not accidental nor without foundation.

The latest example of such removals is the one which about 3,000 Zimbabweans have suffered at Mogopa village near Ventersdorp and towards the border with Botswana. To prevent any information on the magnitude of the violence involved in removing the village from reaching the outside world, the South African regime initially declared it an "operational area" which no one except an especially selected group of journalists were allowed to enter, and then only under police escort. However, white farmers were allowed free access to the area to purchase the villagers' livestock, which, by 1980, consisted of 4,000 cattle, 1,000 sheep, 300 goats, 100 donkeys, 50 horses and a large amount of poultry, at a tenth of its value. In order to facilitate this operation, the racist regime sent a task force of 90 armed policemen under a certain Major A. Scheepers from Potchefstroom ostensibly to protect the removal squad sent by the Department of Cooperation and Development. Such and many other types of removals constitute a serious violation of international law, which, among other things, clearly states that "Starvation of civilians as a method of combat is prohibited. It is therefore prohibited to attack, destroy, remove or render useless, for that purpose, objects indispensable to the survival of the civilian population, such as foodstuffs, crops, livestock, drinking water installations and supplies and irrigation

works. The displacement of the civilian population shall not be ordered for reasons related to the conflict unless the security of the civilians involved... so demand. Should such displacements have to be carried out, all possible measures shall be taken in order that the civilian population may be received under satisfactory conditions of shelter, hygiene, health, safety and nutrition. Civilians shall not be compelled to leave their own territory for reasons connected with the conflict."⁶

Seen in the above context, the recent attempts made by South African Foreign Minister Pik Botha to equate the just and legitimate struggle of the South African people under the leadership of the ANC with international terrorism, as defined and understood by the international community and particularly the United Nations, is as far removed from the truth as fantasy is from reality.

Computerized aggression

The untold misery that these and many other forced removals have caused to the people of Zimbabwe is comparable only to the atrocities perpetrated by the Nazis during World War II, mainly but not exclusively against Jews, and those of the Zionists against the Palestinian people since 1948. Zimbabweans have lost good agricultural and grazing land, which is compensated for with reduced and less fertile land (if there is any compensation at all); they have lost water resources, material possessions and employment opportunities; their family lives have been disrupted; there is a high infant mortality rate caused by malnutrition and lack of adequate medical and health care.

In order to ensure that the

military and air force bases spread across South Africa's borders with the Front Line States function smoothly, the regime has installed a highly sophisticated system of radar units, largely with the help of Britain and Israel along the borders of the country. In 1981 the British Plessey Company supplied South Africa with a highly sophisticated mobile radar system, code-named AR3D, which, according to *Jane's*, facilitates "control of up to four simultaneous computer-assisted ground-to-air strikes."

The British government was accused of collaborating with the South African regime in its military buildup against the South African people and the neighboring countries by allowing Plessey to supply the radar system and thus violate the United Nations arms embargo against South Africa. It both defended itself and justified the sale by claiming that the equipment had "a genuine civilian application." But later, in 1982, it transpired that the British government, following the defeat of Argentina in the Malvinas (Falklands) Island war, had installed a similar system on the main island, changing it into a huge Anglo-US military and air force base in the South Atlantic. The radar system, installed at Mariepskop in the northeastern Transvaal, constitutes the main link of South Africa's air space command, and is ideally located for guiding South African military jets during their criminal and murderous raids against Mozambique and Zimbabwe, as well as dropping logistic supplies and weapons for the counter-revolutionary bandits of the MNR.

In 1983, the Thatcher government used the same argument

to defend and justify the supply of equipment to update the £8 million worth of the old tropospheric scatter communications system which Marconi Avionics Ltd had sold to South Africa and which had been installed in Pietsburg in 1966. The British government gave Marconi Avionics Ltd the go-ahead, in spite of strong opposition and condemnation by the British Anti-Apartheid Movement and in spite of abundant evidence that the South African regime intended to put the equipment to military use, in its program of military expansion and modernization. As the 1982 Defense White Paper put it, "fighter support on the borders of the areas where the main threat exists... will improve as progress is made with the expansion and modernization program."

Israeli complicity

It was recently reported⁷ that as part of the process of the militarization of large areas of the northeastern and western Transvaal a delegation from Pretoria has successfully negotiated the purchase of an electronic warning border fence from Israel. The equipment, called the *Gader Hama Arekhet*, is identical to the Jordan Valley electronic border fence used by Israel against the Palestinian liberation movement.

In demanding that the sale of this equipment to South Africa be put immediately on the agenda

of the Knesset (the Israeli Parliament), Mr K. Matti Peled condemned it, and declared that the sale of the equipment, which will be used "in the cruel war against South African blacks,

stretches of the border with Zimbabwe, particularly between Beit Bridge and Sand River, and are monitored by the South African Defense Force (SADF) 24 hours a day.⁹



South African planes watch the borders 24 hours a day

Without this string of military and air force bases and camps, as well as the highly sophisticated radar network spread along South Africa's borders with the neighboring countries, the effectiveness of the regime's ground forces would be severely curtailed and the air superiority of the South African Air Force reduced. This in turn would have made the regime's murderous raids into the Front Line States much more difficult to carry out.

Searching for a pretext

Beginning on the eve of Zimbabwe's independence in March 1980, the SADF issued a 24-hour standby order to all members of the 81 Armored Brigade,¹⁰ in preparation for military intervention during

would be a most serious act of support to the racist apartheid regime."⁸

The recent acquisition of such electronic devices by Pretoria is intended to complement and modernize the "border wall," which consists of a complex of electronic sensors, command posts and dozens of highly sensitive electronic surveillance devices, as well as the deadly high-voltage electric border fence, which were all put up with Israeli help some years ago along some

the elections, should conditions prove favorable. Since then, the South African regime has been searching for a pretext to invade Zimbabwe. After it had failed to find a pretext for launching direct military intervention against Zimbabwe during elections, it resorted to the recruitment into the SADF of large numbers of former members of the Rhodesian Army, particularly from Rhodesian Special Force units such as the SAS, the Selous Scout, the Rhodesian Light

Infantry, the Rhodesian Light Infantry, the Rhodesian African Rifles and even from Bishop Abel Muzorewa's ragtag "army" of auxiliaries.

Together with some disgruntled and misguided elements from within both the ZAPU and ZANU guerrilla forces, the South African regime used Muzorewa's "army" of auxiliaries to establish what has come to be known as the "Matebele Brigade" and "Super-ZAPU." In this way, the SADF succeeded in adding well over 5,000 troops, together with their weapons and other equipment, into its ranks. It is from these elements that the regime has infiltrated trained bandits back into Zimbabwe to wreak havoc and chaos against the Zimbabwean people.

Criminal attacks

These bandits have been responsible for cowardly and criminal attacks against schools, farms, homesteads and the transport system in Zimbabwe. Although Zimbabwe has not borne the brunt of attacks by such bandits — in comparison with Angola and Mozambique — it has nevertheless suffered an incalculable loss in terms of human lives, mostly civilian, and economic damage.

During 1982, 120 people were killed in cold blood by these bandits and by South African soldiers. Among those murdered by racist South African soldiers was 19-year-old Emma Hlungwane, shot dead on May 18, 1982, while doing her washing on the Zimbabwean side of the Limpopo River. On the same day, a group of South African soldiers crossed the Limpopo River and kidnapped a number of Zimbabwean women in another

incident. During the trial of two men accused of murdering a constable in the Mwenzi district in 1982, it was revealed that at least 300 Zimbabweans had undergone military training that year in the various SADF training camps situated in the north-eastern and western Transvaal. Again, in 1982, three white South African soldiers were shot in southern Zimbabwe while on a mission the SADF claimed was "unauthorized."

During 1983 the Zimbabweans security forces captured a total of 400 bandits and seized a huge quantity of South African-made weapons. Two hundred of the bandits confessed to having been trained in South Africa. In the same year, the Zimbabwean security forces captured a group of armed men, with bombs and explosives in their possession, on their way to blow up the Beit Bridge petrol depot. In October of the same year, two South African-trained bandits confessed that they were on a mission to "destroy everything" in sight under the instructions of the SADF. They confessed to having undergone four months' training in South Africa, murdered eight civilians, destroyed property, including bulldozers, and distributed pamphlets entitled *People's Power*, printed in South Africa and calling on villagers to rebel against the Zimbabwean government. The two were part of an eight-man bandit group infiltrated from South Africa.

Then, in November 1983, the Zimbabwean government accused the South African regime of using trained bandits dressed in Zimbabwean uniform to attack and harass Botswana citizens in order to cause conflict between the two Front Line states. This

was confirmed by a clash between a group of unknown armed men, using South African-registered cars, and a Botswana security patrol during the same month. Referring to the incident, an editorial in the *Zimbabwe Herald* said "the discovery that a gang of armed men with weapons and walkie-talkies who clashed with a Botswana patrol last week used two South African-registered cars has finally exposed the Botha regime for what it is."

Zimbabwe accuses South Africa

Since then, there has been a series of accusations by various Zimbabweans that South Africa is involved not only in training and infiltrating armed bandits into Zimbabwe to wreak havoc and chaos against that neighboring country, but also that at least a third of the so-called dissidents operating inside the country have been trained and armed by the SADF. Following the recent land mine explosions in the northwestern Transvaal and Pretoria's threat to attack the neighboring countries, particularly Zimbabwe, under the pretext of pursuing ANC guerrillas, the President, the Prime Minister and the Minister of Information of Zimbabwe have all made yet more convincing accusations against the South African regime for planning to launch an armed invasion against their country. The most categorical accusation against South Africa came from Dr Nathan Shamuyarira, who declared that his "...government is fully informed about South African plans to set up an independent Zimbabwean dissident organization on the model of Renamo," and that "they have taken several steps to achieve this."¹¹

Among those steps, mentioned the continued broadcasts of "Radio Truth" against Robert Mugabe's government currently being learned from the northern Transvaal; the existence of a training camp specifically for Zimbabwean dissidents; and the continued and growing campaign of kidnapping school children in Matabeleland to be trained in this camp. In addition, Dr Nathan Shamuyarira declared that Zimbabwe is "living under the South African threat all the time ... (and Zimbabweans) believe this threat to be real."¹²

Shortly before this, the Zimbabwean Minister in charge of Security, Mr Emmerson Mnangagwa, had accused South Africa of having violated the national sovereignty and territorial integrity of Zimbabwe when South African jet fighters and helicopters crossed into 100 kilometers of Zimbabwean airspace in the southeastern corner of the country. In spite of persistent denials by South African officials, there is more than enough evidence to show that Pretoria has over the years not only been threatening the neighboring countries with direct military aggression but has also been making concrete preparations for such action.

Farmers integrated into military strategy

In 1979, the illegal South African regime passed the Pro-



The South African regime is building an electrified fence along the Mozambican border. Thus all the northern area of the Transvaal will be turned into a huge concentration camp, allegedly to protect Afrikaner farmers. Apartheid proponents are preparing to set up the so-called Republic of the Transvaal, in reality an ultra reactionary white bantustan

S. Freitas

motion of Density of Population in Designated Areas Act No 87, in an attempt to stem the exodus of white farmers, caused both by economic factors and by guerrilla incursions into the northeastern and western Transvaal, and increase the white farmer population in order to create a physical barrier against the infiltration of the cities by guerrillas. As the *Survey of Race Relations in South Africa* put it: "Economic and agricultural policy has to be tailored to the needs of (military) survival."

It is therefore not accidental that the South African Agricultural Union, together with the SADF, Departments of National Security and Transport and the SA Police, participated directly, actively and fully in the deliberations of the subcommittee which was appointed by the Steyn Commission to look into how the white farmer population could be included in the defense strategy of the racist regime. In order to encourage the white farmers to stay and attract more

to settle in these areas, the regime made at least R100 million available over a period of five to six years for the provision of loans and other assistance, under the stipulation of the Agricultural Credit Act No 28 of 1966, to those prepared to settle there, and for the renovation and construction of new strategic roads in the areas.¹³

Under these terms, the SADF is empowered to enter any property within a 10-kilometer zone of the borders with Botswana, Mozambique, Swaziland and Zimbabwe, and demolish or erect military facilities or any other structure without the consent of the owner, or any form of compensation.

In addition, the Act stipulates that all the white farmers in those areas must undergo military training and be members of the regional and area commandos as well as make themselves available to the SADF and Department of National Security to carry out reconnaissance and intelligence work whenever called upon to

do so. The farmers area also to be instructed in the use and handling of security equipment such as security fences and alarm systems. Already some farmers have been supplied with subsets to link them up with the military area radio network known as Marnet.

Farms, towns are military bases

Most, if not all, of the farm buildings have been constructed in such a way as to constitute a chain of defense strongholds along the borders, ready to be used as bases by the SADF whenever necessary.

Under the regulations of the Act, the Ministry of Defense and Department of Transport are both empowered to penalize any contravention or failure to comply with the SADF directives. Failure to comply with, or contravention of, these regulations carries a minimum penalty of R2,000 fine or two years' imprisonment. Subsequent contraventions of the regulations can result in a R5,000 fine or five years' imprisonment.

Messina and Louis Trichardt in the northern Transvaal, All-days, Ellisras, Thabazimbi and Zeerust in the northwestern Transvaal, Piet Retief and Amsterdam in the southeastern Transvaal, and others, are all key towns in the military strategy of P.W. Botha's regime to launch armed aggression against the neighboring countries and to militarize the border areas in a futile attempt to keep out ANC combatants from infiltrating the urban areas. At this stage, it is important to point out that during the parliamentary debate

on the bill that led to the promulgation of the Promotion of Density of Population in Designated Areas Act, the Progressive Federal Party, the New Republic Party and the South African Party all strongly supported it. Given the fact that the PFP and NRP represent the political interests of that segment of South African capital whose companies are under contract to supply ARMSCOR with component parts for the production of military weapons and at the same time are among the biggest exploiters of black labor, this is not surprising at all.

Contempt for human life

The extent to which the illegal regime is prepared to go in the militarization of white areas and the white population in the border regions at whatever cost, even if it means putting the precious lives of young children at risk as targets of guerrilla attacks, is shown by the inclusion of white school children between the ages of 13 and 17 in military programs.

Recently, it became clear that the regime intends to continue with such programs, when the College of Education for Further Training, which falls under the Transvaal Education Department (TED), organized an eight-day "Youth Preparedness in Perspective" course for 300 teachers and their pupils at a veld school called Schoemansdal near Pietersburg. During the course, which is part of a two-year in-service training program organized and sponsored by the TED, the teachers were given lectures "on military tactics, taught to use weapons, and engaged in

camouflage and other military techniques" by military and police officers.¹⁴ Afterwards, the teachers had to run the same course for the pupils at their schools. All this is being carried out in spite of the fact that many white parents have expressed their concern, and some have complained, about the manner in which their children are being indoctrinated during these programs.

The contempt in which the regime holds the lives of both white adult civilians and children (not to mention black lives) can perhaps be better understood if one recalls that the Geneva Protocol of August 12, 1949, explicitly states that "The presence or movements of the civilian population or individual civilians shall not be used to render certain points or areas immune from military operations, in particular in attempts to shield military objectives from attacks or to shield, favor or impede military operations. The Parties to the conflict shall not direct the movement of the civilian population or individual civilians in order to attempt to shield military objectives from attacks or to shield military operations."

In addition, Article 13 of the same document goes on to state that such "civilians shall enjoy the protection afforded by this Party, unless and for such a time as they take a direct part in hostilities."¹⁵

No wonder the South African racist minority has always refused to sign this international convention in whose formulation 109 governments, 11 national liberation movement organizations and 50 international organizations took part and which undoubtedly constitutes one of

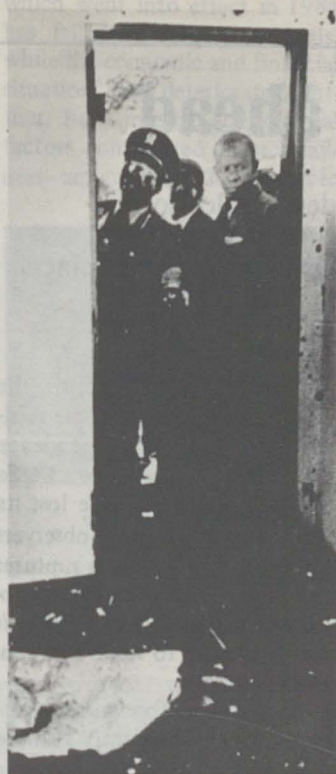
the best monuments to world statesmanship.

puppet forces in the bantustans

As if this was not enough, the Botha regime has established bantustan armed forces in Venda, Gazankulu, Bophuthatswana and the other bantustan territories. This was in addition to the setting up of military units consisting of blacks (Africans) and organized along "ethnic" lines in the SADF. Already the following military units are in existence: the 11th Battalion composed of Swazis, the 112th Battalion (Vendas), the 113th Battalion (Shangaans) and the 121st Battalion (Zulus).

Although blacks represented a mere 5% of the troop strength of the SADF during the late 1970s and early 1980s, they nevertheless made up 20% of all the troops deployed in the "operational areas". Speaking at a Nationalist Party public meeting in the northeastern Transvaal town of Hoedspruit, the South African Minister of Defense, General Magnus Malan, recently revealed that "according to the latest figures, 66.16% of all the soldiers deployed against terrorism in Southwest Africa (Namibia)" are black.¹⁶

According to General Malan's thinking, this is proof that the SADF is representative of the entire South African people. But looked at from another perspective this is a clear indication that the Botha regime, true to its racist nature, intends to use blacks as cannon fodder in the front line of its defense. This is completely in line with the creation of tribal regiments (*amabutho*) and secret death squads, in the style of Latin



The aftermath of a SA raid in Botswana

America, by its puppets and security and intelligence services, in an attempt to "Lebanonize" a struggle which is essentially anticolonial in nature, and for national liberation, and afterwards present it as a "black-against-black confrontation."

As for the explosions of landmines planted by the combatants of Umkhonto we Sizwe in the northwestern Transvaal, in which some farmers and their relatives as well as soldiers lost their lives and others were injured, it is only detractors of the Zimbabwean struggle, if not people of the same ilk as P.W. Botha and General Malan who dare accuse the ANC of killing "poor innocent civilians." They know very well that it is the regime that took the first step towards obliterating the distinc-

tion between civilians and the military, when it deliberately decided to declare those areas military zones, and proceeded to incorporate the white farmers into its military defense and security network.

The threats to launch a military attack against Zimbabwe and other neighboring countries is a pretext through which the illegal South African racist minority regime intends to force the Front Line States into "helping" it to curb ANC activities inside South Africa, something which it has failed to do itself. The ANC is the people.

Jeffrey Khensani Mathebula*

*Reproduced from *Sechaba* magazine.

¹ *The Observer*, UK, 24.4.83.

² *Resister*, April/May 1981, No. 13, p. 9.

³ *The Star*, 21.11.81.

⁴ *The Star*, 22.2.82.

⁵ *Resister*, Feb/March 1983, No. 24, p. 18.

⁶ Protocol Additional to the Geneva Convention, 12th August 1949, *Relating to the Protection of Victims of International Armed Conflicts*, Protocol 1, Articles 14 and 17.

⁷ BBC Monitoring Report/Capital Radio, Umtata, 20.11.85.

⁸ *The Progressive List for Peace*, 18.11.85.

⁹ BBC Monitoring Report/Johannesburg, 20.4.85.

¹⁰ The 81st Armored Brigade is part of the 8th Armored Division, a Citizen Force formation which is specifically trained for conventional warfare. With a troop strength of 7,000, and equipped with tank, armored car, artillery, infantry and engineer regiments, the 81st Armored Brigade is undoubtedly the most heavily armed of the six conventional warfare brigades in the SADF.

¹¹ *Rand Daily Mail*, 26.11.83.

¹² *Weekly Mail*, 20-26.12.85.

¹³ *The Star*, 10.7.89.

¹⁴ *The Star*, 4.8.85

¹⁵ Geneva Protocol, op. cit.

¹⁶ *Business Day*, 15.11.85.

Guinea-Bissau

Hard times ahead

The executions of Vice-President Paulo Correia and five others convicted of conspiring against the government have exacerbated political uneasiness in this former Portuguese colony

The disclosure of a planned coup attributed to Colonel Paulo Correia,¹ the country's second most prominent political figure, and the resulting wave of detentions have certainly not helped to solve differences of opinion among Guinean leaders. Neither have they allowed for the public peace necessary to deal with the challenge of economic backwardness and underdevelopment.

As investigations proceeded, State Security forces were everywhere to be seen, arresting and releasing suspects without filing any formal charges against them, while the judiciary was prevented from intervening. Inevitably this gave rise to tensions and mistrust at the top echelons of both the Armed Forces, the ruling Party and the government.

It is difficult to predict what the consequences of this touchy situation will be for the Armed Forces, but the detention of a number of officers, among them several members of the Army Staff, is bound to have caused much dis-

comfort among the military.

In the wake of the crisis, the country's ruling party—the African Party for the Independence of Guinea and Cape Verde (PAIGC)—seems to have lost its leadership role. Most observers agree that the resulting ruptures have undermined the Party's political leverage in a year when it was preparing to hold a nationwide Congress.

In terms of foreign repercussions, both the country's image and that of the PAIGC were tainted by news that a number of detainees had died—"of poor health," according to the authorities. This may detract from the credibility enjoyed by Guinea-Bissau and the PAIGC in other

countries and organizations which have made substantial donations or helped to finance the Guinean economic stabilization program, with dire consequences for a weakened economy.

The dictates of the IMF

Prospects are equally discouraging in the socioeconomic area, since the country's economic and political woes are closely interrelated. "The local macroeconomic unbalance is deep-rooted, and the economic crisis is severe," states a report issued by a World Bank mission which visited Guinea-Bissau recently.

Two years after the first agreement was signed with the International Monetary Fund, the country has been forced to seek a new accord with the IMF in order to meet its financial obligations. The tone of its latest reports strongly suggest that the IMF will make more stringent demands in the near future.

No matter how serious the social costs imposed on the country by a new stabilization program, the Guinean authorities will hardly be in any position to



Nino Vieira: a government under pressure

¹ Vice-Presidente Paulo Correia was sentenced to death on July 12, together with eleven other suspects of a conspiracy against President Nino Vieira. On the same occasion, the Higher Military Court of Guinea-Bissau sentenced other defendants to 15 years in prison. Correia and five others were executed on July 21. Death sentences were suspended in the cases of the remaining six and changed into life imprisonment.

oppose the dictates of the IMF. One of them will undoubtedly be a considerable reduction of the governmental structure, which has been running large deficits in the past years. Since 1984, the payment of public servants' salaries and wages have taken up all of the government's fiscal revenues.

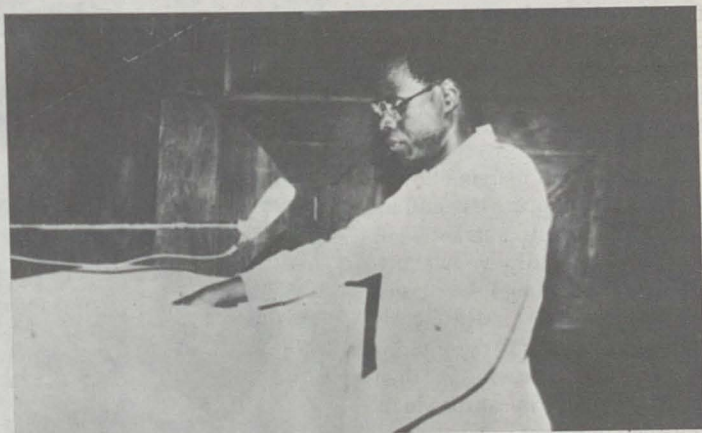
Where the foreign debt is concerned, an IMF report has estimated that "the 1985 debt service amounted to US\$ 9.1 million," or some 80 percent of the country's total export business. Though Guinea-Bissau has managed to have its debt rescheduled and partially "waived", current estimates are that cumulative back payments have risen to US\$ 7 million in 1985. Towards the end of the 1985-86 fiscal year, this figure escalated to some US\$ 25 million, or more than double the country's total export revenues.

To permit "serious negotiations around a Fund-supported program," the IMF mission has prescribed a number of "corrective measures" to be put into effect immediately. The usual IMF "remedies" are involved: a salary freeze in the public sector, no new hirings, a substantial curtailment of public investment, a price hike in agricultural products, less price control, a devaluation of the country's currency, and continued support to the private sector in the area of agricultural and trade activities.

which went into effect in 1984 has failed to achieve its goals, while the economic and financial situation has deteriorated further. Both internal and external factors contributed to such failures—among them the expensive

coconuts and peanuts, which account for roughly 60 percent of the country's export bill.

Results achieved in 1984 in the wake of the first IMF agreement and the May meeting with foreign governments and organi-



The execution of Paulo Correia (above) exacerbated political tensions, while Guinean workers face hard times

zations in Lisbon had produced a certain degree of optimism with regard to the country's economic performance. All hopes, however, disappeared in 1985.

governmental apparatus, budgetary overspending, an increased public deficit, the world recession, increased oil prices, and a substantial drop in export revenues.

According to the IMF, Guinean exports of US\$ 11.6 million in 1985 represented a decrease of 30 percent in comparison with 1984, largely due to the lower international prices of

A vicious circle

Other factors can also explain the failure of the "corrective" measures and austerity plans adopted by the Guinean authorities in 1984. Many of these factors have to do with the gap between production and trade, which has been responsible for certain strangleholds in the economy and the vicious circle

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of Guinean underdevelopment.

These include:

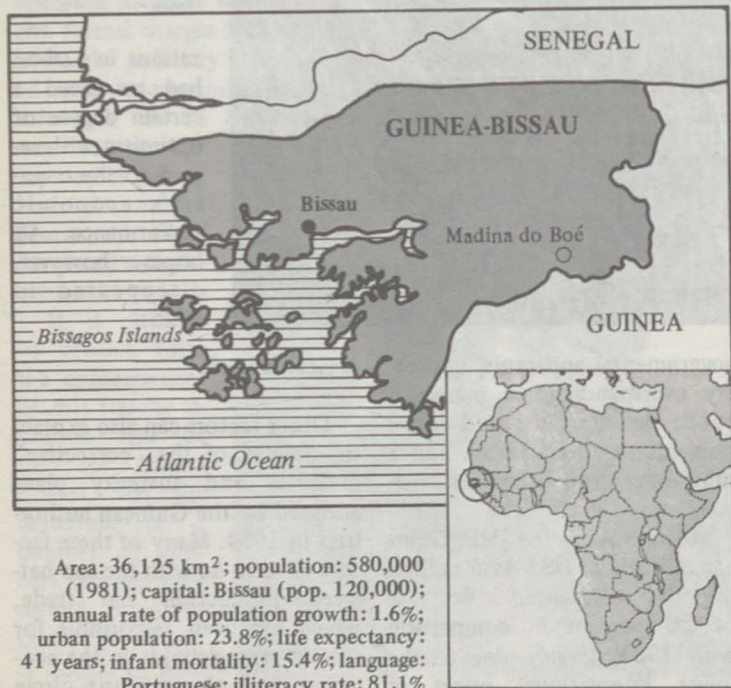
1) A lack of local commercial counterparts for the agricultural sector. While governmental measures increased the peasants' purchasing power, they often failed to offer them those products they would like to buy. Supply continued to come largely from abroad, especially from neighboring Senegal and Conakry.

2) The profit margin allowed to private producers has not encouraged them to market their products domestically. A shortage of both land and river transportation causes freight costs between Bissau and the interior to be many times higher than the price of European products unloaded in Bissau.

3) Countries and international organizations that had promised to resume aid and contributions



Industry resents the scarcity of spare parts



to Guinean development have failed to respond on time.

4) Difficulties in receiving foreign supplies, partly due to the shutoff of the Portuguese CTM and CNN shipping companies, have isolated Guinea-Bissau from its major trade partner for several months.

5) Expectations with regard to a timely response on the part of the local population where the new economic measures were concerned proved to be overly optimistic. Some of these measures were of a structural nature and required a longer-term approach, especially those having to do with the gradual transfer of commercial outlets from the People's Stores and Socomin to the private sector.

Baptista da Silva



The "miracle" ended as the economic crisis added to the Tamil revolt, placing the country on the verge of civil war

The Bet is off

Adding to the failure of the government's liberal policies, ethnic and economic conflicts threaten to bring total chaos to the country

Six years ago Sri Lanka President Junius Jayewardene boasted to foreign investors that Sri Lanka was the "best bet in Asia". Today, the bet is off. The dream of paradise is being threatened by recurring ethnic violence and tension which have settled like a dark monsoon cloud over this Indian Ocean island.

The country's outspoken Finance Minister, Ronnie de Mel, warned recently that economic ruin may ensue if violence and instability resulting from the conflict between the majority Sinhalese and minority Tamils persists.

"There will be more and more unemployment, the cost of living will increase and the people will face immense hardship. We will even be compelled to import rice, fish, chillies, onions and many other things. All the good work done by this government in the past eight years will be nullified," De Mel said recently.

Soon after he stormed into power in July 1977, Jayewardene liberalized the country's economic policies and introduced new monetary and fiscal measures

designed to lift Sri Lanka into the ranks of developed nations like Singapore.

The rupee, which, had been precariously anchored to a two-tiered exchange rate, was devalued and permitted to float freely in the international market. Prestigious foreign banks were allowed to open offices in Sri Lanka. Offshore banking was established, and a small merchant banking sector emerged and began to grow. The government also launched huge development projects funded through foreign aid.

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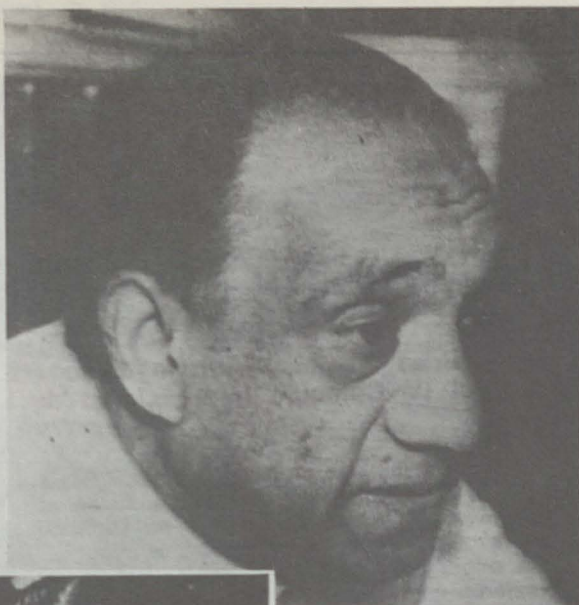
The new economic policies introduced by the Jayewardene government initially brought economic gains. The economy immediately rebounded to a growth rate of 8.2 percent in 1978, up from 3.2 percent during the socialist coalition administration of Prime Minister Sirima Bandaranaike the previous year.

But three bloody ethnic riots — in 1977, 1981 and 1983 — and continued violence have dealt grievous blows to the island's economy.

The rational revenue is now only half the country's total expenditure. The shortfall has to be financed from abroad, and more and more is coming not in aid or soft loans but from commercial borrowing at high rates of interest. As the debt service ratio expands, foreign bankers begin to worry about the island's capacity to pay.

The government's military operations to fight the Tamil separatist guerrillas are costing about US\$593,000 a day, raising the annual defense expenditure to eight times what it was in 1977. An estimated budget surplus of US\$63 million for 1985 has turned into a deficit of US\$185 million at the end of the year.

Addressing a management seminar in Colombo recently, De Mel



By increasing military expenditures eightfold, President Jayewardene has made the Sinhalese long for the old days when Mrs Bandaranaike (below) ruled the country

warned the nation of "danger" signals" in the economy, and added that prospects for the coming months "don't appear very

favorable." The country's inflation, which stood at zero at mid-1985, might soon rise to 8 or 10 percent, he said.

"If we are unable to keep defense expenditures down due to increasing (ethnic) tension in the country, our efforts to reduce the budget deficit and enhance capital investment will not be a success," the Minister maintained.

Discouraging investors and tourists

Meanwhile, the "ethnic war"

is also discouraging foreign investors and tourists. The big hotels have been operating on occupancy rates of about 25 percent at what used to be the height of the tourist season. Hoteliers have urged the government to resuscitate the industry — and have warned that a delay may force the closure of at least 40 hotels.

A continuing decline in tourist arrivals may result in some 7,500 employees losing their jobs, according to tourist board officials. The average duration of a tourist's stay has dropped from eleven

nights in 1980 to nine nights in 1984, seven nights in 1985, and six nights in the first quarter of 1986.

Meanwhile, the declaration of a "no-go" zone along the northern seaboard, which provides 40 percent of the island's fish catch, has seriously affected the fishing industry.

The government's Agrarian Research and Training Institute (ARTI) has estimated that the loss to the industry could run as high as US\$30 million a year and that a vulnerable sector of the population is threatened with malnutrition as a result of the fisheries slump.

Defense operations in the northern and eastern provinces, which support over 200,000 hectares of paddy, are already having an impact on the supply and price of rice. Paddy has not been harvested in many of these



Tea exports insured Sri Lanka's foreign balance until 1984 when tea prices dropped and the foreign debt began to grow

areas and the mills are idle. The government has been forced to import 150,000 metric tons of rice from China to meet the shortfall and keep prices steady.

Prices of dried chillies, which are produced mainly in the Jaffna district in the north, have also escalated due to the disruption of supplies. Tea prices, which kept the economy afloat in 1983-84 and contributed to a US\$ 200-million balance of payments surplus, have begun to tumble, causing serious concern to the government about possible long-term effects on the economy.

The majority of tea plantation workers are Tamils who remain dissatisfied over poor wages. In 1984, they struck work and the government abandoned its previously inflexible position of not negotiating with strikers to bring

it to an end.

Sri Lanka's economy is also supported by remittances from the island's migrant workers. But the Gulf's needs for semi-skilled and skilled labor are not as large as before. Even Saudi Arabia is planning a gradual cutback of more than 500,000 expatriate workers in the next few years.

Compounding the problem is the Arab displeasure over the induction of the Israeli intelligence agency "Mossad" to assist the Sri Lanka government's anti-guerrilla operations. There are already reports of "unofficial" restrictions on Sri Lankans seeking employment in these West Asian countries. Saudi Arabia, which had pledged US\$ 50 million towards the Maduru Oya River development scheme, later withdrew its pledge over the Israeli issue, and the Sri Lan-

ka government has now sought Canadian assistance to finance the gap.

Meanwhile, according to the Foreign Investment Advisory Committee (FIAC), an agency of the Finance Ministry responsible for attracting and approving joint ventures between Sri Lankan and foreign private capital, the number of approvals for 1984 was 56, down from 98 a year earlier.

The coming months will be crucial for Sri Lanka. The country's economic prospects will depend on whether the leaders of the island's warring Sinhala and Tamil communities will be able to find an enduring solution to the ethnic crisis.

Ravindram Casinader*

*Freelancer journalist based in Colombo

Third World Books

EL DESAFIO INDIGENA EN NICARAGUA: EL CASO DE LOS MISKITOS

(*The Indigenous Challenge in Nicaragua: The Miskitos Affair*)
Jorge Jenkins Molieri

Editorial Katun, México, 1986

The author, a social researcher now doing diplomatic work for the Nicaraguan government, examines the issue of indigenous settlements along the Nicaraguan Atlantic coast, and looks into the causes of clashes between the Miskitos and the Sandinista government since 1979. He shows how the indigenous issue has been turned into an international problem by the Washington government. While admitting that a number of mistakes have



been made since the ousting of Somoza due to inexperience on the part of young Nicaraguan revolutionaries, he provides ample proof that the problem



has been distorted by the world press. Late last year the Managua government adopted a number of measures to eliminate friction with the Miskitos, as well as to identify foreign would-be missionaries responsible for disturbing the Sandinistas' relations with the Miskitos, who together with the Sumos and Ramas add up to a population of no less than 100,000 people.

THE STRUGGLE FOR SOUTH AFRICA

R. Davies, S. Dlamini and D. O'Meara
Zed Books, London, 1985

This two-volume work is an updated and comprehensive refer-

ence guide to the organizations, movements and institutions involved in the struggle for South Africa in the 1980s. Volume 1 focuses on the capitalistic class, its policies, allies, and state structures. Volume 2 examines the forces making up and supporting the national liberation struggle and organized opposition to the regime. *The Struggle* is designed for use by political activists, students, and those who need quick access to information on South Africa presented in context. Each analytic essay provides the historical background and general overview required by the reader, and is then followed by entries on those individual organizations through which the struggle for and maintenance of power in South Africa takes place.

URBANIZATION IN THE THIRD WORLD

David Drakakis-Smith
Crown Helm Editors
Kent, United Kingdom, 1985

Third World cities have been growing at alarming rates. This places great strain on their respective central governments in the form of increased social problems, regional imbalances, and economic dislocation. This book presents much new thinking and many new research findings on this important issue. In addition to considering theoretical questions, the book provides case studies in support of the arguments made, while relating urbanization in the Third World to changes in the broader world economic order.



Galeano and "The Century of the Whirlwind"

One of the most widely read and translated Latin American fiction writers (The Open Veins of Latin America), Eduardo Galeano is getting ready to publish the last volume of his Memory of Fire trilogy

With *Open Veins* still a best-selling hit worldwide, Uruguayan author Eduardo Galeano has tackled another ambitious historical fiction project, the *Memory of Fire* trilogy he has just finished. His new story comes to an end in 1984, the date when Galeano returned to his country after a 12-year political exile. In the interview that follows, he reviews his personal feelings as he again set foot on Montevideo, as well as the role of intellectuals in the Third World, and tells us why he thinks the 20th century could be called "the century of the whirlwind."

It has now been a year since you returned to Uruguay. How do you view the country and the people you had been separated from for so long?

—I returned to Uruguay in late February 1985 after an absence of nearly twelve years. The moment I found myself on Uruguayan soil once again, I immediately knew that that was where I belonged, that I was returning to the country I loved best in the world in spite of any faults it may have.

In fact I think the essence of the country hasn't changed at

all. It has been injured, yes—seriously injured in certain aspects—by all those long years of military rule.

The economic tragedy is everywhere to be seen. Not only statistics can show you that Uruguayans now buy fewer shoes and drink less milk than before, but another brutal reality also strikes your eyes, a shocking drama that really hurts you. The number of destitute people, for

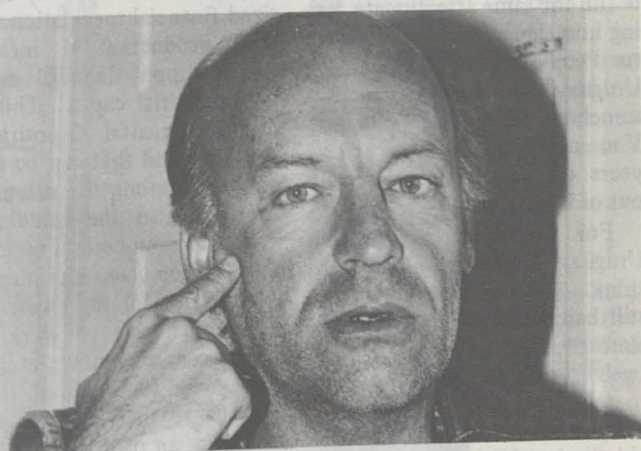
food, having been condemned to a marginal existence by a system that excludes them and denies them work.

My country continues to suffer from a population exodus that began when the military rose to power. Its causes are both political and economic. The political causes may have been eliminated, but the economic causes are still there. The country may be free now, but job opportunities are too scarce and people are forced to look for work elsewhere.

As a writer, i.e., a man who deals with human beings and the harsh realities of life as raw materials for your fiction, you probably can see things that would go unperceived to other visitors in Uruguay.

—That may be true, but not so much because I am a writer, but because I belong there, be-

A. Basso

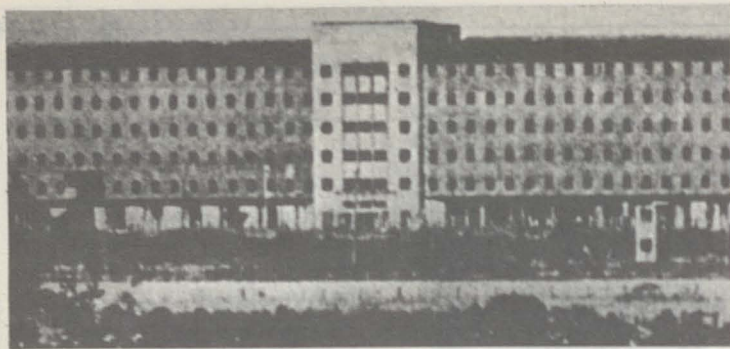


Eduardo Galeano: from *Open Veins* to *Memory of Fire*

instance, who live off garbage and other people's leftovers has increased enormously in these past twelve years. A frightening number of people in Uruguay are picking garbage piles for

cause I am a part of that national body, a plant that has grown on that soil, a small crumb of that bread. This is why certain deep, secret signals have an instant, direct meaning to me. I believe I

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"The jail where most political prisoners were kept... was called Libertad..."

am better qualified than a tourist to watch for these particular signals, and I've been there for quite a few months now.

It takes you a while to catch on to certain things in present-day Uruguay. For some time I felt like I had returned to Uruguay without ever having left the country. Unfortunately that was not true. I later realized I had really left and returned to a country that was no longer the same, a country that had changed. Not in its essence, I repeat. It is still the same affectionate, loving homeland I longed to return to. People are very friendly in Uruguay, and I love them. But somehow they had changed. You don't go through twelve years of dictatorship and walk out of it scot-free.

For twelve years, people in Uruguay were not allowed to think. That is something that still hangs in the air — you can almost reach and feel it. For twelve years people were forced to tell lies in order to survive. You can't even remember the old names of familiar things any more.

The jail where most political prisoners were kept in Uruguay was called *Libertad* (Freedom). Language had gone topsy-turvy, and this linguistic reversion affected the daily lives of all Urugu-

ayans. The military forced the population into a kind of collective schizophrenia where things were no longer what they seemed, where deeds took on a different name. Lying was imposed by censorship as a means of survival. You had to lie to your friends, to your family, to yourself. And the effect of it is still in the air right now.

And there is also the cultural damage inflicted on the country by the Uruguayan dictators. This ruinous economic policy emphasized financial speculation rather than production. I mean, it hinged upon financial capital, not industrial capital. This produced a mental disposition, a state of mind that can be found not only among the ruling classes, but also the middle-class itself and even certain sectors of the working class. The idea that working is "for the birds," that only fools have to work may have been somehow latent in Uruguayan society, but it was brought to the fore and consecrated by an official policy that reduced work to scum.

"No god has put a curse on Uruguay"

Also an entire generation seems to be missing. Some have

not returned from abroad, at least not permanently, and others have remained somewhere along the way. Those who remained in the country suffered the most under dictatorship, were more deeply affected in their social lives. How do you view this 20- to 40-year-old generation?

— Uruguay was certainly deprived of many of its most vital and creative citizens, just as it was forbidden to know that life was going on in the rest of the world throughout all those years. No wonder the country has stagnated so badly.

I think the people you mention lack boldness, creative ability, imagination. The new generation seems to have a desire to change things, but this desire is still to find an outlet. I hope the Frente Ampla can provide such an outlet, because the current state of things in Uruguay can be changed. No god has put a curse on Uruguay. Its population is five times that of Holland, its territory is five times larger — a territory blessed with an abundance of rivers, capable of supporting a much larger population. Yet people still feel compelled to leave.

Now this is perhaps where Uruguayan rulers, whether military or civilians, have failed most miserably. Of course I am glad that my country is back under a democratic regime, and like everyone else enjoy breathing the healthy oxygen of freedom. I can't tell you how happy I was to be able to walk freely along the sidewalks of the city I love, to talk freely to my friends and hear what they had to say. This is something to be taken into account when you begin to criticize. But I still think the country is...

... scared?

— Yes, a certain amount of fear is still in the air. Fear is a poison that tends to hang around for much longer than you can imagine. It may take a long time to clear the atmosphere.

As a writer and journalist who has lived in exile, do you feel compelled to do political work now that you are back?

— That's something I have thought about very carefully. I don't mean political activity to the extent I would like to engage in it — I get daily invitations to lecture here and there — because that would put too great a strain on me. My heart broke down last year from sheer overuse, and I have had to take it easy for a while. I feel fine now: after a love of many years with cigarettes, we have finally parted in good peace, and I feel somewhat stronger.

Did your heart problem weigh on your decision to return to Uruguay?

— It may have had something to do with it. It happened just as I was returning to Spain after my first stay in Uruguay and Argentina last year. This trip somehow affected me. We know very little about what happens inside us. My heart trouble was probably due to a number of things, it wasn't just cigarettes. I had spent a whole month in Buenos Aires, trying to update my feelings, seeking a reunion with certain characters in my book¹ after all those years — and this meeting with survivals and old places must have affected things deep inside me.

The truth is that that entire period (the 1970s) left its marks on all of us. You don't handle

smoldering ashes without getting burned. You may not be aware of it, but you suffer.

Your concern was to retrieve Latin American memory, which is also a political task.

— Everything is political that has to do with the interplay between man and society, between social classes and power. Everything you do that affects other people, that affects communal life, has a political content, no matter how superficial.

I think you are always choosing between freedom and fear, siding with one or the other, even when you believe you are remaining aloof. Because remaining aloof is also a way of choosing a side, though I may not approve of it. What I mean to say is that, one way or another, you join the dance, even when you think you

are just watching it from the door. Especially when you engage in the kind of literary genre I have chosen for myself.

The minute you publish something, you are engaging in political life, you are influencing other people's thinking. Therefore I believe that the option between literature — now that I hardly work for newspapers any more — and politics is a false one, because you never cease to engage in politics. The kind of literature I write is in no way comparable to mental masturbation: it is not a declaration of self-love, but the creation of a dimension where I can meet with my fellow human beings. What compels me to write is an attempt to communicate with others — an adventure that may lead to success or failure.

It has apparently led to a major success: your books are eagerly read by all kinds of audiences.

— This may be true, but I still think it is an adventure.

"Uruguay has a population five times that of Holland, its territory is five times as large — a territory blessed with abundant rivers, capable of supporting a much larger population. Yet people still feel compelled to leave."



¹Galeano is referring to *Días y Noches de Amor y Guerra* (Days and Nights of Love and War).

You have to run certain risks. You try to shorten the inevitable distance between the wish to communicate and the real possibilities, between what you are trying to say and what your words are really saying. Sometimes you feel you haven't succeeded, but the important thing is to try, to honestly try and put all of your energy into it.

I don't write for myself, but for other people. Which is the best way of writing for myself. Otherwise I could die of boredom.

"All the horrors and wonders"

You are working on the third volume of your Memory of Fire trilogy. Can you tell us about it?

— I am now halfway into it. It is about this dazzling 20th century. Our century is really a tree of life with an endless number of branches, a century of total madness. All the errors, all the horrors and wonders of humankind have come to the fore in the 20th century. It is as though everything has been squeezed into this one period.

I have been writing about history beginning with the 16th century, and now I see that as many things can happen nowadays in one week as took ten years to happen two or three centuries ago. It is a fast moving century, an utterly mad century, yet a wonderful century. I am glad I was born in it, and I enjoy writing about it, though it is an enormous task.

Your horizons are also enormous.

— They include all of America. Especially Latin America, but also the United States and Canada. Of course my focus is on Latin America, but even this 62 — third world

requires a lot of reading. It is a task for a Chinese army. I try to be as powerful as a whole army of Chinese soldiers, to be as patient and disciplined as a Chinese army is supposed to be. I spend many hours doing intensive reading in libraries and at home, diving into the muddled waters



of history where so many pearls are to be found.

I read a biography of Salvador Allende yesterday. I mention it because it is the most recent example. It is not a good biographical work. I wonder if a good biography of Allende really

exists, this one is rather poor. Yet it tells a beautiful story that might be worth working on.

It is the story of a *huichol* Indian from the Nayarit mountains in South America who travels to the township of Tepic to buy some seeds and call on his relatives. Somewhere in town he finds a book in a garbage can. He picks it up and begins to read it. For he can read — painfully, laboriously — but he can read Spanish.

This Indian comes from a community of 150 families, a place that has no name at the time. As he begins his journey back home, taking hours to climb up the mountain road on foot, he brings back with him the seeds he bought in the market, the memory of the relatives he saw, the messages they asked him to convey, and the book he found in the garbage can. And he continues to read it as he walks. By the time he reaches his little community, he has finished the book. "We now have a name," he tells his village folks.

For the next eight days, he patiently rereads the book aloud for his people. When he finishes, they agree with him: they have found an adequate name for their community. The book is about a distant country called Chile, where horrible and wonderful things can happen; and its main character is a man who never hesitated a minute when the time came for him to choose between treason and death. The little *huichola* community of 150 families decides to adopt the name of the man who always kept his word. And now those who travel to the little hamlet say, "We are going to Salvador Allende."

This is the kind of little stories I constantly look for and often find, for real life is full of them.

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God and the blue tiger

Every story, every book has its way of reflecting reality.

—Or of trying to reflect it. Reality is infinitely better than the books that are written about it, better than us who are its substance. Sometimes, however, we manage to divine its ways, to uncover some of its secrets. Not all of them, of course, since life would be horrible without...

...some suspense?

—Life without mystery would be an unmitigated boredom. All we can do is to get to know a few little secrets. And for me this task has a political meaning, since it is by hiding truth that the established power systems, the ruling classes and international power mechanisms allow some people to live at the expense of others. They hide both the reality of the past through usurpation of collective memory—official history is a bunch of lies—and the present reality, which is subjected to censorship and adulterated by the media. This prevents people from perceiving that reality can be changed, that there is no such thing as a fixed and unswerving destiny.

No reality is predetermined. Reality itself is begging to be changed—like in that guarani legend that tells us about a blue tiger lying asleep under a god's hammock, waiting for the god to command it to tear the world apart, because the world wants to be destroyed so it can be built anew. Earth itself is begging that god to let it become a different earth. And while the god hesitates, the blue tiger remains asleep under his hammock.

I believe that, in a way, this is what is happening now: every-

"... my country is back under a democracy..."

where reality is begging to be changed. Which god would approve of the world as it is now, an insane hospital or a huge slaughterhouse, when it can and should become a quiet home for all of us?

In your study of history, at least beginning with the 16th century, have you been able to pinpoint a dominant idea which characterizes a whole period? If so, what do you think is the dominant idea in the 20th century? How does 20th century man differ from his predecessors?

—It is very difficult to reduce a whole century to a single idea, but I think the 20th century is a time of whirlwinds. Just as we talk of the 18th century as being the age of enlightenment, we might think of the 20th century as the century of the whirlwind—which might not be a bad title for the last volume of my trilogy.

And we, men and women caught in this whirlwind, often aren't even aware of how fast we live. Could it be that we are more superficial than our ancestors? Don't we have the time for a deeper, more thoughtful existence? Or are our minds so much quicker that we can take on more of life every minute?

—All generalizations are unfair and false. Yet they help to guide us so we don't go about aimlessly in the world like a blind man in



B. Bissio

a battlefield. I believe there is a dangerous trend towards superficiality in our century because of the turmoil of modern life. And, among other things, because of a sinister little gadget that didn't exist before: television.

On the other hand, it seems to me that the 20th century is much more intense than any other that came before it. It is a time of rare intensity, a time when everything is in a much more confused state than before. The playing cards which until our time had been kept carefully separate now lie in complete disorder. Everything is much more mixed-up than in the past, yet somehow I like this.

If I had a choice, I'd rather live in this century than in any other. No past century was ever as free as this one is. The problem is that the world is still a disaster when you consider what it could be.

A wealthy lady once told me in reference to her servants that "They don't make illiterate people any more like they used to." It was a crude way of saying that even an illiterate person

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nowadays is more attuned with his or her own time, more aware of what happens in the world.

—True. People get more information nowadays, but they are also much more manipulated. Take television, for instance. TV is not innocent: it allows for a much higher degree of control over public opinion than was available in the past to the Church, or within the preaching ability of one or a thousand priests. The power of television over people is infinitely greater than that of all the preachers who lived before us.

"The selfless shadow"

As a woman, I would like to hear your opinion on a particular subject. In your books about previous centuries, you consistently approach reality through your characters. Reality, of course, is made by flesh-and-bone people, and it has been said that this century has witnessed an irruption of women. Do you agree?

—Yes, though women's share in world events has been much greater in the past than it is recognized. What happens is that

official history is written by the conquerors, and the conquerors were all male. Women are left in the background in official history, yet they played a major role in world affairs. And I don't mean just as ladies-in-waiting, as company to men, which is the most they can hope to be in a macho-dominated society.

At most, society recognizes that "there is a devoted woman behind every successful man."

—Yes, the "dedicated companion" without a life of her own. A selfless, faithful shadow. Well, this may be true and there is some merit to it, but it is always preferable to be somebody than a shadow. In fact, not a few rebellions in America were led by women, especially by black and Indian women. Only they were later carefully deleted from the books by our historians.

Matriarchal societies could be found more often among them than in our white Western world.

—Indeed the societies in which African slaves originally lived, as well as the indigenous societies found in America by European

conquerors, were considerably more egalitarian than European society, which was made up of masters and slaves. They were both more equitable and more democratic. And women played a more prominent role. As I said, many a major revolt in the American continent was headed by women, which is something that would have been unthinkable in Europe.

The conquest of America, for instance, couldn't have been achieved by the European women of the time.

—Can you picture those women in suits of armor, with elms on their heads? No. Theirs was a different function, the function of frail little nuns and ladies-in-waiting. Things are different now. Twentieth century history abounds with prominent women. Yet to a large extent, they are still unaware of their full value as women.

Take the case of Domitila Barrios. I am her friend and very fond of her. Domitila is an admirable woman. Together with three other women, she called the hunger strike that toppled Bánzer's dictatorship. Think of this. Four crazy women rising against all the "sensible" segments of national life, for whom such a movement was utter nonsense, called a general hunger strike that ultimately defeated Bánzer.

But even before that, on the day following the San Juan massacre ordered by General Barrientos in the Bolivian mines of Catavi and Siglo XX, she had climbed a graveyard wall to protest and insult the military, and was arrested and tortured as a consequence. Her jailers pulled out her teeth, they killed the child she was carrying in her



"... Domitila called a hunger strike that toppled Bánzer's dictatorship..."

omb. She suffered and struggled like nobody else.

Yet, when the time came for her to tell us what had happened, she said her intent was to show the government that miners wear pants, that there are real men inside those Bolivian mines, that Bolivia is a country of machos, not cowards. She was unwittingly using the language of the male domination system under which she had suffered ever since she was a child. You see, Bolivian women are used to following orders. They are trained to obey from the moment they are born: obey their fathers, their brothers, their husbands, even their male sons.

Her words reflected this situation, a situation that has perpetuated itself through the centuries. She didn't seem to be aware of the fact that it was she, a woman, who proved braver in every circumstance; that together with other women she had brought a dictator to his knees.

Her language was tainted with machismo, because after all you use the language of the society into which you are born. And this shows to what extent women have yet to develop an awareness of their own role in present history.

In your last book, doesn't the fact that you have restricted yourself to 20th century America represent a constraint, since other continents are also bursting forth in the world scene in our times? This is also the century of African and Asian liberation, you know.

—Yes, but it would be madness to try and tackle it all. It is mad enough of me to attempt to survey all of America and not just a part of it. I wouldn't dare to encompass a larger part of the

world. And it really wouldn't be necessary. I feel I share the same human condition as all men, a condition whose universality has been torn apart by a system that denies it, but which will be again unified when men stop living at the expense of others, when the freedom of some is not paid for with the oppression of many, when a brotherly society is finally reestablished—or established for the first time on earth.

Perhaps because that's when your exile ended.

—Perhaps. That date could mark the end of a personal cycle. But actually it was as though the book itself had told me it would like to end there—and I keep a very real communication with the book as it grows. To me, each book is like a living organism, a little animal with a throbbing heart, an animal that quivers, talks...



Many of the things that happen to me and which I try to communicate to others have to do with the destinies and lives of all peoples. What happens to an Eskimo or to a man in New Zealand or Finland is not indifferent to me. The problem is that, for the task of retrieving reality and memory, one has to set one's own limits in space and time. The story in my trilogy, for instance, ends in 1984.

As in Orwell's book?

—No, it just had to finish by then. There is no relation with Orwell's book.

...and sometimes takes you along ways you hadn't foreseen.

—Exactly. It begins to decide things, and setting the finale in 1984 was its own decision. You see, it is only half-written by now and it is already making decisions. That's how fast this 20th century is. Children grow up too quickly. A half-finished book is already making decisions.

Without consulting its father...

—That's right, a half-born child with a life of its own. ●

Beatriz Bissio

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Third World Newsletters

Interested readers will find below a brief description of several specialized, limited-circulation publications issued by Third World political parties, civil movements and institutions dealing with various Third World topics and problems. Additions to this list will periodically appear in our coming issues.

FOCUS — Issued every two months by International Defence & Aid Fund, Canon Collins House, 64 Essex Road, London, United Kingdom. Contains news on South Africa, Namibia and other Southern African countries, with an emphasis on the struggle against apartheid, viola-



tions of human rights, and the trial of anti-racist militants under arrest. It also regularly includes a list of people arrested in South Africa and Namibia. (In English.)

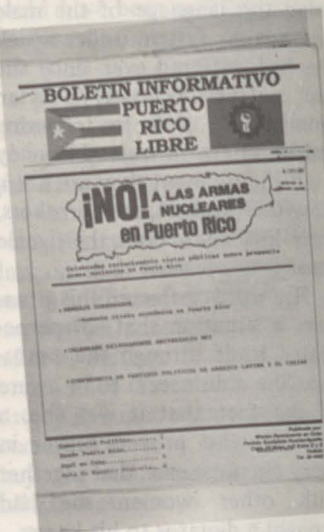
FOOD FIRST ACTION ALERT — Issued by Food First, 1885 Mission Street, San Francisco, Calif., USA. A periodical publication on Latin American and African issues, with special emphasis on agriculture and the economic relations of Latin American and African countries



with the US. Special issues have been dedicated to South Africa, Guatemala, El Salvador, Costa Rica, and Nicaragua. (In English.)

THAI DEVELOPMENT — Issued every four months by the Thai Development Support Committee, 121/90 near Chalcemla Bridge, Phayathai Road, Bangkok 10400, Thailand. Reviews the situation in Thailand, with special emphasis on communal development projects and movements, pointing to the country's economic and social inequalities affecting children, women, elderly people, and peasants. (In English.)

BOLETIN INFORMATIVO PUERTO RICO LIBRE — A newsletter issued by the Puerto Rican Socialist Party, Calle 29, número 112 entre D y E, Veda-



do, La Habana, Cuba. Carries even reports on the Puerto Rican situation and US repression against political movements and leaders who favor independent status for Puerto Rico. (In Spanish.)

Thai Development NEWSLETTER



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Communications

Mozambique

The "Barefoot Reporters"

A pathbreaking journalistic experiment turns peasants, workers, women and youngsters into "country correspondents" who use paper and pencil side by side with modern technology

Every morning at 5 a.m., the 50,000-odd dwellers in the low-income neighborhood of Huleme in the outskirts of Maputo are aroused from sleep by the powerful blare of four 100-watt loudspeakers perched atop a 200-meter tower. The radio announcer's voice wishing everyone the beginnings of a pleasant day can be heard within a full kilometer from the tower. Not even the blast of a jet's turbines warming up at the Malavane airport, less than two kilometers away, can drown the accents of that familiar voice: he is Ariel Macuacua, a public servant who is now the most well-known person in Huleme.

Ariel is one of eight radio announcers working for Huleme's Social Communications Center, and one of the first to participate in a mass communications experiment without precedent in the entire African continent and perhaps in the world. The SCC is part of a larger structure which began to emerge in the 1970s in Mozambique, whose basic purpose is to integrate the people in far-off villages upcountry and the poorer urban populations into the complex and sophisti-

cated activity of social communications. An ambitious project launched by the Social Communications Office of the Mozambican Ministry of Information with the support of the United Nations Children's Fund (UNICEF), it comprises all means of disseminating information, from old-fashioned blackboards to

modern videocassette systems. The entire equipment is operated by men and women, often fresh out of grammar school, who never had any journalistic experience and don't even know how a newspaper office is run.

Mozambique's "barefoot reporters" are now deployed in 83 social communication centers, especially in the northern provinces of Cabo Delgado and Niasa, and in the south. None of this really existed seven years ago, but in late 1985 a total of 180 Huleme-type units were in full operation. In addition to coordinating these centers, the Social Communications Office is responsible for a daily, nationwide broadcast by Radio Mozambique, a weekly, offset-printed newspaper, audiovisual aids, tape or motion picture documentaries for TV, a press research and in-



Communal radios emerged in 1978 and now number over 180 provincial units

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terpretation center, formal courses, an independent radio station in the Xai-Xai province, electronic equipment repair and assembly shops, four mobile loudspeaker units mounted on Toyota jeeps, and a complex network of nearly three thousand "country correspondents."

Tapping the local potential

These correspondents are central to the whole system. They include peasants, small farmers,

to light when the major local newspapers and *Tempo* magazine began to devote more and more space to letters received from their readers."

By 1979, the space dedicated to reader contributions in such newspapers as *Noticias*—the most widely read in Mozambique—increased from only two columns to nearly two pages. In addition to expanding the newspapers' readership, this also brought about a real avalanche of correspondence from readers

media."

Once UNICEF agreed to cosponsor the program, people who had written to newspapers and magazines were contacted by a team of SCO workers who guided them in the selection of subjects, the approach to be used, and the techniques of news reporting. According to the SCO staff, the response was immediate: the role of correspondent commanded communal respect and entailed a certain measure of leadership. A major problem, however, was the general lack of writing implements. In most distant areas, there were no paper and envelopes, while pencils tended to be used down to unmanageable stubs.

"Our solution," says Maia, "was to print thousands of envelopes with lines on the inside and send them to our village correspondents, accompanied by a pencil or ballpoint pen. In sending us their 'news coverage,' they didn't have to stamp the envelopes. The SCO took care of the postage." Soon, he adds, the inflow of material was so great that letters had to be carefully selected.

Reinforcing political unity

In time the system evolved into a special SCO section in all Mozambican newspapers and magazines, where the most relevant contributions are published. This, however, is only one aspect of a two-way communications channel. The other is the remittance of information which populations in the interior require not only to improve their living conditions, but also to reinforce political unity at the village level.

The SCO project is targeted mainly at the 1,350 communal settlements comprising a total



Communal debates are transmitted by powerful loudspeakers

industrial workers, public servants, women, young and old people, soldiers and militiamen. While retaining their usual tasks and jobs, they regularly report to the SCO on their work and housing conditions, submitting suggestions and criticism, and airing their opinions on current affairs. "The initial idea," says Juarez Maia, a Brazilian who has been in Mozambique since 1977 and is credited with much of the expansion of the SCO, "was to develop the potential which came

wishing to express their views, call public attention to irregularities, or just make a few suggestions. "We felt the existing potential was enormous," says Maia. "Thousands of people were starving for information or eager to participate in the communications process. All we had to do was to turn eventual contributors into regular correspondents. Without having to give up their normal occupations, they could become a link between their communities and the mass



Transmissions can be heard within one kilometer from the tower

population of 1.2 million Mozambicans, or 12 percent of the country's total. In its initial phase, special attention was given to the provinces of Cabo Delgado (where the number of communal settlements is the largest in Mozambique), Nampula, Niassa, Gaza and Maputo. As the project expanded in 1979-81, the work in Nampula had to be abandoned because of the increased activity of armed groups financed by the South African government. By 1985, the system had been introduced also in Zambézia and Inhambane.

Basic to implementing the project in its simplest stage are the so-called *xiricos* (transistor radios) which tune in on SCO-directed broadcasts from Radio Mozambique or regional stations. In addition to divulging reports received from correspondents, these radio broadcasts offer educational material on communal organization, tips on agricultural and household activities, rudimentary medical instruction, reading lessons, sanitation advice, political mobilization towards increased production, and protection against the assault of armed bands. In each village, the indi-

vidual responsible for keeping the transistor radio can further widen the program coverage by means of wall newspapers or simply by word of mouth.

At a more elaborate stage is the communal listening-in center, by means of which radio broadcasts are amplified and fed to the loudspeakers' tower for the benefit of the entire village. Each center comprises a radio receiver, a small electric generator, a 60-watt or 100-watt amplifier, and a set of loudspeakers. The

center may later become a social communications unit by adding a microphone to the system just described, whereupon a special team begins to organize local programs as a complement to those of Radio Mozambique.

Videocassette and audiovisual aids

Where the social communications system has evolved further, portable videocassette or movie projectors are introduced. Slide projectors are also used widely. One of the advantages of this form of communication is that it allows for translating the narration into any of Mozambique's main regional languages, which considerably increases the number of audiences since many Mozambicans, especially in the older age groups, are not too familiar with Portuguese. Visual aids also allow a narrator to ad-lib on the basis of the peculiar problems or momentary concerns of each village.

The videotape system, as well as the movie and slide projectors, are carried from village to village on a Toyota jeep equipped with



Mobile units visit villages where towers have not yet been installed

public address equipment, thus comprising an authentic mobile SCO unit. Of course, sophisticated equipment of this kind is scarce in the country and cannot be permanently installed in any one location.

In a joint effort with the Mozambican TV and Institute of Cinema, the SCO has produced a

SCO is planning to schedule formal courses in communications or journalism for personnel development. "We cannot resort to professionals in the press, radio, TV or cinema, because they are extremely scarce. Besides, we prefer to create a new communication style, more directly oriented towards the

newspaper—*O Campo* (The Field)—in February 1984, which is entirely staffed by SCO-trained personnel. *O Campo* is actually a training ground for promising young journalists, but its distribution goes beyond the SCO headquarters to reach the social communication centers. "Country correspondents" also contribute with news stories and other materials. Initially a monthly publication, the newspaper may be published more often in the near future, depending on the availability of newsprint.

Finally, the SCO has launched an even more ambitious project with the purpose of analyzing the country's conventional press for the detection of eventual new trends. With the advice of foreign newsmen and researchers, the SCO is cataloguing all printed material in the country, including radio scripts, in an effort to



The "barefoot reporters" gather news items for radio and newspapers

number of documentaries to date, including one on the *lobolo* form of marriage¹, and another on organized resistance against assaults by armed groups. All motion pictures and videocassettes are shown to the population in the interior as part of political discussions promoted by the FRELIMO Party, or in line with educational projects developed by governmental institutions in the areas of health, agriculture, and reading instruction.

"In fact," says Juarez Maia, "our number one problem is the shortage of personnel. Our activities are expanding very quickly in spite of the country's economic crisis, and we have been unable to handle all of the new work fronts." As a result, the



SCO TV programs have been awarded many prizes abroad

grassroots, and less influenced by such distortions as are normally introduced by people with an urban background who are more vulnerable to foreign ideas," he adds.

As part of its efforts in this area, the SCO began issuing a

evaluate writing styles, approaches and tendencies. The results of such research is expected to enhance the training of new reporters by giving them a thorough insight into Mozambican journalistic activities. ●

Carlos Castilho

¹ A traditional form of marriage very common in the interior, whereby the bride's father "sells" his daughter to the bridegroom's family.

The Cruel Plight of Hongkong Maids

Thousands of young Asian women work as household servants in Hongkong under less than human conditions which often include physical violence

Dateline: Hongkong. Magda, 41, was rushed to the hospital because of a pain in her stomach. There, the hospital staff refused to take her in unless she told them when was the last time she had had sexual intercourse. Magda could not understand why they wanted to know this or why it mattered so much. Grimacing in pain, Magda eventually told them it was 11 months ago on her last night in the Philippines with her husband.

Sole had been repeatedly beaten by her employer. Her head had been banged against a wall. She had been kicked. On this occasion, she was hospitalized after being beaten with an umbrella. She left her employer and sued him for HK \$3,268 unpaid back-pay and damages for breach of contract. The court found she was justified in leaving her employer but was not entitled to any payment.

Elizabeth had signed a contract saying she was to receive HK \$600 a month plus food. Her employer gave her \$300 and asked her to sign a receipt for \$600. When she refused, she was given no money at all.

Magda, Sole, and Elizabeth

are among the thousands of Asian women working as domestic helpers or "amahs" in Hongkong. Their experiences provide only a peek at how domestic servants fare in the Crown Colony.

A Hongkong newspaper revealed in 1983 that domestic

workers in the colony are almost 100 percent Filipino, with roughly 22,000 household servants accounting for 99 percent of the Filipinos in Hongkong (the remaining one percent are a sprinkling of Sri Lankans and Thais). Eighty percent of all amahs working in Hongkong are employed by Chinese families, while the rest are in the employ of white expatriates.

The number of Filipino women working as amahs in Hongkong has increased dramatically in the past ten years from the few hundreds when the first of them arrived. Today, the word "Filipina" which is a generic term for all women in the Philippines, is taken to mean "amah" or maid-servant in Hongkong.

Household servants in Hongkong encounter problems from two main sources: employer attitudes and restrictive government policies.

Cases documented by groups concerned with the plight of Filipino "amahs" point to the fact that these women become victims of abuses ranging from underpayment, ra-



Roughly 22,000 Filipinas work as amahs in Hong Kong

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cial prejudice, physical harm and even sexual harassment.

In Magda's case, the embarrassing question stemmed from racial prejudice — the preconceived notion on the part of employers that Filipinas are "sexually promiscuous."

After being examined, Magda was found to have a ruptured ovarian cyst. She was supposed to stay in the hospital for three weeks but she insisted on being discharged a week later, believing that it was costing her employer too much.

When she went back to work, she told her employers that she had been advised to take three weeks off to recover. But her bosses wouldn't hear of it and fired her. The irony was, she went back to save them money. (Her employers actually paid only \$45 for her medical treatment, the hospital being government-owned).

Magda begged to stay on without pay as she had nowhere else to go.

Sole, on the other hand, was fortunate enough to find a new employer, and decided not to appeal her case anymore as she didn't "want to bother with fighting the system any longer."

Elizabeth decided to "fight" within the system. She appealed her case first to an ordinary court; then, finding no satisfaction there, she went to a district court and won — but only after a year-long wait.

Domestic Abuse

In 1983, the Mission for Filipina Migrant Workers (MFMW) published a report listing common examples of contractual violations by employers of Pilipina amahs. These include underpay-

ment, non-payment of benefits and other fees, withholding of rest days and holidays, limited number of hours for rest days, being sent to work for an extra household or to work illegally for another, overworking, late sleeping hours, no private sleeping quarters, not being allowed any visitors or to use the phone, always being shouted at and scolded for minor mistakes, physical harm and injury, threats, and physical and psychological imprisonment or "padlocking."

The MFMW also cites employers' attitudes which aggravate the condition of Filipina amahs. Discontented employers, encouraged by the offer of employment agencies for free replacements, may not give the new amah, still probably shy, nervous and ignorant of her duties, time to settle. She is then summarily fired and forced back home.

The Mission also cites the presence of a "historical conflict between Filipinos and Chinese arising from the Chinese taking over many businesses in the Philippines but retaining their own culture."

This is not to say, however, that the Chinese are the only employers with a tendency to abuse their maids. As former Hongkong University law lecturer Andrew Hicks puts it, "Exploitation by employers is not confined by racial boundaries. Europeans, Chinese, Americans, and British have been found guilty of subtle and not-so-subtle forms of abuse of their household servants."

The MFMW also points to the existence of a communication gap between the employers and the maids. Being unused to servants, expatriate employers often regard them as properties.

Some people say that maids

are relatively well-off, earning more money in the colony than they could hope to in the Philippines. Amahs earn HK\$ 1,350 a month but are generally overworked, underfed and maltreated.

Complaints

Low pay, bad quarters, too much work, and physical harm are some of the most common complaints. Reports have also shown a tendency for some of the male employers to assault their domestic helper sexually.

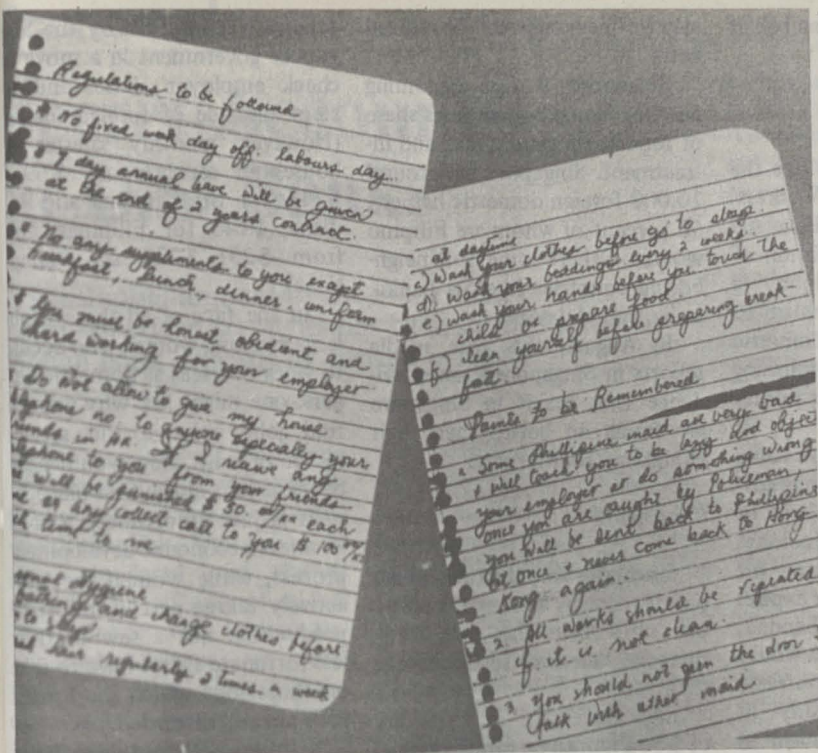
Take the case of Margarita. She alleges that from the day she arrived in Singapore to work for a Chinese couple, she was asked to massage her naked male employer daily and was forced to masturbate him. She also claims that he molested her on three occasions.

Maids complaining about exploitation and sexual harassment cannot seek the protection of Singapore's Employment Act as it does not cover domestic helpers. The reason is that, according to the Singapore Labor Ministry, it is difficult to separate the maids' working hours and household activities from personal activities and time.

Thus, the maids often remain silent about their conditions. As it is in Hongkong, maids who complain run the risk of their employers cancelling their work permits, and eventually getting deported.

Courses of Action

An overworked, underfed, underpaid, or maltreated maid in HK may take any of the following courses of action: she could choose to stay and live through it all; raise a holler and call the attention of the Hongkong gov-



These two messages spell out some of the rules established by a housewife for her servant. Among other things, the latter is not entitled to regular days off, while seven-day yearly vacations can be had only after two years' work. The servant will be punished for each incoming telephone call she gets, must shower before retiring to bed, and is forbidden to speak to other servants working in the same building

ernment by appealing to the courts, and wait; or terminate her contract and risk getting repatriated (which is the last thing she would want, knowing she hasn't earned enough to pay off debts incurred in applying for her job overseas); or she could find a new employer and change her job. It is this last option that brings to the fore the nature of policies as they apply to domestic helpers. Labor and immigration rules do not give household servants much freedom to terminate their contracts, seek new employment, or take up other jobs. If the hired help does not like her employer or is mistreated, she is not likely to be able to change her job without obtaining her employer's permission in the form of a signed release paper and reference.

But release papers are reportedly difficult to obtain, with the

helper having to pay a certain amount or work for a period with no wages.

Even if a maid was fortunate enough to have been given a release paper, she may not have the chance to land a new job at all since Hongkong's "one-year rule" states that "the Director of immigration will not approve a change of employment in Hongkong following the termination of a contract during the first year period."

Thus, if a domestic helper terminates her contract before a year is over, she will not be able to work in Hongkong. Under the rules, household servants are supposed to take a compulsory holiday between contracts, which usually means a flight back home and the payment of new fees.

The release paper and the "one-year rule" have been the subject of long and complex de-

bate in the Hongkong media.

The "release letter system" is preserved by Hongkong immigration as a protective mechanism for employers. Director of immigration Ron Bridges says that it "is the only effective way to prevent a racket by which an employee agrees to work for one employer, but has a secret arrangement to switch to another."

Supporters of the maids' causes, however, contend that Hongkong laws are essentially unfair because they create servitude through administrative means.

"In other words, they (Immigration Department) have the discretion to say you can or cannot work for someone else... and under these terms they (usually) say you cannot work for someone else. That means that the helper is held in bond to her first employer," says Andrew

Hicks, a major crusader on behalf of household servants.

Options

A number of groups like the Hongkong Domestic Workers' Union, the MFMW, and the Association for the Promotion of Public Justice have been lobbying for the Hongkong government to liberalize its laws on domestic helpers, particularly by abolishing the one-year rule and the release letter system.

Various options are now being considered by the Hongkong government regarding the plight of household servants in the colony. They could be sent home for good after their contracts expire; further entrants could be banned; those with 2-year contracts would be sent home after their contracts expire; and those already in Hongkong would be allowed to

stay but new ones will be refused entry.

Singapore is fast becoming another Hongkong with its share of reports of maid abuse and ill-treatment. Singapore has around 10,000 foreign domestic helpers, 50 percent of whom are Filipino women. Others come from neighboring countries like Sri Lanka, India, and Malaysia.

In August, this year, media reports in Singapore showed evidence that maids in Singapore are faring no better than their Hongkong counterparts.

Conclusion

Singapore would like to phase out all foreign workers by 1991 but until then they are using financial sanctions to discourage their use.

Last November 1, a flat tax of \$ 56 a month on foreign maids'

salaries was imposed by the Singapore government in a move to check employer abuses and to stem the tide of foreign maids. (However, monthly salaries of household servants are \$69 - \$116 for Sri Lankans and Indians; \$140 for Filipinas; and from \$231 - \$227 for Malaysians).

In the face of all these problems awaiting women who decide to work overseas as domestic helpers, one might ask why women find jobs only in the service sector or why they would need overseas jobs in the first place.

It is just unfortunate that in an uneven economic development process, while women are now actively taking part in industrial production, not a few of their less fortunate sisters have to take on those jobs which the former have already discarded.

Melanie Manlogon/Balai



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Secret Accounts in U.S. Banks

A substantial amount of the money lent to some Latin American countries has been stashed a way in foreign bank deposits by corrupt officials

The toppling of Ferdinand Marcos and Baby Doc Duvalier has focused attention on the wealth that Third World oligarchs have plundered and stashed abroad. The collapse of oil has left countries like Mexico and Venezuela begging for relief from their debts. These two stories—capital flight and international debt—are part of the same story. In some cases, the wealthiest classes of poor countries have actually sent more money out of their countries than foreign borrowing has brought in—and often it's the same money. American banks have promoted, and profited from, both sides of the transaction. Sometimes the money never even leaves the United States. The entire cycle is completed with a few bookkeeping entries in New York.

More than half of the money borrowed by Mexico, Venezuela, and Argentina during the last decade has effectively flowed right back out the door, often the same year or even month it flowed in. Indeed, there are already enough private foreign assets owned by the citizens of major debtor nations to go a long way toward servicing their countries' foreign debts. The most aggressive banks, such as Citibank, have probably accumu-

lated almost as much in assets from poor countries as they have loaned to them. Their real role has been to take funds that Third World elites have stolen from their governments and to loan them back, earning a nice spread each way.

American government policies make it far too easy to transfer and hide financial assets. As a result, the U. S. itself is one of the world's largest tax havens, and the largest for Latin America. Indeed, because of such policies the U. S. is actually a net debtor of Latin American countries.

It all comes down to one of the largest wealth transfers in history, with a few thousand affluent families and their retainers cackling all the way to the bank, the poor people of these countries indentured for years to work off the debts, the bankers playing a clever double game, and American taxpayers expected to subsidize bailouts that make the 1975 New York City debt crisis look like a rounding error. This is the *real* story of the "debt crisis": the story of what happened to all the money.

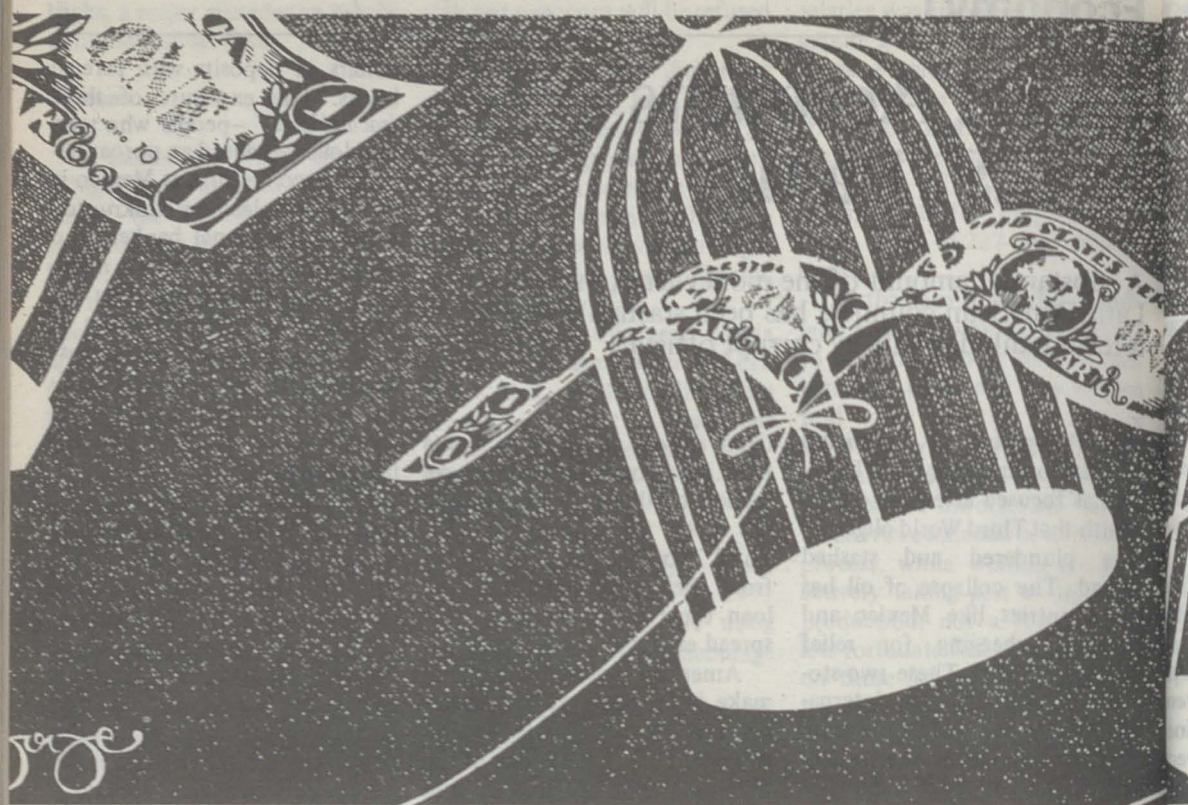
Consider Mexico. On March 6, a Mexico City newspaper published a list of 575 names of Mexican nationals, each of whom has at least one million

dollars in deposits with foreign banks. The exposure of these "*sacadólares*"—people who take out dollars—caused an uproar because it comes just as Mexico is once again pleading bankruptcy to its international bankers and the U. S. Treasury. Mexico maintains that it needs another six billion to ten billion dollars of new foreign loans and interest subsidies this year to avert insolvency. This would be the second major bailout for Mexico in the last three years.

One example of the "*sacadólares*" may be the president of Mexico himself, Miguel de la Madrid. A Harvard-bread technocrat, de la Madrid was anointed by the previous president, Lopez Portillo, whom he had served as minister of budget. He had never before held elective office. (But then some say that no one really holds elective office in Mexico.)

Portillo was a stout law professor whose regime was distinguished by profligate spending, wildly optimistic growth plans, and corruption that was unprecedented even by Mexican standards. All of this was paid for on time. Between 1978 and 1982 the country's foreign debt more than doubled, to \$85 billion. Today it approaches \$100 billion, one of the highest debt levels per dollar of national income in the world. Very little of this money went into productive investments. Billions were squandered on noncompetitive steel plants, a six-billion-dollar nuclear power plant that still doesn't function, a gas pipeline to nowhere, wasteful development loans, arms, and payoffs to contractors and public officials. (Portillo, who moved to Rome after leaving office, is widely ru-

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mored to have absconded with over one billion dollars.)

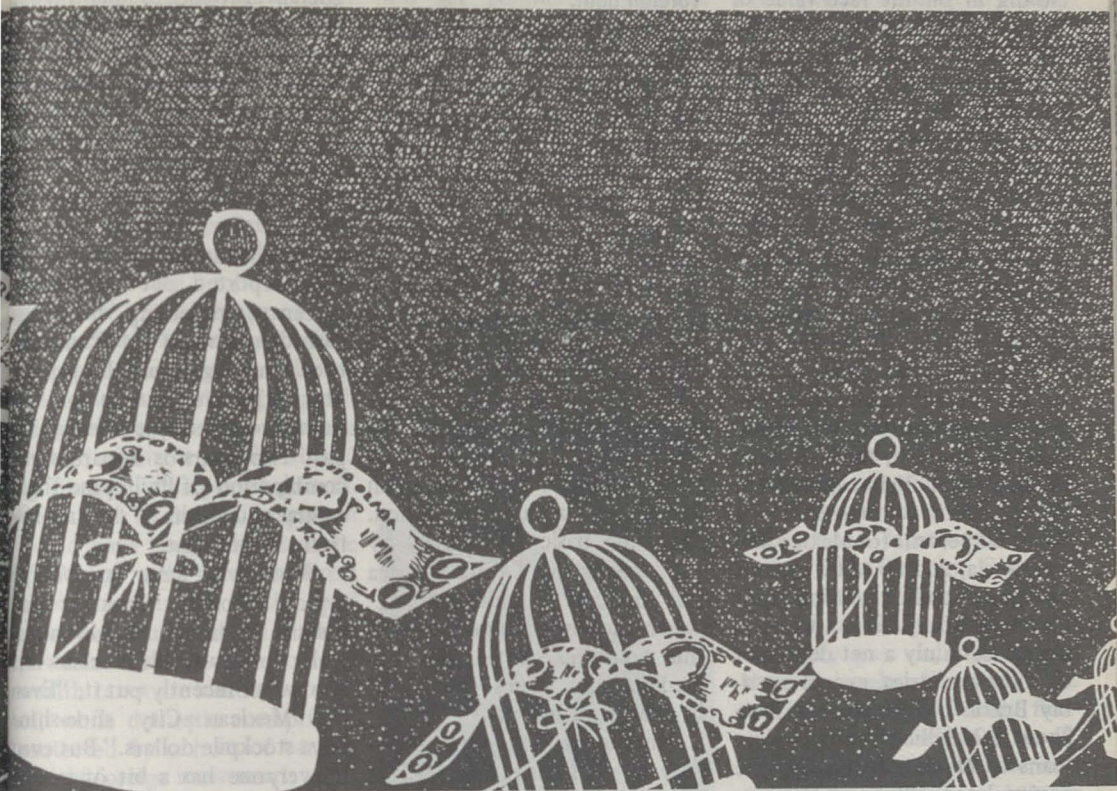
Western bankers looked the other way as their money was wasted. The loan fees were lucrative, and many of the banks' corporate customers were making bundles on these "white elephants." The banks also complacently assumed that the U. S. government would never allow either Mexico or Citibank to go bankrupt. Furthermore, until 1981 or so, no one at any particular bank knew just how much money the *other* banks were lending to Mexico.

De la Madrid's first promise when he took office was to seek a "moral renovation" and rebuild the confidence of Mexico's investors. He lectured the nation on the need for "belt-tightening." Unemployment grew to over 30

percent and real wages sank to 1963 levels. It was thus a little embarrassing that just as de la Madrid arrived on his first official visit to Washington in May 1984, Jack Anderson revealed a secret U. S. intelligence report that de la Madrid himself had been accumulating substantial deposits in a Swiss bank account—at least \$162 million during 1983 alone. (The deposits were transferred by wire—the National Security Agency had been listening. The *New York Times* subsequently confirmed the story.) The State Department issued a curious statement that the "U. S. government applauds President de la Madrid's commitment to addressing the issue of honesty in government."

There is no way to know exactly how much capital has left

Mexico. Banks naturally try to keep the figures secret. But there are two accounting techniques that enable us to make indirect estimates. One is to measure the discrepancy between net exports of goods and services and net imports of capital. The difference ought to reflect net short-term capital flows, and subtracting the known capital imports should give us a rough figure for the unknown capital exports. All of these figures are inexact. (Cynics note that Mexico's official balance-of-payments statistics overlook both its biggest import, arms, and its second-biggest export, drugs.) But in the case of Mexico, a second method of calculation produces surprisingly similar results. This is simply to take all the money that's known to have flowed in from abroad,



Jorge Arbach

subtract the known ways it's been put to use, and assume that the rest flowed back out again.

Both methods indicate that capital flight soared during the Portillo years, especially from 1979 to 1981, just as Mexico's foreign debt was exploding. For example, in 1981, while Mexico was taking on about \$20 billion in new foreign debt from commercial banks, capital flight was nine billion dollars to \$11 billion. After 1981, capital flight started to decline: there was just not that much more to take out. Growth in new debt also stopped. Over the years from 1974 to 1985, Mexico borrowed \$97 billion and sent about half—\$50 billion—right back out again. Things were even worse elsewhere. Argentina's cap-

ital outflow during this decade was over 60 percent of its foreign borrowing, and in Venezuela there was virtually a dollar-for-dollar offset. In contrast, Brazilians (11 percent) and even Marco's cronies in the Philippines (25 percent) were much less aggressive in moving capital out of their countries.

The volume of U.S. bank time deposits owned by foreigners has grown dramatically in the past few years, driven by Latin American flight capital. The Mexicans are the largest single source. Private bankers and investment advisers who serve this market say that probably two-thirds or more of Mexican flight capital has found its way into time deposits. Now, these experts say, some large Mexican depositors have begun to shift their

holdings into U.S. government securities, because of concern about the health of U.S. banks that have loaned too much money to places like Mexico!

Making some reasonable assumptions about the return on these investments, and also assuming that no taxes have been paid—either to the U.S., because there is no tax owed on "portfolio interest" earned by nonresidents, or to Mexico, because of outright tax evasion—we can estimate how much Mexican flight capital is now abroad. These calculations are subject to all sorts of qualifications. But if they are even close to being accurate, they suggest that by 1984 the value of Mexican flight capital exceeded the face value of all commercial bank loans to Mexico, and by 1985 it was

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closing in on the face value of the country's total external debt. Since these dubious loans to countries like Mexico are actually worth far less than their face value, it seems quite likely that Mexico is actually a net creditor. As one Federal Reserve Board member said recently, "The problem is not that Latin Americans don't have assets. They do. The problem is, they're all in Miami."

The U.S. banks' share of loans to the major Latin American debtors has been less than 30 percent. By contrast, the U.S. share of the private flight capital from these nations is rumored to be 70 to 80 percent for Mexico and Venezuela, and 50 to 60 percent for Brazil and Argentina. This means that the U.S. as a whole is almost certainly a net debtor of all these countries, except possibly Brazil. U.S. banks now have about \$26 billion in outstanding loans to Mexico. Estimating the accumulated value of Mexican capital flight wealth at \$85 billion by 1984, and assuming that 70 percent is invested in the U.S., Mexicans have at least \$30 billion more socked away in U.S. banks than Mexico owes to U.S. banks. Total direct investment by all U.S. firms in Mexico, by contrast, was six billion dollars in 1984. Similar calculations for the other Latin American major countries yield a total net balance in favor of the U.S. of \$40 billion to \$60 billion in 1984. By now the figure may exceed \$70 billion. Again, these figures are conservative because they are based on comparing the dubious face value of the debts with the market value of the assets. In the case of Mexico, estimated annual profits on these assets are already over three-quarters of the annual interest owed on Mexico's

foreign debt.

The U.S. Treasury polls American banks, security dealers, and other businesses on their financial transactions with foreigners. These data are riddled with imperfections, most of which lead to underestimates. Still, they do show patterns that are consistent with other things we know. They indicate that between 1978 and 1985 Latin Americans and their Caribbean tax-haven proxies increased their short-term deposits with U.S. banks by at least \$33 billion. At the same time U.S. banks were increasing their loans to Latin America by about \$50 billion. Thus the basic role played by U.S. banks to Latin America was that of a middleman between the short-term deposits of the countries' elites and the medium-term loans demanded by their governments.

Another very important category of U.S. assets that Latin Americans have been stocking up on is cash. This is a "foreign asset" that is often physically kept at home. From a financial standpoint, it represents a net claim that foreigners have on the U.S. There is no direct measure of U.S. cash held abroad, but "dollarization" is rampant in Argentina, Brazil, and Mexico. It is common practice for people to squirrel away whole suitcases of \$100 bills as a hedge against depreciation on the local currency. This helps to account for the curious fact that there are now about three \$100 bills in circulation for each man, woman, and child in the United States. A recent U.S. Treasury "guesstimate" is that perhaps \$20 billion worth of them are offshore.

Cash is also a preferred method of transferring money from local to foreign accounts. Vene-

zuelans traveling to Miami reported over two billion dollars of cash in 1981 alone on the Treasury forms that entrants to the U.S. have to fill out. Currency has long poured into the Miami Federal Reserve district because of drug traffic. More recently, though, the El Paso and San Antonio Federal Reserve districts have reported net receipts of currency, reflecting the large cash deposits that Mexicans have been carrying across the border. The explosive growth of San Francisco's receipts during the past two years is apparently a combination of Philippine flight capital and a shift of drug money to the West Coast.

Who owns these assets? The typical Mexican investor with dollars at home or abroad is really pretty middle class. As one writer recently put it, "Even the Mexican City shoe-shine boys stockpile dollars." But even if everyone has a bit of it, the key fact about flight capital is that it is highly concentrated. At the very top are the bankers' wet dream, the superrich. These are the people of Citibank's "Global Elite," a list of 5,000 or so people from around the world who are supposed to have individual net worths greater than \$100 million. The U.S. supposedly has about 500 to 600 such people, depending on the state of the stock market. In the Latin American context, these people include a lot of names most Americans — and indeed, most of their own countrymen, given their taste for discretion — have never heard of, but they are fabulously rich.

Meanwhile, Mexico's income per capita averages less than \$2,000 a year. And since 1982, the debt problem has made things worse. Imports and do-

mestic spendings have been slashed to meet the interest bill. For the lower half of the population, this means that real incomes have fallen further from their already low base.

How did Third World elites manage to convert all that foreign debt capital into private foreign assets? There are several explanations that are not mutually exclusive. The "innocent bystander" view holds that the local rich just happened to deploy their own assets abroad at precisely the time their governments chose to borrow heavily abroad to finance attempts at growth. Of course a more sensible approach would have been to fund public spendings with taxes or direct foreign investment in the local economy. But local elites are so powerful that serious income or wealth taxes are almost unheard of, while domestic enterprise is protected by a host of barriers against foreign investment.

Furthermore, local elites do not just react passively to the local governments. In many cases they *are* the local governments, or at least the executive committees. Thus a basic method of taking money out of Mexico has been to exploit overvalued official exchange rates with the help of foreign banks. The preservation of this exchange rate system even in the face of massive capital flight is very hard to understand unless we take into account the profits made from it by people in positions to influence policy.

There's also, of course, plenty of outright graft in converting dollars borrowed by government projects into private wealth. The actual pathways are endless: phony intermediary companies that recontract with foreign suppliers on public projects and take a hefty spread; importers

who get permits to purchase exchange for imports that either never get brought or are wildly over-invoiced; developers who get public loans for projects that don't exist; local "consultants" who are paid by U.S. suppliers in New York dollar accounts, and so on.

To what extent were American bankers aware of what was going



The black market on Mexican streets

on? It's a nice question. Some observers feel they must have been knowing, or at least willing, participants, just like the middlemen in phony-asset scams throughout financial history. This suspicion requires an assumption about the intelligence, cunning, and foresight of bankers that, in my experience, is not warranted. What's indisputable is that when wealthy Mexicans invest their own capital abroad, they are much more cautious than the foreign bankers who financed all their country's debt.

It's also indisputable that leading American bankers are as involved in ferrying capital out of Mexico as they were in lending money to the country in the first place. The U.S. banks that are the most active in "inter-

tional private banking" to wealthy Mexicans are Citibank, Morgan Guaranty, Bank of America, and Chase, plus several large regional banks in Texas and California.

"Pouch" services or their equivalents — helping clients move money secretly — are among the most important services that private bankers provide. If handled discreetly this can be a real competitive advantage, because among other things the bank learns enough about a customer's "private parts" to lock him in. The standard image of money-laundering is a bunch of shady characters trucking suitcases of cash through airports and depositing it in obscure banks in the Caymans, Florida, the Bahamas, or Switzerland. Although some of this obviously goes on, especially at the "drug-related" end of the business, this is not really first-class money-laundering at all. One banker recently described to me the challenge of helping rich clients to get money out of Mexico without leaving a trail: "You can buy dollars in Mexico from the Central Bank, no problem. The problem is that you are basically registering yourself, exactly what you don't want. You could go to a local bank, buy a \$100,000 check there with pesos, and then send it to the States. But then when you deposit that check, it's going to show [what account] it went to. So what happens is ... the customer would go to his own bank, draw a cashier's check in the name of [XYZ Foreign Bank], and deposit that in an [XYZ Foreign Bank] account. So his name is not on that check at all. Or deposits are made in a customer's peso account in a Mexican branch of a U.S. bank, and credits

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"Nada Report"

The dollar has become "the currency that counts" in debtor countries

are made to the customer's dollar account in New York." Since November 1985 the Mexican government has restricted the use of the foreign banks' "peso windows" in Mexico in order to curtail such transfers. However, the more aggressive banks have already begun to help their private customers evade even this restriction by setting up parallel foreign exchange swaps that avoid the banking system entirely, leaving virtually no records. Again, the major banks have played a central role in disarming the new restrictions.

The really clever private bankers also have devised methods so that Mexicans can use their foreign capital without leaving home, much less being taxed on it by their own governments. The favorite method is the so-called "back-to-back" loan, whereby the bank "loans" the client his own money. This not only reduces the client's taxes even further, but helps him take more money out of the country.

These international private bankers are not malevolent or obtuse. They are doing exactly what they get paid to do. Theirs is not a labor of love, but a very profitable business, with returns on assets of two to three percent and pretax returns on equity of 100 percent and more. In an era when most other low-cost sources of bank funds have dried up,

private banking to Third World countries looks pretty good. In fact, this was just how lending to Third World governments looked in the 1970s, relative to commercial, retail, or housing lending at home.

Citibank is clearly the most aggressive American bank in international private banking ("IPB"). It appears to have over 1,500 people dedicated to this activity worldwide, and over \$26 billion in IPB assets. In Latin America, Citibank probably has over 50 direct IPB employees in offices inside Mexico, Argentina, Chile, Venezuela and Panama, where it also owns banks with local branches. Since discretion is essential, most of these employees are officially connected to other parts of the bank. Because of its nearly four billion dollars of loan exposure to Brazil, Citibank prefers to serve the Brazilian flight-capital market out of an office in Montevideo, Uruguay, where bank secrecy laws are very stiff.

Overall, at least half of Citibank's \$26 billion or so in IPB assets probably belongs to Latin Americans. This compares with Citibank's total loan exposure to the "Big Four" — Brazil, Mexico, Argentina, and Venezuela — of about \$10.3 billion. Thus, even allowing for loans to the rest of Latin America, Citibank probably comes very close to owning

more money to Latin Americans than it is owed.

Banks are required to report large loans outstanding to individual countries. But there is no requirement to report the country origins of private banking assets. This secrecy is probably no accident. In the case of several major banks and other financial institutions, the truth might be a little embarrassing — they are not really net lenders to these countries at all. The aggregate balance of loans and deposits is a little clearer. Our best estimate is that U.S. banks as a whole probably now manage international private banking assets of roughly \$100 billion to \$120 billion, 60 to 70 percent of which comes from Latin America private banking assets, compared to total U.S. bank loans outstanding to Latin America of about \$83 billion. Not only is the U.S. economy as a whole probably a net debtor of Latin America: our commercial banks alone are close to being net debtors of Latin America.

But this is the kind of debtor anyone would love to be. Combining what we know about capital flight and private lending, a reasonable estimate of the banks' profits on the "round-trip" for Mexico alone is \$2.4 billion in 1984. On an equity base of four billion dollars, that's a return of 70 percent. One can quibble about the precise assumptions behind such estimates, but the basic findings are robust. U.S. banks have so far reaped a bonanza from their own disastrous international lending policies of the last decade.

James S. Henry*

*Economist and writer in New York. This article appeared in *The New Republic* magazine, April 14, 1986.

Banking on the Drug Business

Some 40 US banks have been fined for accepting illicit money deposits from drug traders, while another 100 US and European banking institutions are under investigation

“Narcotic traders often destabilize democratic governments by financing localized guerrilla outbursts that tend to dilute a country's security efforts.” Uttered amid a stepped-up propaganda campaign staged by the White House in the past few months, this statement might have gone unperceived had its author not been Bolivian Minister of the Interior Fernando Barthelemy, and his audience a meeting where ways and means to clamp down on illicit drug traffic were being discussed.

His listeners were understandably baffled. After all, the current constitutional government in Bolivia had been preceded by a corrupt dictatorship imposed by a group of drug-dealing Army officers under General Luís García Mesa. Furthermore, no guerrilla activity of any import has taken place in Bolivia since *Che Guevara* was murdered there in 1968.

Perhaps Barthelemy was not quite conscious of the meaning of his words. Taken literally, they would make him a pawn of Washington's strategy at the Special Inter-American Conference on Drug Traffic held re-

cently in Rio de Janeiro at the initiative of the Organization of American States. When asked what were the grounds for his sweeping accusation, Barthelemy merely noted that “Connivance with guerrilla groups has helped the activity of drug traders. We are looking into certain cases right now. The results of our investigations will be made public as soon as possible.”

The attempt to establish a connection between genuine revolutionary movements and the drug trade is not new. As early as September 1979, freelance writer Penny Lernoux had noted in an article in the US *Inquiry* magazine that “The latest version of the national security doctrine espoused by the Drug Enforcement Administration tries to establish a link between political subversion and the drug traffic. The DEA approach to fighting the drug trade provides a convenient cover for many a violation of human rights.”

Ever since the assault on the Palace of Justice in Bogota last January, the White House has been insisting on linking guerrilla activity with the drug trade. The strategy is only too obvious: it serves to justify the provision of military aid for political oppression under the pretext of “helping to fight drug mer-



US authorities have always tried to link the drug traffic with guerrilla activity
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chants."

Meanwhile, nowhere has drug addiction become more widespread than in the US in the past decade or so. A full third of all Americans have, at one time or another, experimented with some kind of narcotic. Indeed, the marked escalation of the drug trade in the past few years is due, above anything else, to a growing demand in the rich countries, especially in the US.

As Nicaraguan Minister of Justice Rodrigo Reyes Portocarrero rightly pointed out at the Rio de Janeiro meeting, the main responsibility in the war against drugs "falls on those countries where the largest drug markets are, since it is they that encourage production, marketing and consumption of drugs."

Political and economic power

Since the murder of Colombian Minister of Justice Rodrigo Lara Bonilla some two years ago, the boldness of the drug traders' challenge has been matched only by the Latin American governments' inability to cope with it. The greatest difficulty lies, of course, in the enormous economic and political leverage of those involved in the drug traffic. While Ronald Reagan insists on searching for cocaine in the knapsacks of Latin America guerrilla fighters, the drug traders' money — the so-called narcodollars — continues to circulate freely like so much poisoned blood in the arteries of the US financial system.

The DEA estimates that the US drug business amounts to some US\$ 110 billion every year, an amount exceeding Brazil's foreign debt, which is the largest in the Third World. For

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Various US banks act as sanctuaries for drug traffic money

drug traders, it is not always easy to handle and transfer such huge amounts of money without drawing attention to themselves: a 1970 US law on bank secrecy provides that deposits and transfers above US\$ 10,000 must be reported by banks to US monetary authorities.

Many bankers have argued



Roughly US\$ 110 billion is spent on drugs every year in the US

that the US government's growing interest in non-routine bank information constitutes an invasion of their clients' privacy. William Brown, chairman of Bank of Boston — one of the sanctuaries of dirty money — said recently that "The Bank Secrecy Act does not impose an obligation upon banks — or grant them the authority — to investigate the activities of their customers beyond the normal recording of account information and verification of customer identity. To go beyond this raises serious questions about invasion of privacy."

On its turn, the *Financial Times* points to the role played by some US banks and such tax havens as Panama and the Cayman Islands in the "laundering" of dirty money. "Considering the huge sums involved," says the *Times*, "it is clear that bank officials can be bribed into keeping certain large deposits secret."

While only in the past two years have the mass media begun to look into this problem, the chairman of the US Senate's Committee on Banks, Senator William Proxmire, had said in 1980 that "Six out of every ten banks hold drug traders' deposits."

The US *Executive Intelligence Review* has denounced Merrill Lynch, a major US brokerage firm, as a pioneer in money laundering operations. In its April 25, 1985 issue, *EIR* described how Merrill Lynch, White & Weld

Torre, the manager of a pizza restaurant chain belonging to the Sicilian Mafia. According to the Committee, money from heroine traffic in Pakistan and Afghanistan had been brought to the US, and was carried directly from Della Torre's hotel room to Bankers Trust, where Merrill Lynch keeps several accounts.



US drug dealers have used Swiss bank accounts to launder cocaine money

(a Boston-based securities brokerage company) and Crédit Suisse recently joined efforts to tap a bank deposit market worth 140 billion Eurodollars a year, largely derived from drug traffic revenues.

The heroine trail

To give an example of their activities, *EIR* quoted a November 1984 report issued by the US Presidential Committee on Organized Crime on services rendered by Merrill Lynch to US-Italian citizen Franco Della

Torre. The funds were later transferred to Crédit Suisse, in Zurich. On various occasions, Della Torre took bagfuls of small bank notes to a Waldorf Astoria suite, where they were later picked up by Merrill Lynch officials.

Beginning in the last decade, the Sicilian Mafia dropped its old emphasis on cigarette smuggling and turned its attention to the more profitable international traffic of heroine. The move was a success: since then, heroine has brought the organization at least US\$ 40 billion a year — an amount which roughly coincides

with the total smuggling of foreign exchange promoted by the *Honorata Società*, as estimated by Italy's Social Investment Research Center. Such shift in business emphasis caused both the Italian government and people to change their minds about the Mafia, and led to the arrest of thousands of criminals, including dozens of prominent "well-meaning" citizens.

A substantial part of the Mafia's profits end up in numbered Eurodollar accounts. This means that they are used in transactions involving a currency which physically never leaves the US. Obviously, the heroine trail passes through many European countries, but the final destination of the funds is a group of Wall Street banks where they arrive via the Eurodollar circuit — the Zurich-New York connection.

Two years ago the Italian police let it be known that Belgian entrepreneur Edmond Becket, president of IMC Belgium Metals PVBA, known in industrial and financial circles as "the aluminum king," was also "the heroine king". Becket, who oversaw a network of drug traders, was arrested on charges of having laundered millions of dollars which by then were circulating freely between US, Swiss and Italian banks.

Dollars and gold

Since Becket's arrest, the Florentine police uncovered several dozens of "ghost" companies, as well as no less than 250 secret bank accounts with nine-digit dollar balances and bank deposits involving several tons of gold. The dismantling of the Italian drug trade network led to the arrest of Tommaso Spadaro, a

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Capo in the Sicilian Mafia.

Last June, Bank of Boston had to pay a US\$ 500,000 fine for having taken illicit deposits to a total of US\$ 1.2 billion from Mafia's *Capo* Gennaro Angiulo. Of this total, US\$ 270 million had been transferred to Crédit Suisse headquarters in Switzerland. Actually, the fine was exceedingly lenient, since it amounted to only 0.04 percent of the known total of dollars that had been laundered by the bank. According to *EIR*, the amount of the fine had been

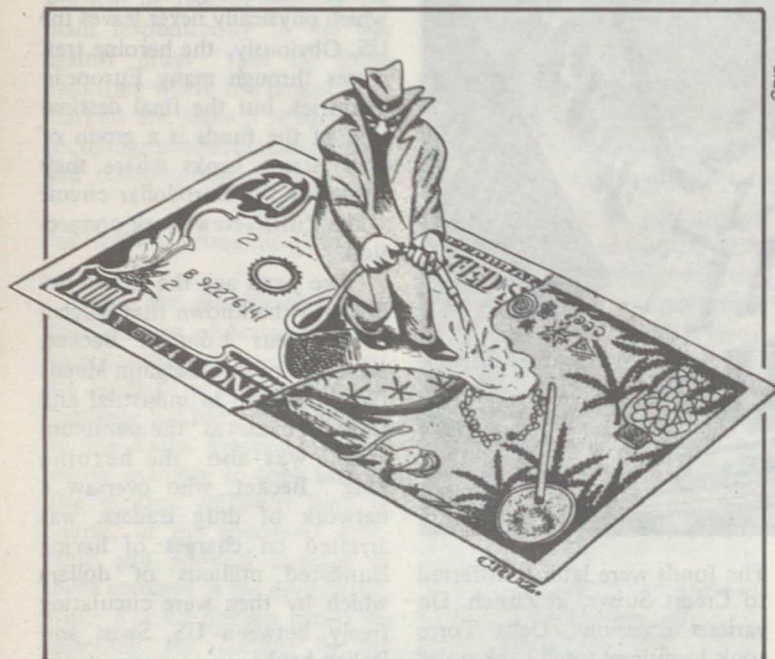
Eurobonus market: US\$ 19 billion in the case of Crédit Suisse, and US\$ 8 billion in the case of Merrill Lynch. Issued to the bearer, and thus held by nameless and faceless clients, Eurobonuses are an ideal hideout for narcodollars.

Not all transactions, of course, involve the US-Swiss connection. Ghost financial companies in Panama regularly receive sizable transfer payments from Miami and New York.

Bank secrecy regulations in the Dutch 'Antilles also make it



Donald Regan



fixed by a US federal tax agent named William Weld, son of David Weld, a partner in White & Weld and a Crédit Suisse associate.

Crédit Suisse had also entered into a joint venture with First Boston. In 1985, the new Crédit Suisse-First Boston firm, together with Merrill Lynch, was among a group of financial enterprises that had hit the jackpot in the

easy to handle dirty money. In April 1983, the US Congress Accounts Committee called the islands "a tax evaders' and money launderers' paradise," and asked Donald Regan, then Secretary of Treasury, to cancel US fiscal agreements with the Dutch colony. Regan, who later became the White House Chief of Staff, failed to follow the Committee's recommendations, thus preserving

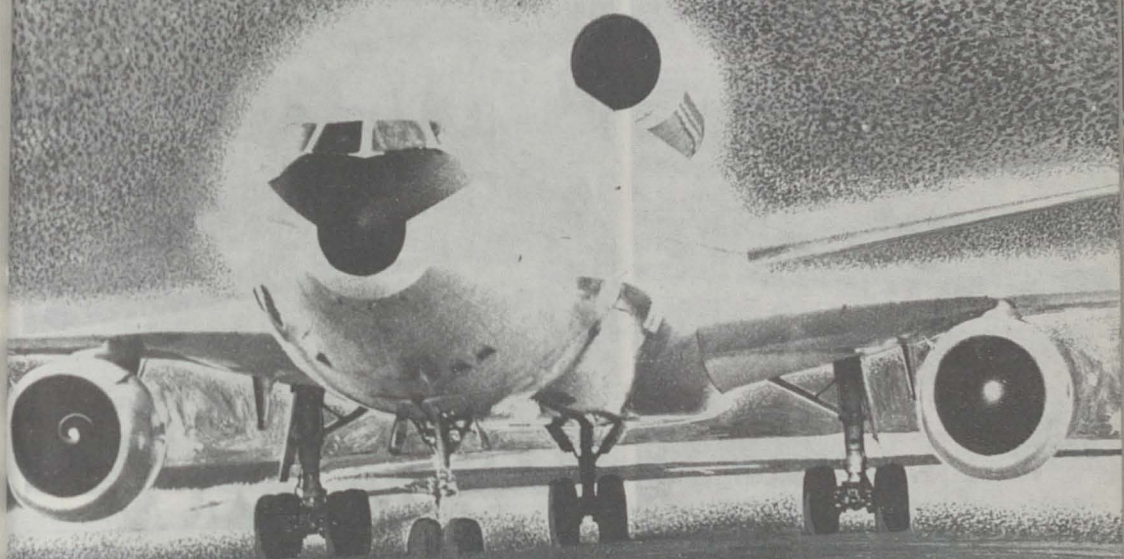
the islands' doubtful reputation.

The various banks named above are not, however, the only recipients of drug trade money. Early this year, Bank of America, the second largest in the US, was sentenced to pay an all-time-high US\$ 4.7 million fine for having failed to report on 17,000 deposits exceeding US\$ 10,000 each. Because of stricter government control over bank accounts, Bank of America is now in serious financial trouble. Last June, Chase Manhattan, Manufacturers Hanover, Chemical Bank and Irving Trust all had to pay fines ranging from US\$ 210,000 to US\$ 360,000 for the same reason. Another 25 banks have been equally punished, and over 100 of them are currently under investigation.

Skeptical about the effectiveness of stricter controls, international financiers believe that no amount of fines will manage to cleanse the US banking system. The amount of illicit money being handled by the banks is so huge, they say, that the system would simply collapse without narcodollars.

Ricardo Soca

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Robbing the Secrets of India's Rice

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For most Asians, food is synonymous with rice.

Whoever controls the production of rice, controls the destiny of the people of the region.

For this reason, agricultural transnationals are trying to prevent countries like India from developing their own technology for improving crops. This report, written by our contributor Claude Alvares, shows how North American interests rob genetic secrets discovered by an Indian scientist.

other political ideology but food which means life itself, and in most of Asia, food is rice."

And today, as we approach the end of the 20th century, we have to admit that the research concerning the two major cereals that rule Asian lives, wheat and rice, is wholly directed and controlled by institutions set up under American governance.

In many ways, Dr Swaminathan's appointment as the IRRI's director general would have been considered a demotion. While in India he had lorded it over a scientific establishment that employed thousands of scientists, in the Philippines he would have no more than 200 scientists under him. The principal compensation was the money, income-tax free.

Already this international institute, always run by American directors, was facing the collapse of its High Yielding Varieties (HYVs) strategy, as seed after seed fell victim to waves of pest epidemics. Urgently required was a massive expansion of the IRRI's rice germplasm, genes that

were essential for passing on resistance to the HYVs. The largest collection of rice varieties, of rice germplasm, remained in the Indian subcontinent. Swaminathan's appointment was critical to this quest.

The IRRI is not a premier institute of science. It is a privately controlled agricultural research center. Even so, it is difficult to conceive of a man with Swaminathan's record becoming its director general. Unless of course the person being appointed is better known for his ability to get things done than for his scientific work.

India is a rice country. Rice is a critical component of a complex ecosystem, tied to legends, used as a symbol, essential witness at religious ceremonies and rituals. Such an immense preoccupation with rice would, it is to be expected, call forth its own brand of competence to grow it; so we find a bewildering number of techniques, some of which even today place Indian rice farmers in a class far ahead of international science.

There may have been as many as 120,000 varieties of rice in the country, adapted to different environments, and selected and evolved by

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In 1982, Dr M. S. Swaminathan withdrew from his position as secretary, minister of agriculture, chairman of the Scientific Advisory Committee to the Cabinet (SACC), and deputy chairman of the Planning Commission, and defected to join the Rockefeller Foundation as director general of the International Rice Research Institute (IRRI), based at Los Banos in the Philippines. The word 'defected' is used on purpose: in no country of the world would a scientist in such a strategically important position, privy to all the country's scientific secrets, particularly those related to food, be permitted to leave and overnight become an employee of a private foundation so closely allied to American capitalism and US foreign policy interests.

The IRRI had been set up in 1960 as part of America's efforts to control and direct rice research in Asia, even though America is hardly a rice-eating country.

A famous plant-breeder had once said in regard to rice: "He who controls the supply of rice will control the destiny of the entire Asiatic orbit. The most important thing to the majority of the people of Asia is not capitalism or socialism or any

farmers for specific human needs. These varieties are a product of nature's affection for diversity, eagerly husbanded by indigenous science.

The Central Rice Research Institute (CRRI), at Cuttack, had been working on the different problems associated with rice culture ever since it had been set up in the late 1950s. Dr R. H. Richharia took over as director in 1959, and a number of competent scientists had come up with interesting work that sooner or later would converge into a strategy to produce more rice. Already in 1963, Dr C. Gangadharan, a CRRI scientist had, for example, produced a mutant variety that was short statured and produced high yields. The institute had also been working on Taiwanese and Japanese varieties. The work was slow because it takes time to discover which varieties are stable and resistant

argue that it was proof of the deterioration of science after it had given itself to modern agribusiness), is the broad list of objectives of this early research. Gangadharan lists nine, including earliness, deep water and flood resistance, lodging resistance, drought resistance, non-shedding of grain, dormancy of seed, control of wild rice, disease resistance, and higher response to heavy manuring. Since pure line selection is itself based on natural selection occurring over centuries, there was no problem of incompatibility between genes and the environment, and no pests.

The second phase was less promising. It involved the initially unsuccessful effort at hybridizing the *Japonica* and *Indica* varieties. The objective, writes Gangadharan, "was to transfer the high yielding ability and response to fertilizers that characterizes the *Japonicas* into local *Indica* varieties which are adapted to local conditions of culture and to the prevalent diseases and pests. Japan had used chemical fertilizers from the beginning of this century, and *Japonicas* showed a response under Japanese conditions whereas the *Indicas* had not been cultivated under high fertility conditions."

Only four successes were reported from this program. The problem was that the *Japonicas* were both photoperiod and temperature sensitive, and additionally the seed had been brought from some of the coldest regions of Japan. When these varieties were planted in the tropical environment, they not only gave



to diseases and pests.

C. Gangadharan has placed the history of rice research in India into three major periods. The first phase from 1912 to the 1950s concentrated on pure line selections, and by the end of the period, a total of 445 improved rice varieties, mostly the result of pure line methods of selection, were bred.

But what is interesting for our purpose, and which starkly illuminates the major schism that would soon develop between indigenous science and 'international science' (in fact one could also

different but negative results. The introduction of the Philippines' semi-dwarf varieties put an abrupt end to this line of research. Later the CRRI imported seed from the milder, temperate region of Japan. This time the efforts were successful but the IRRI's control over the rice research program would effectively keep these efforts out of circulation, and out of science.

Which brings us to the third phase inaugurated by the IRRI, and also the subject of this investigation.

The IRRI was established on the basis of a note



"Though the country (India) was allegedly nonaligned in politics, most of its policies in science and economics were under the control of Americans"

written by a Rockefeller official in 1959. Both the Rockefeller and Ford Foundations put up the money to start the institute, which was established formally in 1960 and began functioning fully in 1962. From start to finish, the CRRRI would be no match in an unequal battle all the way. The IRRI officials would literally buy rice scientists from different parts of Asia, and take over most of the outstanding talent simply because of the IRRI's ability to offer them salaries not only in dollars, but out of proportion to what they received in their own countries, and its ability to provide accommodations and opportunities for educating staff children anywhere in the world.

By 1966, the IRRI had come up with its first success. It is important to emphasize that whereas the CRRRI had nine objectives, the IRRI had only one. IR-8 was a semi-dwarf rice variety, the result of a cross between an Indonesian tall rice plant and a Taiwanese dwarf variety. Distinctive of the plant was its ability to stand heavy fertilization, and heavier yields, without lodging. (It also inaugurated a vast market for American fertilizers all over Asia.) Without water, fertilizers and pesticides, IR-8 did not perform extraordinarily better than older rices. The disadvantage of the latter was solely that they tended to lodge when given extra nutrients, thus leading to losses.

The CRRRI had, as mentioned earlier, been working with identical material and in fact had isolated dwarf varieties from Taiwan that were free from susceptibility to viral attacks. When the news arrived that the Indian government was planning, at the insistence of IRRI experts, to import the

new IRRI seed in bulk into India, Dr Richharia, the CRRRI director, objected.

The government seems to have found Dr Richharia's advice contradictory: earlier, it had been informed by the CRRRI that Taichung varieties could provide a breakthrough in rice production; now Richharia was objecting to their import. The contradiction stemmed from the fact that bureaucrats and politicians have little grounding in genetics: they did not seem to understand that seed tested after numerous adaptive trials over many seasons, and then selected and multiplied, is radically different from seed imported in bulk from abroad.

The latter, because of its mixed population, will contain seed carrying disease and susceptibility to pests. The IRRI, at that point of time, was too keen to get its seeds grown on a large scale before decisions could be reversed, to subscribe to caution of any kind.

It was also the tremendous leverage that the Americans maintained over the Indian science establishment that enabled the IRRI to ride roughshod over the protests of Indian scientists. Though the country was allegedly nonaligned in politics, most of its policies in science and economics were largely under the control of Americans.

Once IR-8 and TN-1 had become fairly established within India and all rice research oriented solely in the direction of semi-dwarfs, using these parents, the IRRI would naturally retain the lead, with large doses of political clout and advertising to make up for shortfalls in science. Rice scientists from Asia, if they wished to make a career, would have to support the IRRI research direction.

One additional, significant factor that seems to have made an impact on the government at the time, was the disastrous harvests of 1965 and 1966. What weighed with the Government of India (and also former President Marcos of the Philippines) in choosing to uncritically deploy IRRI technology, was that the latter, for the first time, offered an almost automatic method of raising food that would place it within the control of the administration, taking it out of the hands of the peasants. If the government concentrated its resources in a few, well-endowed areas, using the HYV package, it could produce a sizable output of food that would be independent of the whims of the monsoons. Again, the very method of agriculture, based on expensive inputs, required credit, and this assured the government that a good proportion of the grain thus produced would end up in the market, in the hands of government procurement agencies, and could then be used to keep prices stable in the cities.

Two major developments totally ruined the prospect of a promised land overflowing with rice and honey. The first was economic: the oil price hike of 1973 effectively limited a fertilizer-based agricultural strategy. It would make Green Revolution inputs so expensive that they would have to be subsidized by governments, if farmers were not to give up using them forever. The second major problem, also irreversible, arrived in the form of disease and insects. The growing of varieties with a narrow genetic base (all with the same dwarfing gene, *dee-gee-wogen*), upset insect ecology and invented entire generations of pests.

Dr Swaminathan has himself made quite a shameless summary of the fate of IRRI varieties in a recent issue of *Mizingira*. He writes:

"It is difficult to develop a variety that has a useful life of more than five to six years in tropical environments unless genes for horizontal (more stable) resistance are identified and incorporated. Year-round rice cultivation causes disease and insect organisms to occur in overlapping genera-

tions and increases the chance of new races or biotypes developing; thus new pest problems continuously arise. Variety IR-8, released in 1966, suffered from serious attacks of bacterial blight (BB) in 1968 and 1969. In 1970 and 1971, outbreaks of rice tungro virus (RTV) destroyed IR-8 yields throughout the Philippines. The IR-20 variety, released in 1969, had BB resistance and RTV tolerance, and it replaced IR-8 in 1971 and 1972. However, outbreaks of brown plant hopper (BPH) and grassy stunt virus (GSV) in 1973 destroyed IR-20 in most Philippine provinces. Variety IR-26, with BPH resistance, was released in 1973 and became the dominant Philippine variety in 1974 and 1975. In 1976, a new BPH biotype attacked it and IR-36 was released; it had a different gene for resistance to the new BPH biotype and replaced IR-26 within one year. It is now the dominant variety in the Philippines. Its resistance to BPH has held till recently, but it is now being threatened by ragged stunt and wilted stunt (both new diseases), as well as by another new biotype of BPH (No. 3)."

In India, the situation was equally horrifying. All of Dr R. Chharia's predictions had come true. "The introduction of high-yielding varieties," noted a task force of eminent rice breeders, "has brought about a marked change in the status of insect pests like gall midge, brown planthopper, leaf folder, whorl maggot, etc. Most of the HYVs released so far are susceptible to major pests with a crop loss of 30 to 100 percent... Most of the HYVs are the derivatives of TN-1 or IR-8, and therefore have the dwarfing gene known as *dee-gee-wogen*. The narrow genetic base has created alarming uniformity, causing vulnerability to diseases and pests. Most of the released varieties are not suitable for typical uplands and lowlands which together constitute about 75 percent of the total rice area of the country".

The IRRI counter-strategy against the pest involved breeding of varieties, with genes for resistance to such pests taken from wild relatives of the rice plant and its traditional cultivars. All of a



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sudden it seemed critical that massive efforts be made to make as complete a collection of the older varieties: many of the traditional *Indicas* were found to be important donors for resistance. Gene incorporation strategy, in other words, required vast germplasm resources, most of which were to be found in India. Dr M. S. Swaminathan would be instrumental in the task of collection.

In India, again, Dr Richharia stood in the way.

After he had been retired from service at the insistence of Robert Chandler, the IRRI director, Richharia had gone to the Orissa High Court, where for three years, alone, he fought a legal battle that ruined his family, disrupted the education of his children, and brought tremendous strains on his wife's health.

The legal battle was successful, for in 1970 the Court ordered his reinstatement as director of the CRRI. He had redeemed his honor.

In the meanwhile, the Madhya Pradesh government had appointed Dr Richharia its agricultural advisor, and the rice man set about his disrupted rice work once again, with his usual zeal, and within the space of six years, built up the infrastructure of a new rice research institute at Raipur. Here, this extraordinarily gifted and imaginative rice scientist maintained over 19,000 varieties of rice *in situ* on a shoestring budget of Rs 20,000 per annum, with not even a microscope in his office-cum-laboratory located in the neighborhood of cooperative rice mills. His assistants included two agricultural graduates and six village level workers, the latter drawing a salary of Rs 250 per month. Richharia had created, practically out of nothing, one of the most extraordinary living gene banks in the world, and provided ample proof of what Indian scientists are capable of, if they are given proper encouragement.

An attack of leaf blight that devastated the US corn crop in 1970, and which had resulted from the extensive planting of hybrids that



"Richharia had created one of the most extraordinary living gene banks in the world, and provided ample proof of what Indian scientists are capable of..."

shared a single source of cytoplasm, and the continuous attacks on IRRI varieties, impelled the IRRI to sponsor a Rice Genetic Conservation Workshop in 1977. Swaminathan attended it as an 'observer'.

After the workshop, the IRRI's covetous gaze fell on Richharia's 19,000 varieties at the Madhya Pradesh Rice Research Institute (MPRRI). Not only had Richharia now uncovered a fascinating world of traditional rices, some of which produced between 8-9 tons per hectare, better than the IRRI varieties, but he had discovered dwarf plants without the susceptible dwarfing gene of the IRRI varieties. His extension work among the farmers would soon begin to pose a direct challenge to the IRRI itself.

The IRRI staff members journeyed to Raipur and asked for his material. Still molded in the old scientific tradition, he refused because he had not studied the material himself. He was decidedly against any proposal for 'exchange', for this could only mean giving up his uncontaminated varieties for IRRI's susceptible ones.

So the IRRI did the next best thing: it got the MPRRI shut down!

The ICAR floated a scheme for agricultural development in Madhya Pradesh, particularly for rice. The World Bank contributed Rs 4 crores. The condition laid down was: close down the MPRRI, since it would lead to a 'duplication of work'. At a special meeting of the MPRRI Board, Madhya Pradesh's chief secretary, who was not a trustee, was present. He had been earlier connected with the Ford Foundation. A resolution was passed closing down the Institute, and the rice germplasm passed over to the Jawaharlal Nehru Krishi Vishwa Vidyalaya (JNKVV), whose vice-chancellor, Sukhdev Singh, also joined the IRRI board of trustees. Scientists were sent to the IRRI for training in germplasm transfer, and Richharia's team was disbanded.

This time too, they locked Dr Richharia's rooms and took away all his research papers.

On June 4, 1962, Dr M. N. Shrivastava, rice breeder, JNKVV, wrote a letter to P. S. Srinivasan, the IRRI liaison officer, addressed it care of the Ford Foundation, New Delhi, enclosing two sets of material as requested by T. T. Chang of the IRRI: "First set (264 accessions) is from our early duration collection, and second set (170 samples) is part of those varieties which were identified to be popular with the farmers of Madhya Pradesh. Dr R. H. Richharia, former director of MPRRI purified them and recommended replacing originals with these purified versions."

But with Richharia out of the fray nature herself now jumped into the ring. It responded with the necessary mutations, and began to lay low the new pest resistant varieties, rendering even the strategy of gene incorporation, of temporary utility. And then, in a fashion that only those with some respect for nature's awesome ways would understand, it delivered the *coup de grace*.

The distinctive success of the HYV's lay in their being short stemmed, able to stand heavy nitrogen applications without lodging, when compared with the older varieties. The incorporation of more and more genes from traditional cultivars not only passed on resistance characters, but also the tendency to lodge. Ergo, modern varieties began to lose their non-lodging character, the main advantage they had against the older cultivars. *Research Highlights for 1983*, an IRRI publication, observes:

"Modern rices produce high grain yields with large amounts of applied nitrogen. However, heavy

applications increase lodging, which reduces yields. Additionally, as higher levels of insect pest and disease resistance have been bred into modern semi-dwarf varieties, lodging resistance has tended to decline."

The green revolution in rice had begun to involute.

What then have been the 'achievements' of such corrupt and politically naive science? (One set of all IRRI germplasm has been sent to Fort Collins, a maximum security facility in the US, without the permission of the Indian government).

A 33-member official working group headed by K. C. S. Acharya, additional secretary in the ministry of agriculture, has determined that the growth rate of rice production after the Green Revolution has declined when compared with the pre-Green Revolution period.

Millions of hectares of rice are now routinely devastated by BPH and other pests—and no compensation is available to farmers who are induced to take to such 'modernized' agriculture. Such pest infestations have been introduced into the Indian environment. The IRRI officials knew what they were doing, and they did it for the cheap objective of wanting to assert IRRI primacy.

The unmonitored, hasty introduction of HYVs of seed has led to genetic erosion of tremendous proportions, as hundreds of priceless traditional varieties have been lost to mankind. It is only in the eighties that the IRRI has begun to acknowledge the true worth of the older varieties. What a curious circle of events! The IRRI inaugurated the Revolution in rice by holding in ridicule the basis of traditional agriculture—the traditional cultivar, itself the result of close trial-and-error experimentation by farmers over decades, and sought to displace it with its own production, the HYV. However, since the HYV was not closely adapted to any environment, it required extensive support, having attracted pest infestations on a mass scale. Protection could only come from the same traditional cultivars, which at the time of HYV propagation, had been loaded with abuse.

Is there a way out: how can such a state of science exist nearly 40 years after Indian independence? Why does the director of the CRRRI continue to remain as an IRRI trustee, which he has been since 1979? To continue and deepen the country's dependence? The IRRI has no future, either poli-



tically or as far as research is concerned. Politically, its future was tied to former President Marcos, and Filipino farmers and scientists had already begun to demand its closure. As far as research is concerned, the IRRI has no new ideas, and is now eagerly visiting China to learn Chinese techniques of growing hybrid rice, the next frontier in rice yield enhancement.

The CRRI has ample talent to match Chinese science. It has still vital access to hundreds of indigenous cultivars (a recent count of rice collection centers indicated that there were about 44,000 varieties, whereas the IRRI has 70,000). What then should be done?

First, the CRRI should be upgraded to international standards, for that is the only sure guarantee of the funds it needs, and which it has been deprived of, ever since Indian politicians decided to back IRRI science. Today, the CRRI germplasm unit does not have even a jeep to operate its collection of rice cultivars.

Second, all further export of rice germplasm to the IRRI should be banned, since germplasm is part of the Indian national heritage, and its preservation is enjoined by the Constitution in the chapter on Fundamental Duties. Third, steps should be taken

to gradually replace IRRI varieties, and all those having IRRI parents, with productive indigenous varieties in the fields. This is already happening in the Philippines: farmers are exchanging old varieties with each other, disowing IRRI seeds, aptly described as 'seeds of imperialism' and 'seeds of sabotage.' There seems to have been some awareness at the government that the rice revolution had been grounded due to environmental and economic factors. The late Prime Minister, Mrs Gandhi, had asked

"The sorry and sad record only serves to underline the principle that for genuine development of any worthwhile kind, the indigene is still the best gene"

Dr Richharia for a rice production increase plan. After he submitted it, he heard no more about it. After an article by Dom Moraes in India's *Illustrated Weekly* on Richharia, the MP Government hastily set about attempting to find

some funds to ask Riccharia to resume his work. Now that proposal has been scotched by the same forces that once got the MPRRI to close down.

More than 25 years have passed in this costly, wasteful, environmentally unsound flirtation with the exogene. The sorry and sad record only serves to underline the principle—despite India's continuing mesmerization by Western science—that for genuine development of any worthwhile kind, the indigene is still the best gene.

Claude Alvares
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IRRI: Decline and Fall

□ The revolt had to come. It came sooner than expected. The International Rice Research Institute (IRRI) would soon be completing its silver jubilee, and had just been awarded the 1982 Third World Prize by the Third World Foundation, London. But now, Filipino scientists had banded together with Filipino farmers and peasants, and were demanding that the Institute be scrapped!

Heading the IRRI today, and most likely looking around for another job, is M. S. Swaminathan, who knows, if past experience is any guide, when to leave a sinking ship. Two people have already died in a farmer's demonstration against the IRRI, and the army has been called in by the Institute.

The attacks on the IRRI began in 1982, with the first broadsides coming from two top Filipino scientists. Dr Burton Onate spoke as president of the Philippine Agricultural Economics and Development Association, when he observed that IRRI practices had "sapped the energy, resources and economic bounties of the Philippines." Dr Richardo Lantican, an ace maize breeding scientist, claimed that institutes like the IRRI had made the country "subservient to the interests of

transnationals" — for seeds, fertilizers and farm machinery.

Filipino farmers and peasants joined the anti-IRRI lobby last year. In a series of meetings held during May-July 1985, major farmer's organizations focused on the IRRI technology and how it had driven farmers into debt. The language used by these organizations against the IRRI was as colorful as it was instructive. A meeting of farmers from the Visayas region, for example, stated simply: "Abolish the IRRI, and conduct all subsequent farm research work in the fields, among farms."

The most comprehensive and articulate offensive came once again from Dr Onate. The focus was IRRI seeds, which, said Onate, should be called 'seeds of sabotage', for they 'threaten to keep Filipino farmers in bondage forever, have wrought havoc on the rice industry and the economy' and 'alienated, destroyed and polluted Philippine soils and environment' and 'incurred costs in human health and limb.'

Have the farmers benefitted from some of the increased yields from the IRRI varieties? Data collected by the ACES Foundation prove that 91 per cent of farmers surveyed have negative incomes, and that at constant 1970 prices, farmers' incomes have decreased from 1,212 pesos in 1970 to 747 pesos in 1981.

Two specific pillars of the IRRI have been singled out for special criticism. One is the collection of so-called traditional rice varieties in the IRRI germplasm bank, and the peddling in their place of what are essentially unstable modern varieties. Onate says the only decent thing to do is to close down the germplasm unit, and return the indigenous biotypes to the Filipinos. Other rice seeds from other Asian countries should be returned to their country of origin. India, for example, would thus get custody of some 15,000 of its varieties.

The other issue concerns chemical fertilizers, and knowledge of alternatives that the IRRI possesses, but for obvious reasons does not wish to disseminate. For example, when farmers asked Swaminathan at the Bigas conference why the IRRI did not propagate Azolla as readily as it did chemicals from agribusiness firms, he replied that



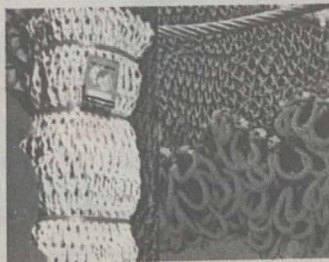
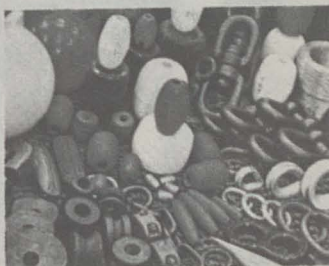
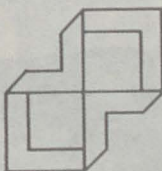
there were a number of 'constraints'. This has been pooh-poohed by Filipino scientists. The IRRI itself has been working on Azolla since 1972.

The IRRI's response to the new protest is predictable: it says it has no role to play really in improving the quality of life of the rural poor. Its role is merely to produce research outputs, place them in trays like in a cafeteria, and it is up to the users, the Philippine government and its technocrats to make a choice. Yet, IRRI funding and brochures are all designed to convince people that it is doing splendid work not only to alleviate hunger, but to bring prosperity to farmers. In fact, M. S. Swaminathan is now busy publicizing his new program which he has labelled, 'Prosperity through rice.' The *IRRI Reporter* (March 1984) now says the Institute's trustees have 'approved' a new strategy for unfavorable environments that are dominant in Third World countries, where of course the majority of poor farmers live, a poli-

cy that is 25 years too late.

Not only have we not benefitted from IRRI technology, say the farmers, we have lost a farming system which was more efficient, used less energy and was less dependent on the world economy and agribusiness. Are they doing something towards regaining that system? The Farmers Assistance Board, the National Farmers Organization (KMP) and the other groups that attended the Bigas conference have begun to exchange old seeds among themselves. Farmers from Luzon, the main area of the Green Revolution, where old seed has completely disappeared, are now getting seed from farmers in the uplands and elsewhere. Whether the IRRI shuts down or not, farmers have already decided not to have anything to do with it. Soon we may have the paradox of IRRI seeds being least used in the very country the IRRI is located: the Philippines. The beginnings of the end of the Green Revolution are finally in sight.

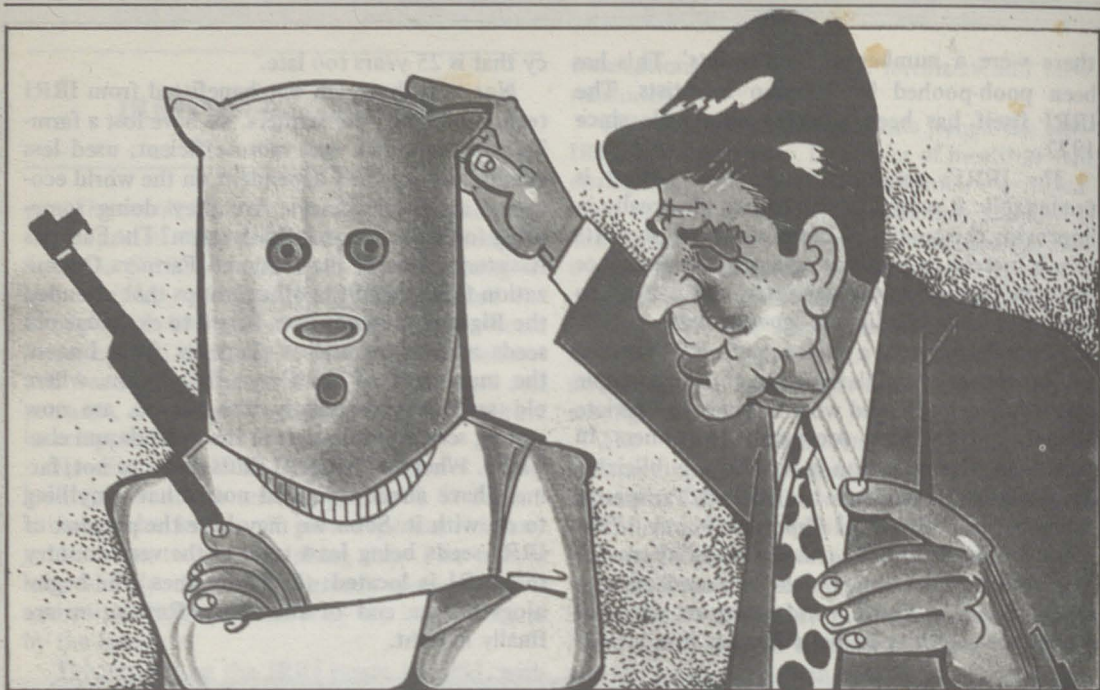
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