

# García introduces economic development to Contadora process

by Gretchen Small

With a proposal that Ibero-American countries assume the task of funding economic development in war-torn countries such as Nicaragua and El Salvador, Peruvian President Alan García has added a crucial economic feature to the hectic diplomacy leading into the June 6 signing of the Contadora Peace Accord by the nations of Central America.

García has led the fight, at the governmental level, for the formation of an independent Ibero-American power bloc which could wield sufficient power to break international usury's grip on world credit flows. By connecting that effort with the principle of sovereignty defended in the Contadora pact, García has opened a new flank in the fight to bring stability to Ibero-America, through its economic integration.

Economic aid to Central America, as García is proposing, is the right idea at the right time. With Soviet leader Mikhail Gorbachov escalating the Soviet push for confrontation with the West, a Central American crisis which diverts U.S. troops from the front lines in Europe and the Pacific, takes on added urgency in Soviet calculations. Economic reconstruction, such as that proposed by García, is the single quickest measure to seal the region against Soviet destabilization.

## The García initiative

García detailed his Central American fund proposal to Mexican journalists, while attending the inauguration of Costa Rican President Oscar Arias May 8. The interviews kicked off a new round of regional diplomacy by García, with Salvadoran President José Napoleón Duarte invited to visit Peru from May 9-12, and García scheduled to visit Panama on May 28, and Mexico sometime thereafter.

"If some want to help with arms and guns, I am fully convinced that Latin America could, concretely and conclusively, help with tools of development, food," García told Mexico's *Excelsior* newspaper. García criticized the U.S. insistence on sending \$100 million to arm the Nicaraguan Contras. "The region could help the economic reconstruction of Nicaragua concretely. Not with guns or other kinds of arms of war as the U.S. does, but with tractors, trucks, fertilizer, with tools for work."

As Ibero-America was able to establish Contadora and its Support Group to present a proposal and a formula for Central American peace, García argued, "We believe that Latin America can also aid development, growth, and the econom-

ic reconstruction of the nations involved in problems of war."

Peru will take the first step to putting the plan into action, he promised. "I believe that my country, despite its poverty, could contribute to an initial fund, making available a long-term credit line, at low interest rates, so that Nicaragua could obtain from Peru the resources which it needs for its growth or economic survival." Every member of the eight-nation Contadora and Support Group—which includes Mexico, Colombia, Panama, Venezuela, Peru, Argentina, Uruguay, and Brazil—is "in the position to open credit lines which could mean a fund of capital goods and manufactured products," García told Mexico City's *Novedades*.

The next day, García announced that Peru will extend a \$10 million credit line for Nicaragua, saying its \$7 billion debt to Peru would be refinanced, payable in 20 years, at 3% interest instead of 9%. García called those terms an example to "usurious banks of the world, banks which charge 9% or even 10% interest."

After meeting with Salvadoran President Duarte, García extended his proposal to El Salvador. "The fund is not limited to Nicaragua. . . . It can also go to El Salvador, for example, to complement and aid the development of its economy in agriculture and production," he told the press. "In addition to opening new markets, this is the first step towards integration of the Latin American economy. In this way, we can become independent of other economic systems, foreign to our reality."

President Duarte echoed García's arguments. "Contadora is vital to the search for peace" in Central America, Duarte stated May 11, "but to reach it, we must strengthen the political will of the parties involved," and combine it with economic aid to develop Central America. The two Presidents supported the formation of a "Latin American Community of Nations," in a communiqué issued at the end of their talks.

## Contras prop up Sandinistas

At the last Contadora meeting May 2-4, Ibero-American nations decided to force the issue on signing of the treaty, setting June 6 as the date by which remaining details of the Contadora Peace Treaty are to be resolved, and the Treaty signed. Contadora's principles are simple: Domestic conflicts in Central America must be separated from the inter-

national strategic crisis, by securing agreements which protect national sovereignty, forbid aid by any nation for "irregular forces" operating against another nation, and ensure that national borders are inviolable.

The Treaty freezes the crisis; measures to return peace to the area—economic aid and allied military operations against drug-traffic—then must follow.

Locked within its borders, with lucrative drug-and-arms routes sealed off, the Sandinista fanatics will be unable to wave the excuse of a "foreign" threat to silence the hatred of the Nicaraguan population against them. With an integrated Ibero-America, Nicaraguan nationalists have an alternative to choosing between Soviet and U.S. rule.

But neither the Reagan administration nor Soviet-client state Nicaragua, has shown any interest in respecting sovereignty in the region, nor supporting Contadora. Under the terms of the "New Yalta" agreement which the Soviets and the one-worlders within the West are negotiating, Central America is a useful pawn. The Soviets can well "allow" the United States to send troops to "fight communism" in Central America; that way, the United States loses its Ibero-American allies, while Soviet forces dominate Asia, Europe, and the Pacific. For six years, such advocates of the "decoupling" of the Western Alliance as Jeane Kirkpatrick, have argued that the United States will sooner or later have to withdraw its troops from Europe, to "fight" Nicaragua.

Former U.N. Ambassador Kirkpatrick played a key role in developing the strategy of financing the Contras, a rag-tag group of squabbling mercenaries financed by the regional drug-trade, who have neither the political, nor military, might to overthrow the Sandinistas. Current U.S. efforts to "clean up their image," by handing direct control over Contra financing and campaigns to the United States, as Abrams' favorite Contra leader, former United Brands lawyer Arturo Cruz insists, only worsens the stink of a return to Teddy Roosevelt-style "gunboat diplomacy." In those days, U.S. officers created, and ran, such armies in the region as Somalia's "National" Guard.

In the past year, U.S. policy toward the entirety of Ibero-America has been reduced to backing the Nicaraguan Contras, with efforts to overthrow allied governments which oppose that suicidal strategy, as officials in Panama and Mexico can testify. Until now, U.S. pressure upon the small Central American countries, including outright economic blackmail, has successfully stalled the implementation of the Peace Accord, giving Soviet-allied Nicaragua a free hand to deal roughly with its Ibero-American neighbors.

But with new Presidents assuming office in Honduras, Costa Rica, and Guatemala in 1986, and the expansion of Ibero-American involvement in Contadora through the Contadora Support Group, Contadora's insistence that the seemingly no-win conflict in the region can end, found new receptivity in the region. The possibility that a regional accord could finally be reached, sent the "decouplers" in Washington scrambling.

What most scared them, was that Nicaragua might not continue to play the game. The bankruptcy of U.S. policy was displayed most crudely in a column in the *Washington Post* on May 13, written by a team generally close to the American intelligence community, Rowland Evans and Robert Novak. Warning that the Sandinistas might actually sign the Contadora Accord, Evans and Novak complained that State Department officials had stated they would respect the Accord—including its provisions against support for "irregular forces." If Nicaragua signs, Reagan will "have to scramble to find some credible way out" of that commitment, the two wrote.

"Thus is the Reagan Doctrine reduced to hope," Evans and Novak concluded their article, "a hope that Ortega's revolutionary stubbornness" will lead him to refuse to sign the accord.

The Sandinistas seem quite prepared to oblige "the Reagan Doctrine." Nicaraguan dictator Daniel Ortega continues to insist that Nicaragua will sign no agreement, until the United States stops aid for the Contras. White House spokesman Larry Speakes announced May 14 that the signing of the Contadora Accord will not be sufficient for the U.S. to stop aid to the Contras. Thus does U.S. and Nicaraguan policy serve Soviet global aims.

Meanwhile, U.S. negotiations with the Soviet Union on "regional matters" continue uninterrupted. On May 20, Assistant Secretary of State Elliot Abrams flew over to Moscow for the latest round of "discussions."

## Nations, not pawns

The combination of U.S. sabotage of the Contadora effort, and U.S. refusal to aid its American allies in defeating the two, principal causes of instability in Ibero-America—murderous austerity ordered by the International Monetary Fund, and the international drug trade—has created a dramatic crisis of confidence between the United States and Ibero-America. U.S. "scrambling" for a credible way to violate the June 6 deadline, is rapidly escalating the crisis.

In a guest column in the *Washington Post* May 12, Nicaraguan Cardinal Miguel Obando y Bravo, who heads the persecuted Nicaraguan Catholic Church, urged that a different strategy be adopted. "It is urgent and essential that the Nicaraguan people, free of foreign interference or ideologies, find a way out of the situation of conflict that our country is experiencing," the Cardinal wrote.

The Sandinistas deny "both the idea that an East-West conflict has made of our country a disposable card, a pawn in the game between the superpowers, and the reality of a civil war," he argued, but the Church insists there must be a path towards national reconciliation. He quoted from the Bishops' pastoral letter of April 22, 1984: "We feel that any form of assistance, regardless of the source, which causes the destruction, suffering and death of our families, or which sows hatred and discord among the Nicaraguan people is reprehensible."