

Preparing the road for Ortega's comeback

by Ana M. Papert

If the Hong Kong-style "free market" economic policies which Washington, D.C. think tanks are proposing for Nicaragua's economy are implemented by the newly elected Nicaraguan President Violeta Chamorro, then Daniel Ortega and the Sandinistas will be back in power within a few months.

The Sandinista government, led by Ortega, left the Nicaraguan economy in a shambles. Ten years of Marxist economic policies have resulted in 30% unemployment. Real wages decreased by 90% and inflation went down to 1,600% in 1989. But the new "industries" such as taxis, tourism, and sweatshops, which Washington policymakers are proposing to "help" Nicaragua "develop," would bring more chaos, devastation, and most likely civil war.

Knowing this, these experts are suggesting that some form of supranational force be established in the region, whose only purpose would be to enforce these policies, while doing away with sovereign national institutions. In fact, the U.S.-based "secret government" which Oliver North in a moment of irony dubbed "Project Democracy," is determined to eliminate all sovereign institutions, including the Catholic Church and the armed forces, which might offer any opposition. In Nicaragua, plans are already under way to establish a small, "apolitical" Defense Force, modeled on Costa Rica's.

In the minds of the policymakers, incidents such as the March 23 killing of 12 Sandinistas, allegedly by Contra rebels, and Sandinista threats that they will demobilize the Contras by force if necessary, provide the pretext for a supranational presence. At a March 15 seminar sponsored by the Washington, D.C.-based Heritage Foundation, former National Security Council member Dr. Constantine Menges called for the revival of CONDECA, a regional military force which would include U.S. troops, in order to maintain peace in the area. Others demand that the United Nations or Organization of American States (OAS) send "peacekeeping" forces to oversee the transition to the Chamorro government.

Venezuela's socialist President Carlos Andrés Pérez, who has been a key figure in coordinating the Central American "peace process," together with former U.S. President Jimmy Carter and Colombia's mafia godfather ex-President Alfonso López Michelsen, is strongly backing these plans. According to a March 15 Reuters wire, Deputy Foreign Minister Adolfo R. Raylhardt of Venezuela announced that "a contingent of

Venezuelan troops could be sent to Nicaragua with U.N. peacekeeping forces to monitor the demobilization of the Contra rebels." According to a demobilization plan signed March 23, once the Contra rebels return to Nicaragua, they will be established in "internationally supervised enclaves."

'Free market'—at a price

Proposals for imposing free-market quackery in Nicaragua were presented at the same March 15 Heritage Foundation seminar, entitled: "The Agony of Victory: Can Democracy Win in Nicaragua?" Thomas Cox, the Heritage Foundation's policy analyst for Latin America, demanded that the \$300 million the U.S. is planning to send to Nicaragua as "aid" should be used to cover the transition to a free market regime and create conditions for a good "foreign investment climate." Cox said that the U.S. should establish criteria to "determine if U.S. aid is building a Nicaraguan free market economy."

According to Cox, Chamorro can demonstrate a "long-term commitment to economic development" by imposing the same foreign looting model adopted in several other Ibero-American countries. This means "deregulating" the economy: "cutting taxes, guaranteeing security of private property and contracts . . . and lifting restrictions on foreign investment." A new currency that is in accordance with market demands, cutting excessive spending, and total privatization, are also part of this package.

At the same seminar, Curtin Winsor, former U.S. ambassador to Costa Rica, agreed with Cox. He then went on to rave about the virtues of Costa Rica as a model for Nicaragua. The choice of Costa Rica as a model is no accident. More a center for dirty intelligence operations than a nation, Costa Rica is devoid of institutions. It has no armed forces, and Winsor lauded the fact that it also has no labor unions. Unions are "old-fashioned," he said.

Winsor insists that any assistance to Nicaragua should be offered with strict "conditionalities," adding "I love the word 'conditionality,' " because if "they want to hurt themselves, we will not help them." The message here is that if Mrs. Chamorro doesn't accept these policies, no aid will be forthcoming. The former ambassador suggested that other good areas for investment are tourism, transportation, and gold production. In terms of larger manufacturing companies, he called for creating *maquilas*, which are the low-wage, labor-intensive assembly shops like those on the Mexican-U.S. border.

None of these policymakers is so stupid not to know what the consequences of such policies will be, not only in Nicaragua, but for the whole region. With these austerity recipes, not a year could pass without new mass strikes. Top Sandinista leaders are already threatening that if Mrs. Chamorro doesn't fulfill promises to improve the economy, they will have to retake power. The Bush administration seems determined to give them the opportunity to do so.