

revolution I drove my own cab," he reported. "If I got a flat or the car broke down, I was out for three or four days. Now the government maintains the entire cab fleet; they give me a good new car to drive; and I don't have to *hustle* for a living—now I just work."

Cuba places the highest priority on the education and training of its labor force. Thousands of university and other students are studying abroad in the socialist countries, in much the same way that foreign students come to the United States. Most factories have training or adult education programs which workers are encouraged to attend. One 40-year-old Cuban told me that he only completed grade school before the revolution, but that fortunately his youngest brother had gone to school after 1959, and was now studying veterinary medicine. He was confident that his own children would also become professionals.

This sense of self-improvement, that the next generation will always get further than ours, is firmly imbedded in Cuban society. The idea of progress, that was dominant throughout America before the drug and antigrowth plagues struck our nation, is now alive and well in Cuba. Despite visible shortcomings—such as the disturbing presence of rock music and disco—the Cuban nation has a sense of *purpose*. As one Cuban journalist retorted when informed of the Carter administration's latest threats to Cuba over the alleged presence of 3,000 Soviet troops there: "Why don't they just leave us alone so that we can develop our economy in peace?"

Politics

Most important of all is the sense of relaxed self-confidence that most Cubans display. There is a tremendous, universal sense of pride in their Revolution, and pride in the leadership provided by Fidel Castrol. Only a fool could at this point imagine that Castro could be overthrown from within Cuba.

Cubans are also intensely political, and surprisingly well-informed. Exemplary was a *Prensa Latina* dark-room technician ... who had an extended discussion with this reporter on the latest political turns of Guinea's Sekou Toure!

This is the Cuba that 1,100 foreign journalists and an equal number of foreign delegates saw. There is no question that Soviet aid has played an important role in helping Cuba's economic development—a fact which the Cubans themselves are the first to admit. But it is a nation committed to sovereign development, to industrialization, to preparing its labor force to absorb the most advanced technologies in all areas of economic activity—the very principles of the Nonaligned Movement itself.

This is why the Third World listens to Fidel Castro.

—Dennis Small
Latin America Desk

Nicaragua's Marengo: we're building a nation

Forty days after overthrowing the Somoza dictatorship, the new government of Nicaragua joined the Nonaligned Movement and sent a high-level delegation to the Havana Summit. The Nicaraguan representatives—including Junta members Sergio Ramirez and Daniel Ortega, and the Ministers of Foreign Affairs (Miguel D'Escoto) and Transportation (Dionisio Marengo)—were enthusiastically received by the other delegations and the press.

EXCLUSIVE INTERVIEW

In the eyes of many, Nicaragua's struggle to develop, its problem of overwhelming foreign debt, its desperate need for reconstruction aid, made it a microcosm of the general problem of the Third World, and special attention was paid to statements by Nicaraguan spokesmen.

Dionisio Marengo, Nicaragua's new Minister of Transportation and Public Works, granted the following interview on Sept. 7 to Dennis Small, Executive Intelligence Review's special correspondent to the Nonaligned Summit in Havana, Cuba.

Small: *Mr. Marengo, 41 days after the revolution, what can you tell us about the economic conditions in your country, the reconstruction process and what are the perspectives for the people and government of Nicaragua.*

Marengo: We are living through a fascinating process of social change in our so meagerly developed country, with our extremely dependent economy and with the very specific characteristics we inherited from the Somoza system in terms of the destruction of our productive capacity. The final offensive of the war against Somoza coincided with our planting season, causing grave effects on our harvest and resulting in an extreme diminution in our ability to earn foreign exchange from our exports, which are basically agricultural.

On the other hand, we inherited a country which had been completely sacked by the dictatorship, since all the credits obtained in the recent period were embezzled by the tyrant, his family and cohorts.

In this light, our main problem now is financial. The country's foreign debt is enormous, about \$1.6 billion. Of this, \$600 million was contracted as short-term loans at commercial interest rates by the Nicaraguan private banks. All these loans come due this year.

We believe that our strategic objective, the most important task we now face, is to get past this public debt bottleneck in order to get the reconstruction process into high gear and normalize our economic life.

We believe this will have to be done on the basis of direct negotiation with our creditor banks, who must necessarily understand our inability to pay, since we have no funds. We found the country with a net total of \$3.5 million of reserves. As I said before, productive capacity cannot be put back on line until next year, and we must now depend on donations made by friendly countries.

Above all, we are dependent on the willingness of the international community to join with us to restructure the debt by changing the present terms and conditions to long-term, low-interest ones. We think this can be done through sales of Solidarity Bonds, either by us or by the central banks of friendly countries through the Latin American Economic System, SELA. A motion for aid to Nicaragua will be presented here at the Nonaligned summit. We've talked with a number of our friends, including Mexico, about their promoting and serving as sponsors of the idea here and then bringing it up in the General Assembly of the United Nations, where we expect to get a receptive audience.

Without this solution I really don't know what we could do. We are completely submerged in this problem. We don't have working capital to put production in motion. It is a situation of complete bankruptcy. Our country is completely bankrupt without production capacity and indebted to the hilt. We would have to hand over our entire exports for three years to pay what we owe [this year]. This is the critical overview which we have. We are quite honest about this.

We are confident that if we manage to restructure the private debt we can mobilize our rich resources. We are a country rich in agricultural production, with some mining resources, fishing, and a very tiny industrial production, but we are going to move forward.

Small: *Then the money you obtain through these bonds would be invested in industrial, agricultural and technological development of the country and never again for the payment of the debt which was what happened previously?*

Marengo: Well, we would have to make a large enough (bond) issue to refinance our debts and use the remainder for investment. Of course, for the new programs we would have to resort to financing from the multinational institutions to which we belong, like the Inter-American Development Bank, the World Bank, the special aid funds like Venezuela's—the Venezuelan Investment Fund which operates through the IADB. We will also try to get funds from the U.N.-run petroleum aid fund for underdeveloped countries which has rarely, if ever, been used for Latin American countries. Consequently, we hope for the support at the United Nations of all friendly countries in obtaining these resources.

Small: *Isn't Nicaragua's problem a prototype of the*

general problem of the Third World? In this framework allow me to ask: Couldn't this concept of Solidarity Bonds be applied on a wider scale so that the entire Third World could have the necessary resources for its development?

Marengo: Of course. The case of Nicaragua is much more drastic and much more dramatic because there you see the problem in the extreme. But the problem of the Third World is identical, although to a lesser degree or with economies not so completely destroyed. Yesterday, for example, in the full session of the conference, Madagascar proposed to create a kind of nonaligned international monetary fund where the huge oil wealth of the petroleum producing countries could be channeled, instead of toward the commercial banks which (Madagascar) says immediately deflects it back toward Israeli aggressions against the Arab peoples. (We should) use (this wealth) for the member countries of the (Nonaligned) movement and for agricultural production to try to combat world hunger. Our delegation publicly supports this idea.

I think it would be really transcendental to be able to channel multinational or international economic resources toward the areas which most need them, thus reducing the gap between the great powers and our peoples. I think that if that doesn't happen, we'll end up in a world in chaos when our poor countries can't even pay their own debts. There are many interesting studies on how the process of indebtedness is irreversible, and which conclude that almost all countries will be hit by debt crises during the next few years.

Small: *One of the more specific proposals on this economic question has been that of Prime Minister Michael Manley of Jamaica. He spoke of a marriage between the raw materials and the energy resources of the various Nonaligned countries. Instead of a marriage, wouldn't a menage à trois actually be necessary in the sense that without the advanced sector's resources of capital goods, technology and industry, how would the development of the Third World be possible? In this regard do you see in the advanced sector of Europe, Japan and the U.S. more rational elements which would be ready to collaborate in the development of the Third World?*

Marengo: That is absolutely right. Even if the Third World could get a massive injection of money, of liquidity, if it doesn't at the same time obtain the human resources, the knowledge, the technological know-how, very little could be done with the resources. Even in the area of agriculture in countries like ours, if we do not tremendously raise the educational level of our population and of our own technicians we are going to be producing at a very inefficient level. I think that as these ideas are put into practice, the human element and the political element in the advanced countries will step forward, understand the new balance, the new

dynamic in the world, and change their present investment orientations to fit the new reality....

If this doesn't happen, the world will reach a moment of crisis, not only in financial terms, but in actual physical terms there won't be food for many peoples.

This movement can be a good pressure group and source of information to promote these concepts and go on developing our own technology. And I don't think that our technology is inconsequential, since we do have an intelligent population. What it has not had is access to education, to the generation of our own human resources, to technological advance.

There are many tendencies working now among the Nonaligned nations generating specific operative programs so that we don't just have a summit followed by three or four great pronouncements without creating specific secretariats on economics, transportation, education, and so on. One of the basic points must be to set up secretariats which will permit raising the technological level of our people and our technicians so they can speak as equals with those in the developed world.

Small: *One last economic question. Is the IMF compatible with this kind of new world economic order, or does it have to be completely replaced?*

Marengo: I would say that to replace the International Monetary Fund at this point is almost impossible because the political design of the capitalist system is quite self-centered. The IMF is no more than an enormous bank which regulates in the interest of the big industrialized countries and which would have to be completely reconceptualized. Instead of being an administrator of vested interests, it should be a totally disinterested administrator, which is guided not only by the profit motive, but by the concept of the development of all peoples. If the International Monetary Fund took this turn, then it could work. But if not, another separate monetary fund would have to be created, where this kind of utilitarianism (profit orientation) is exchanged for more real, more just concepts, (based on) international social justice.

Small: *U.S. Congressman Zorinski recently traveled to Nicaragua and spoke with some of your country's leaders. He spoke of the Nicaraguan Revolution as being like the Cuban Revolution and the Mexican Revolution and also like our own American Revolution. What does the Nicaraguan Revolution have in common with these three revolutions, and what would be the differences?*

Marengo: Well, I would say that every revolution has an underlying commonality, in the sense that they break with the established order; new values emerge, new positions in every arena. And in this sense, all the world's revolutions have been breaking (with the past) and advancing and moving toward new designs, to the

extent that the world has advanced.

At the same time, however, all revolutions are different from each other. No two revolutions are alike. The Nicaraguan Revolution is, from the political point of view, perhaps the most popular revolution since the French Revolution, in the sense that the entire population of our country fought the dictatorship: men, women, the old, children in every district. It was a war fought in the mountains, in the cities, in the factories, in the small towns; it was fought with some incredible acts of heroism, by a very poorly armed army, totally defeating one of the strongest armies in Central America.

In terms of the ideals of liberty and democracy, it has much in common with the American Revolution. That is, when the American English colonies declared independence from England, they established a set of values which are our values. In terms of nationalism, it is very similar to the Mexican Revolution. Sandinism is something that doesn't exist in other countries; there's nothing to compare it to. Obviously Nicaragua has anti-interventionist values, which in this case were anti-U.S., as it was they who were intervening at the time.

In the case of the Nicaraguan Revolution, there are some guerrilla tactics and some well-defined social positions which are similar to the Cuban Revolution. That is, our revolution is not the extremist revolution as it has been portrayed. And I don't know why the Cuban Revolution is associated with extremism, that's just semantics. We could find points of comparison with all of (the revolutions), but the Nicaraguan Revolution is definitely unique.

Small: *You have also received moral and political support from the Mexican Revolution. What similarities do you see between the two revolutions?*

Marengo: As I said, the agrarian nature of the Mexican Revolution—in a sense that the masses and poorest of the Mexican people fought basically for their right to the land—looks very much like our revolution in that the farm workers join the armed struggle in the mountains and in the countryside. Also, it could be that Sandino himself got many of his first ideas from his stay in Mexico. In this sense, there is a certain affinity: Now at the end of the struggle, Mexico adopted a very clear and belligerent position at the OAS (Organization of American States—ed.), for example, calling the question of nonintervention.

Probably what moved Mexico to adopt that position is the possibility of the intervention of foreign forces on our soil, and in that sense Mexico contributed their own values of noninterventionism, making our desires for nonintervention their own, and bringing them before the highest forum, taking all the consequences and adopting a very belligerent position against the U.S. proposal to create a Panamerican peace force.

Small: *Then the United States has no reason to fear the Nicaraguan Revolution?*

Marenco: How could it fear such a small, indebted country, without energy resources, without anything? I would say that the U.S.'s fears are fundamentally based on its lack of knowledge of the reality (of Nicaragua). To me it's inconceivable how the skilled political analysts of the State Department and elsewhere can't understand wars of liberation beyond their strictly military aspects. They gauge the force of ideas of a liberation movement in terms of how many tanks and guns are matched against how many tanks and guns, but they don't see the social emergence achieved for our peoples, on all continents of the world. And so we see the United States consistently allied with tyrants that are being overthrown or with deteriorating regimes. That's what happened in Vietnam, in Iran and now in Nicaragua: the United States backed Somoza up to the last minute and recognized the Sandinista Front one week before it took power. They dared to speak with (the Front) clandestinely, but they never realized that behind a vanguard—in this case Sandinism—are a people prepared to liberate themselves at the cost of their own lives.

Instead of fearing the Revolution, the United States should acknowledge it more and come to know our country better in order to adopt more meaningful and realistic international policy decisions. If they don't, they will remain isolated, their only power, the force of arms.

Small: *What can the United States do to help Nicaragua with its ideals of progress, development and industrialization?*

Marenco: Basically, the United States could easily give money on the one hand, and on the other could help us to restructure our debt. (Almost all of our debt is from U.S. sources.) Although for us our debt is monstrous, \$600 million is absolutely nothing for the economic strength of the U.S. Treasury. In fact, it's insignificant.

We are going to pay this debt. What we want is to find more adequate terms and formulas that will enable us to deal with the debt, to rehabilitate our economy. They can help us a lot with technology, technological assistance, with investments, especially in our industry when we establish our development plan, and by adopting a generous position of aid toward the new government. Up to now we sense a cautious attitude (from the U.S.), a fearful attitude, that doesn't make sense to us.

Small: *At this point, what are the priorities for development and reconstruction of the Nicaraguan economy?*

Marenco: First of all, the financial problem; this is at the center of everything. If this is not resolved, we can't make any plans. Afterwards, the key will be the agrarian reform project; to intensify and develop to the fullest our agricultural production capacity, which is the source

'Health, housing, and education are the tasks'

At a Sept. 7 press conference in Havana, Cuba, Sergio Ramirez, a member of Nicaragua's governing junta, gave the following answer to a question on what are the most important of the projects for national reconstruction now underway.

The process of Nicaraguan national reconstruction began by confronting what we call the emergency stage, which was directly determined by Somoza's war of aggression against the people, destruction of factories, of businesses, of housing, and starting, of course, with the loss of human lives. The war of aggression also meant an interruption in the harvest, thereby creating a profound shortage of food. Up until now, and until the year-end harvest of basic grains comes in, daily needs are 300 tons of food.

In this sense we have had to depend on international cooperation to feed approximately a million people; to provide vaccinations against polio and other types of epidemics to about a half million children; to improvise field hospitals where hospitals were destroyed, such as in the cities of Esteli and Rivas; and, in short, to reestablish a series of services which were destroyed in the last stage of the war or

of our natural resources and our obvious source of wealth. And then comes the agro-industrial question and the question of commercialization of our own agricultural resources, which is all our wealth.

Small: *What would you say about the financial aid received so far from the United States, from the European countries, and from Japan, that is, from the advanced sector?*

Marenco: The United States has helped with food. At the beginning they did it through the Red Cross, but now we've convinced them that it must be done through state channels, to prevent food aid from becoming something which creates parasites or causes our population to sit passively waiting for their food. Rather, it should be a complement to the other activities of reconstruction, cleaning up, (creating) order, which we need to do in the country. (U.S.) aid has been the biggest, but we don't believe it has yet been significant. That is, we believe that during the Managua earthquake (of 1972—ed.) much more aid was sent than what is arriving now.

which never existed in Nicaragua during the entirety of the Somocista period, such as, in particular, health services.

International aid was quite slow in the beginning. It has improved now in terms of its humanitarian aspect, but it remains at levels far below what are our real needs. Our needs are truly massive, above all in the areas of food and medical services.

Afterwards we have what we call the rehabilitation and reconstruction phase, for which international financial aid is also basic. Commander Ortega, in his presentation yesterday in the name of the Nicaraguan delegation, explained the breakdown of the financial necessities which we face in the upcoming months. They are also truly massive, above all in terms of the sharp deficit which we have in the balance of payments, the lack of liquidity on the part of the state, the lack of foreign currency to finance the import of raw materials and inventory, and, in short, (everything needed) to restart the Nicaraguan economy.

The principal projects of the Government of National Reconstruction in the next months, within its economic limitations, are going to be in the areas of health, education and housing. In the area of health, a massive vaccination campaign has already begun. Last Sunday, we succeeded in vaccinating all children between the ages of three months and five years against poliomyelitis—more than 400,000 children in the entire country. And this, in our terms, perhaps not in terms of other countries, is a truly

revolutionary achievement, because in Nicaragua children have never been vaccinated before.

Next February, the national literacy campaign will start. It will be called "Heroes and Martyrs of the Sandinista Revolution" and will mobilize the entire population into a massive literacy drive for all Nicaraguans. This campaign is currently in the preparatory stage. A census is being carried out, the personnel are being trained, literate young Nicaraguans will mobilize across the country in the same way the Sandinista army was organized during the war. There will be literacy battle fronts, the Carlos Fonseca front in the north, the Benjamin Celedon front in the south, and also a Rigoberto Lopez Perez front for literacy in the west.

And in housing, keep in mind that just in the city of Esteli eight out of every ten houses were made uninhabitable; in the city of Rivas, six out of every ten homes were destroyed by Somocista bombing raids; and in Managua, ten per cent of the housing was lost, especially in the southeast districts of the city. Since we nationalized all of the construction industry—not only construction companies, but those which produce construction materials—we are going to form construction material banks in different cities of the country, so that in each neighborhood the inhabitants themselves are able to do the reconstruction work, not just for the infrastructure of streets, parks, etc., but also for their own homes.

These, then, are the three main tasks which the government is engaged in at this time.

On the financing question, institutions like the IADB (Inter-American Development Bank—ed.) have reacted very well, very quickly. We still haven't seen a very dynamic reaction from the World Bank, but we hope to see it soon. The United States could play a very key role in the present International Monetary Fund as well as in the World Bank to facilitate the transactions which will allow our country to recover. I'm speaking of (loans for) the construction industry—which will most rapidly affect the generation of jobs and the standard of living of the population—and for the long-term programs to improve environmental conditions such as water, sanitation, roads, transportation, and infrastructure in general. In my opinion, this would be the way (for the U.S.) to involve itself in the Nicaraguan process.

Small: When I think about Nicaragua in September of 1979, what comes to mind is the United States in July or August of 1776, both having freed themselves from a colonial master. And I think about the state of mind of both peoples. What is the present state of mind of the

Nicaraguan people? What is the future they have before them?

Marengo: As I told you, the Nicaraguan willpower and excitement at this point is extraordinary. At the beginning of a fascinating process of social change, the people of Nicaragua are 100 percent behind their vanguard and their reconstruction government. Our limitations come from the outside, not from our own people. If we can overcome the external obstacles, our social dynamic will allow us to develop the country quickly, creating a rich nation, a prosperous one, a country full of liberty and justice.

We believe we can become a model of development for Latin America, a people brought together by an idea that has cost so much blood, (an idea) developed and elaborated by the joint effort of every honest Nicaraguan.

It can be a very clear example of an organized social revolution in Latin America, where all forms of struggle are combined to achieve the means for freedom, the power to build a nation. We're practically going to build a new nation.