

THE NICARAGUAN BALANCE SHEET: A PRAGMATIC APPRAISAL

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Upon launching the Alliance for Progress twenty-three years ago, President Kennedy asserted that the time in Latin America was "five minutes to midnight." Anyone who looks closely today will see midnight has arrived. Guerrilla and terrorist activity and retaliatory brutality are at a level that were unimaginable in the 1960s. Yet the structural problems remain fundamentally unchanged. Now, as then, one faces a complex reality requiring understanding of the underlying issues, hard choices and patience for a long haul.

Sifting through an avalanche of claims and counterclaims, charges and denials to come up with basic realities of Central America is no easy task. Perceptions are colored by preconceptions. Judgment is clouded by resentment on one hand and wishful thinking on the other. No one has clean hands.

This is a major problem for the United States. Because of the importance of public support for government policies, the ambivalence in the minds of many Americans between the ideal and the reality of what the nation can be, looms large. Broad agreement on the ideal of the United States' role in the world is diluted by our perception of the real world and the intentions of our adversaries. If the United States perceives the problems in Central America as primarily the result of Soviet and Cuban influence, it is disposed to one response. If it sees the *internal* dynamics speeding the societies toward major changes, the response is radically different. Thus, it is essential that U.S. policymakers understand who the Nicaraguan leaders are. Is this a Marxist-Leninist revolution? What does that mean for Nicaragua? For the rest of Central America? Is it a threat or an opportunity for the United States?

I. WHAT KIND OF REVOLUTION HAS TAKEN PLACE IN NICARAGUA?

The Nicaraguan leaders have not hidden their Marxist ideology. They see their role as an historic one — to reverse the power base of the society and to create a worker/peasant state. They may allow the private sector

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to remain, but they will emasculate it as a political force. Their hostility towards the U.S. is undisguised. Their Sandinista anthem openly declares the U.S. the "enemy of humanity." This rhetoric is a bit more hostile than the traditional declarations against an "enemy" necessary for building national identity. This is serious business.

While Marxism in Nicaragua pervades the leadership, it does not go deep. For most Nicaraguans this is a nationalist revolution. In fact, it was one of the most popular nationalist revolutions in this century. An entire country, every sector of society — the church, the business community, the *campo* — joined in opposition to Somoza. The Sandinistas proclaimed original goals that included a mixed economy and free elections. The monopoly of armed power the Sandinistas enjoyed when the national guard dissolved, however, enabled them to establish dominance in Nicaragua.

Several forces in the society remain sufficiently strong to prevent Marxist domination, if given a chance. The cultural base of the society is deeply religious. The Sandinistas learned this following their abusive treatment of the Pope. Since then, they have been groping to recapture religion for the revolution in the attempt to split the church. A parallel "popular church" incorporating an odd variation of Marxist ideology is being formed. But antagonisms remain deep and have recently been rekindled over the effort by the government to form a conscript "Sandinista" army. However, for the most part the parish priests that form part of the "Liberation Church" still support the social objectives of the revolution and remain skeptical of the motives of the armed groups seeking its overthrow.

The society has no democratic tradition. After forty years of Somoza no political organization exists outside the major cities. With the exception of the final outpouring against the excesses of Somoza, the people tend to follow whomever has the gun. The same people rallying for the Sandinistas today could well have rallied for Somoza ten years ago. The implications of this cultural pattern assure the Sandinistas a large measure of control. Another popular insurrection similar to the one that overthrew Somoza is only a remote possibility.

Assuming elections were held now, however, there are purely pragmatic considerations which suggest the Sandinistas have a considerable advantage. As anyone in New York or Chicago knows, the party that controls the patronage system and can get their followers to the polls wins. In Nicaragua, no other political party is organized throughout the country. Sandinistas control all the institutions of the masses, including the media. They are organized everywhere and have the transportation to get their followers to the polls. While there may be discontent with the deteriorating state of the economy and the large number of Cuban and Eastern European

advisors, the chance that this sentiment could overcome the practical impediments to mounting a national campaign is extremely remote.

II. WHAT ARE THE SANDINISTAS DOING TODAY?

One of the most striking phenomena that becomes apparent on visiting Nicaragua, which the United States ignores at great peril, is the fact that the Sandinistas have captured the energies and enthusiasm of a large number of young people in a way that the United States, with its Alliance for Progress and other appeals to democracy and human rights, has never been able to do. Some of the young people in the Ministries are impressive in their dedication and motivation. In one sense, they really conform more to the stereotype of risk-takers and entrepreneurs than cautious communist bureaucrats. They inaugurate health and agricultural reform programs without bothering with extensive feasibility studies or planning. They see the job that has to be done, and they do it. The Sandinistas have attracted a highly talented group of young people who are eager to learn the latest technology and to systematically mobilize the human resources of the society to improve social conditions.

The Sandinistas continually press their principal theme — the dignity of the people — and appear to be trying to live up to it. It is still too early to judge the results. Certainly corruption, which has been the scourge of most Central American societies, does not appear in Nicaragua in any degree close to that of some of its neighbors. However, it is a cultural phenomenon that may still plague them. If so, the revolution may be no more profound than the Mexican or Bolivian revolutions of this century.

To measure the government's accomplishments by objective criteria at this stage is difficult for two reasons: (1) there are no reliable data available, and (2) all countries have been hit hard by the current economic recession. However, in comparison to what is going on elsewhere in Central America, its relative achievements in health, education, and housing are impressive. It claims to have doubled school enrollment, implemented a nationwide campaign of preventive medicine that has already achieved the eradication of polio, made major advances against other transmissible diseases such as measles and diphtheria, cleared new coffee and agricultural fields, built new sports centers, extended social security to a larger proportion of the population, and made plans for extensive housing to be built as soon as resources are available.

Nonetheless, while preventive medicine has improved, complaints abound about current health care in the hospitals. School enrollment may have doubled, but propaganda for the revolution and against the "Yankees" is

being drilled into first graders. Food shortages and rationing now prevail in the cities.

On the issue of civil rights, the Sandinistas claim that they are planning elections for 1985. But they maintain that the country has no base for democracy. So they claim to be seeking to devise a new system incorporating the principles of representative democracy through what they call "genuine involvement and participation." When one mentions the need for accountability and an orderly system for the transmission of power, they respond that institutions of "the people" will provide counterbalancing forces to serve as a brake on government excesses. How this will be accomplished is not specified. Clearly, voting the Sandinistas out of power is not considered a viable option. Neighborhood committees for the "defense of Sandinismo" fill many people with fear. There are no protections against neighborhood vigilantes becoming petty tyrants in their own right.

Freedom of information does not exist. Radio news is a government monopoly. The only independent newspaper, *La Prensa*, must submit its entire edition for review before it can be printed, and the nature of the censorship is total. The government dictates the names to be given to certain movements such as the *Contras* and *Somocistas* and even the layout of the page and photographs. Foreign "experts" are reported to be managing the censorship.

No right of *habeas corpus* exists, and "people's courts" have power to condemn people to prison from which there is no appeal. Speaking against the government has been sufficient justification for imprisonment. Even more ominous, punishment is not limited to the accused individual; it can affect entire families through intimidation and confiscation of property.

One of the most disturbing developments is the Orwellian tone to government pronouncements which systematically seek to blur the image of where *sandinismo* ends and national loyalty begins. Only the Sandinista party can use the name "Sandinista." There are Sandinista organizations everywhere, which are being created parallel to existing independent activities in farming, labor and for youth. Government-controlled banking offers more favors to Sandinista-backed groups. The entire aura being fostered is that to be anti-Sandinista is to be unpatriotic, and to be pro-Sandinista pays off well in favors and benefits.

Overall, a pattern not of physical harm but one of systematic intimidation, including arrests, detention, "investigations", and confiscations has created pervasive fear in the private sector. Business people clearly feel inhibited and fear that their every move is being carefully observed by employees belonging to the Sandinista organizations.

On hearing these above-mentioned charges, the Sandinistas claim a double standard is being applied; and that most of their neighboring

states, which receive substantial U.S. aid, have worse, not better, records in terms of civil rights abuses. It is a fact that the wanton killing that characterizes the death squads of Guatemala and El Salvador is not found in Nicaragua. For all the political turmoil, there is no record of a campaign of brutal murders of their opposition as occur frequently elsewhere. Political freedoms, they assert, have been withdrawn only because of the security problems emanating from the open U.S. hostility. They point out that after the revolution they reinstated freedom of press and *habeas corpus* and disbanded the people's courts. The society in 1980, they claim, was building towards pluralism and the Sandinistas have targeted elections for 1985. Only in the last two years have they considered it necessary to reinstate the state of emergency; and they claim they will withdraw it when the U.S. pressure lifts. Their opposition claims that this state of emergency is the direction in which the Sandinistas intended to move all along, but that they were in no position to do so early in the regime. The opposition is skeptical of Sandinista assurances and is doubtful that there will be any turning back. Clearly, perceptions of intent play the major role in judging current actions — as they do in any legal system.

The military buildup is another matter. This is real. More money was spent on arms in Central America in 1982 than in all the years since independence from Spain. This has been precipitated by the Nicaraguan buildup which the Sandinistas in turn claim was impelled by the aggressive rhetoric of the Reagan Administration prior to taking office in 1981. Apparently, the Marxists in the hemisphere have learned a great deal from the Chilean experience: take control of and build up the army at a fast pace to establish credibility and display that any effort to overthrow the government will be costly. Whatever the cause, the Sandinista militarization has already altered the balance of power in Central America and they are causing governments throughout the region to build up their military forces.

III. HOW DOES THE SANDINISTA REVOLUTION RELATE TO THE REST OF CENTRAL AMERICA?

The major question in evaluating the Sandinista regime is: "What are the alternatives in Latin America?" Wishful thinking serves no one. Except in Costa Rica, democracy is not taken seriously. The major unspoken problem throughout the region is corruption and cynicism. Capital flight, self-interest, and brutality are pervasive. In many cases, U.S. citizens collaborate, either wittingly or unwittingly, in the disregard of the rule of law.

The military is a praetorian guard. It pays homage to "democracy" today because it is better business. In Honduras, the fledgling democracy

is being weakened, corruption is increasing, and the society is being corroded by the growing U.S. military presence and free-flowing aid. Government machinery throughout the region falls below the usual standard of mediocrity one finds in most governments. This is not an environment where democracy and respect for human rights can grow.

The most troublesome problems are motivational. Youth are frustrated and alienated. Instead of being encouraged and given responsibility to resolve national problems as they gain education, they are shunted aside as the old political guard takes its turn at the till. While there are a number of honest, motivated people working hard to create a new momentum towards freedom and democracy, they are few and lonely, when they can stay alive.

The failures of the traditional oligarchies are apparent upon visiting Central America's rural areas. An adequate verbal description, as poignant as it could be, is impossible. The poverty is incomprehensible to anyone who has not been there. In many places the standard of living is not much different from what it was at the time of colonization — self-made shacks, subsistence farming, no educational facilities, no medical care, no help of any sort. The U.S. Congress would never tolerate in the United States the kind of conditions that exist throughout the region in the factories and fields. Yet they support those who manage and control the governments in Central America that permit these conditions to exist.

This intense poverty cannot and will not continue. As the people learn that poverty and oppression are not immutable, as their children get more education, and as the communications revolution invades the villages, the internal dynamics will move inexorably toward change. This is a fundamental reality that must penetrate every aspect of U.S. thinking. Even if the United States could make the Sandinistas disappear, with a wave of a magic wand or by military intervention, the fundamental problems would not go away. This is an ideological battle in which the Sandinistas are seizing the high ground. The genie is out of the bottle. *Sandinismo* will be as difficult to contend with in the future as Peronism has been in Argentina in the past.

The economic constraints on the Sandinistas are their most vulnerable point. The Soviet Union, impelled by Cuban strategists, clearly sees the opportunity to stir up mischief. While they are able to maintain this stage of conflict at a low cost, their capacity for long-term economic support is limited. Even though the Soviets have said that the \$5 billion a year they spend to support Cuba is one of the best investments they ever made, it is doubtful that they can afford another Cuba, not to mention several more Cubas.

The bottom line is that Nicaragua cannot survive economically without

reasonably normal trade within the hemisphere and with the United States. This pragmatic reality is beginning to be apparent even to the most zealous of the Sandinista leaders. Moreover, they have to contend with the reality of the reversal of the "Vietnam" roles, with the Soviets maintaining long and costly supply lines, and the U.S. allies having a continuing stream of material and manpower to harass and impede economic growth. The Soviets know this, and so do the Sandinistas.

IV. THE POLICY OPTIONS

The fundamental imperative for U.S. policy is credibility. This has to be established on three levels:

(1) Credibility with the Soviet Union and Cuba that outside interference with the legitimate process of democratic reform in the Americas will not be tolerated.

(2) Credibility with the people of the hemisphere that the United States genuinely takes seriously both the rule of law in our relations with them and the need to address underlying social and economic issues.

(3) Credibility with the other nations of the Americas that we are willing to listen as well as talk and that we are prepared to recognize their role and responsibility in building a new future.

The way a problem is defined predisposes the answer; whether United States defines the Sandinista control of Nicaragua as a security problem or a challenge to make democracy work better is critical to its perception of the solutions. Present U.S. policy blatantly refers to the problem as one of U.S. security; not even giving the other Latin American nations the benefit of the doubt that it may be common problem. The reaction of many Latin American leaders has been vehement as Carlos Andres Perez, former President of Venezuela, articulated in a recent *New York Times* article when he asked why the United States "treats us Latin Americans with such humiliating lack of respect? Why not . . . accept our dignity and independence — and unify North and South in search of a solution?" President Betancourt of Colombia said much the same thing in his speech to the United Nations in 1983. Brazil has carefully distanced itself from the problem, while Mexico has been forceful in resisting the U.S. perceptions. Distrust and concern are apparent in responsible circles in every country. The historical record is clear that many Latin Americans perceive U.S. free wheeling as just as much, if not more, of a threat than the Latin American brand of Marxism.

In one sense, the unilateral U.S. approach has made the lives of many political leaders a lot easier. Those who are sympathetic to increasing pressure on the Marxist regime can take refuge in the U.S. role and dodge

commitment and their own responsibility. This leaves them in the politically comfortable position of being able to criticize freely, knowing that someone else is doing the dirty work.

The heart of the matter is that present U.S. policy has let the Latin American leaders off the hook, breeding irresponsibility and nurturing long-term resentment. The result of the policy is disaster for the emergence of regional leadership, without which nothing will endure. It is a recipe for disintegration of the long nurtured inter-American system. Not only does it stunt the growth of mature leadership, it obscures political realities. The Latin Americans have more at stake than the United States in the region. The United States may be worried about falling dominoes, but the Latin Americans *are* the dominoes.

Latin American leaders have been clamoring for an adult relationship with the United States for years. They want to be allies, not wards. It is time the United States took these demands seriously and tried to honor its inter-American commitments. Moreover, the United States has severe domestic political problems in dealing with Central America that, if left to evolve, will complicate issues immeasurably for everyone. Brazil, Mexico, Venezuela, Colombia and others can understand this; the United States might be pleasantly surprised at the results if these and other nations were consulted in an attempt to resolve these problems together.

The importance of dealing with other American countries relates directly to the need to establish credibility with the Soviets and the Cubans that the major countries in the hemisphere will not tolerate adventurism. To face the challenge of reform without radicalizing the region requires not only U.S. resolve, but also the unmistakable commitment of the other Latin American countries. As the United States learned in the Cuban missile crisis of 1962, the full support of the other American nations makes a substantial difference. Their expression to the Soviet Union and Cuba that foreign bases or armed camps in the hemisphere will not be tolerated would foreclose the option of mischief-making by playing off one part of the hemisphere against the other.

Negotiating with an avowed Marxist regime must start by taking their doctrine seriously. It is extremely dangerous to be naive about their historical perceptions. Their clear goal is to change the power structure of society. They consider time their ally. They may accommodate and retreat in order to consolidate power, but they will reassert themselves in due time. Mao called it "two steps forward, one step back." Fidel Castro did it when he had to. They know that if they can gain control for five years, they can make matters so complex that it will be almost impossible to oppose their rule. They realize, as Gibbon commented on the declining Roman Empire, that if the present societies do not alter their course, they will be "unable to protect themselves against their domestics and slaves."

On the other hand, it is impossible to conceive that the United States and the other Central American countries will ever consent to a Leninist dictatorship in the region. Only if the society is open to dissent and allows the people to have a say in their government does a negotiated solution seem possible. But that will require major concessions on all sides. In this context it would be a grave mistake to underestimate the determination of the Sandinista leadership. These are strong-willed people who have faced death many times in achieving what they have; they are not going to abandon their cause. If challenged, they will return to the hills, where they undoubtedly have arms caches, and continue the battle they began in 1962. They are confident that the underlying causes of the revolution will not disappear.

The role of the inter-American peace-keeping machinery is more problematic. Not only has it been seriously damaged in the last two years by the Malvinas War and now the Grenadian intervention, but it also is not designed to deal with the grave ideological issues that now confront the region. Its successes in recent decades were achieved largely through informal mechanisms for creating consensus among nations that shared similar value systems. This was evident in OAS actions throughout the 1950s and 1960s in response to the proliferation of exile and rebel activities intended to overthrow long-standing dictators, such as Trujillo in the Dominican Republic.

Today for the first time, the inter-American system is faced with issues in which the contending parties do not have the same view of the structure of society or of the value system which undergirds the OAS Charter. The system was spared such confrontations in the 1960s when it expelled Cuba. But today this conflict is raging throughout the hemisphere, and is further complicated by the role of the United States as one of the belligerents. Foreign Minister Rodrigo Lloreda Caicedo of Colombia expressed dismay that, "The solidarity of our countries was not enough to impress the strongest member of the inter-American crisis. It was necessary to resort to an ad hoc diplomatic effort known as the Contadora Group." He continued, citing the impotence of existing mechanisms which "became evident with recent events in the South Atlantic and Central America, since there is no institutional mechanism to handle efficiently these types of situations." Without a major change of attitude of the United States, the system is presently paralyzed.

It took decades to build inter-American machinery that would separate the contending parties, take disputes off the battlefield and into the halls for discussion and persuasion. That such a system can work when the nations have the will has been amply demonstrated. Without the political will, however, no dispute settlement machinery can function. The reality is that any peaceful solution to the present confrontation will, in the

atmosphere of profound distrust on all sides, require institutional machinery to supervise the agreements. The OAS and UN are the only agencies with the built-in institutional capacity to accomplish this. To keep the region's business within the region, the OAS' role will sooner or later be critical. Sensible policymakers would make every effort to keep the lines of communication open, identify common national interests, and strengthen the regional system's infrastructure for responding to the new dimensions of old problems.

Those Nicaraguans who seek to maintain a genuinely pluralistic and representative government are critical factors in the equation. They include the church and the many members of the private sector who have remained in Nicaragua. Their presence is a living testimony to their belief that the course of future events is not preordained. They are the only ones who can breathe life into an emerging pluralistic society. If they leave the country because they feel life there is no longer sustainable, there will be no one to dispute the internal issues even if the Sandinistas loosen the restraints on political opposition. Thus, these elements of society must be encouraged to remain in the country and to continue to speak out against the Sandinistas.

In this sense, the U.S. military action has been counter-productive. Given the internal dynamics of the revolution, the defections of Pastora, Robelo, Cruz, and others provided an opening to cause legitimate dissension within the nine-man directorate. But U.S. military pressure has aroused national pride and enabled the Sandinistas to take shelter in the popular resentment of the United States. Clearly, U.S. military pressure has made life difficult for them and has helped inject some sense of realism into their thinking. But unless such pressure is a component of an overall effort to achieve constructive policy goals, its disruptive effect may force compromise but it will also generate antagonisms that make enduring long term gains almost impossible. This may have the paradoxical effect of making the negotiations easier but the genuine reopening of the society illusory. Worse, every military measure that is not pressed to its final conclusion will have only limited effectiveness; if nothing happens, the Sandinistas would emerge stronger than before. They could claim, with some justification, that in the 1920s and 1930s when the United States did not like what was going on in Central America, they just moved in. In the 1980s, however, due to their arms buildup, the Sandinistas have moved beyond the reach of the United States. By abetting their arms buildup, United States will have established their credibility for them.

If military pressure will cause discomfort but will not overthrow the Sandinistas, what about the policy option of intervention? Unilateral U.S. intervention to counter what some consider a direct provocation to

U.S. national interests would have to be an act of desperation. It would be a disaster for three reasons. First, it would fail to address the realities of the issues. The crisis in Central America is essentially an ideological battle. The United States can intervene militarily, at great cost, but the fundamental problems are not going to go away. Unless the United States and the Central Americans deal with the root causes in 1984, they will still be fighting the same battle in 1994 and 2004. Second, there would be severe repercussions on other important U.S. policy goals. While the action might be applauded by certain sectors of Latin America in their "private" expressions to the United States, it would publicly alienate every government in the hemisphere. The greatest danger is that it would lead to a "business as usual" attitude and a resurgence of repression and militarism in the other countries which remain the major threats to the evolution of free societies.

Lastly, the historical record shows that U.S. intervention leads to even more radical insurrections in the future. The Dominican Republic in 1965 was the exception that proved the rule. That U.S. action was followed by sustained economic assistance. Even if the cost was nominal when measured against results, whether the U.S. Congress and public would have the will to support a similar commitment to Central America must be answered before United States gets involved in activities it is unable to complete.

Given the alternatives and the historical record of other countries in the region, the only viable option for any U.S. policy in Central America is the imperative of making democracy work better. With or without military pressure, the only way we will avoid prolonged instability is a major commitment to a sustained, meaningful effort to demonstrate that pluralistic and free societies can respond to the expectations of the people. This is no light commitment, since the economies of all these countries are presently desperate. The Reagan Administration's economic policy of trying to correct in three years what it claims to be three decades of errors, has seriously damaged the economic and political infrastructure of the region. As a consequence, unemployment is skyrocketing. This policy fails to take into account the fact that a functioning democracy must respond to multiple constituencies. No president of the United States would look forward to an election with the economy in such bad shape. Why should the Central Americans be any different? Substantial outside assistance will be necessary to crank up the machinery for economic development and integration if democracy is to have any chance to survive.

The major dilemma is that money alone is not the answer to development issues. During the Alliance for Progress the United States threw large

amounts of money and talent at the problems. While much was achieved, little changed. Following that experience, President Nixon tried a "low profile" approach of renouncing financial "paternalism" and relying on the self-motivation of Central Americans. Again, little was achieved. If the United States tries to throw money at the problem again, nothing will happen again. The problems in Central America are structural and motivational. The analogy with the Marshall Plan days in post-World War II Europe, where the human and technical resources were in place awaiting only the financial resources to enable them to produce, is irrelevant. In fact, considerable financial resources flow into the area now. The combined commitments of the World Bank and Inter-American Development Bank equalled over \$6 billion to the Americas in 1983, of which over \$2 billion went to the five Central American countries.

The technical core of the development problem is productivity. This requires motivating human resources, strengthening effective management and improving skills. The present nucleus of entrepreneurial groups is too small, and public administration too weak, to lift the societies out of the quagmire of underdevelopment. Central America faces the contradictions of skills shortages amidst labor surplus, capital outflows and corruption of the same people who are calling for help. In addition, uncontrolled population growth threatens every measure for improving the well-being of the people. Fifty percent of the population of Central America is under the age of 17. Jobs are needed now, and even more are needed in the future.

Thus, the emphasis in the development of Central America must be on reinforcing and motivating the human resources to do the job. More young people must gain skills to run their society, supply labor for industry and attract investment to create jobs. Incentives must be expanded to encourage the initiative of the small business and production nuclei. New territories must be opened to create new opportunities. The specific measures needed include:

(1) Initiate extensive training programs to give better skills to motivated young people, in addition to those already provided for training professional military leaders.

(2) Work with the church and labor unions to improve standards of living in their constituencies. Encourage the government to support and work through the priests in the rural areas, providing funding and support in their efforts to improve the well-being of the people. They are in the field, know the needs and can apply the resources with a minimum of red tape. The same should be done with the labor unions, together with extensive training programs.

(3) Enlist industry in Latin America and the United States to mount

sizeable internship programs to train government and private sector youth in the principles of efficiency and good administration before they develop bad habits. Fifty companies training fifty people per year would provide 2,500 better administrators annually. Such a program would not ask much of its sponsors and would make a substantial difference.

(4) Rejuvenate the Peace Corps concept to enlist and train thousands of U.S. citizens of Hispanic descent to go to Central America as teachers, paramedics, and small business technicians. Help the governments of the region initiate a parallel program so that their own youth can join.

(5) Open major lines of credit to the motivated small and micro businesses in poorer communities for better equipment and machinery.

(6) Mount a regional effort to open new territory to agriculture and land ownership through major improvements in roads and communications.

The other countries in the hemisphere must be included in a massive multilateral technical assistance effort to strengthen governmental machinery, infrastructure and administration. Applying U.S. aid through a type of OECD mechanism, whereby the governments of the region will be called upon to assume greater responsibility for management would provide an impetus for regional leadership. The United States must have confidence in the ability of its Central American neighbors to manage their own affairs, otherwise any development aid effort would fail to develop the necessary local leadership and enduring institutions.

The OAS machinery for horizontal cooperation enabling all the nations of the hemisphere to participate is vital. There is considerable talent in the hemisphere, and they understand the problems better than many U.S. experts. These individuals have far more to contribute than the United States may imagine, as Nicaragua had demonstrated in tapping the energies of its own youth. If the United States includes Latin Americans in comprehensive, constructive solutions, they will respond positively.

V. CONCLUSION

In sum, an analysis of the situation in Nicaragua yields the following balance sheet: A fragile Sandinista regime intent on reversing the power base of their society and with a mind bent on, sooner or later, training people of like mind in other countries; a vulnerable Nicaraguan economy suffering badly under the pressures of the United States and the current global recession and needing normal trade relations in order to survive; a U.S. policy of increasing military pressure with little prospect of overthrowing the Sandinista government without direct intervention; and increasing frustration and growing distrust among the other American countries who should be treated as friends and allies, not manipulated and patronized.

Given these conditions, a meaningful solution to the problems in Nicaragua and all of Central America, now and in the future, will have to include three major components:

(1) *Regional responsibility*. A deliberate effort is required to encourage the emergence of new regional leadership that will assume responsibility for dissuading the Sandinistas from intervening in other countries and will prepare the way for major changes to make democracy work in the other countries.

(2) *Disengagement*. Through regional institutions, a new base for political negotiations must be created to achieve verified disarmament and arms limitations, inter-American sponsored border supervision, withdrawal of all foreign advisors, and reciprocal renunciation of all attempts to meddle in the affairs of others.

(3) *Reconstruction*. A major effort is needed to rekindle the enthusiasm and motivation for free societies, achieve new levels of social and economic growth, revive the momentum toward economic integration, and maintain a concentrated and sustained effort to build up the human resources and motivation of the nations. The basis of future development action must be an OECD type of regional mechanism which will become a vehicle for community responsibility for joint development action cementing the commitment to free democratic institutions and respect for human rights.

Such policies will pay multiple dividends. First, they will begin to establish a more mature relationship between the United States and the rest of the American nations. Even if the United States should happen to "lose" the battle in Nicaragua, it would win the long-term war in the region. Second, they may begin to recapture some of the considerable energies that the Sandinistas, for example, are now generating. Third, they might establish the basis for a regional negotiated political solution in which the costs and benefits to all will be clear. Fourth, these policies would reduce the volatility of a nervous U.S. Congress and a bewildered public whose commitment to any other kind of solution would be questionable.

These steps must be taken not only because they are in the U.S. interest. They must be taken because democracy in Central America has been treated frivolously and is now being seriously challenged by an intelligent adversary on its home ground. H.L. Mencken once observed that for every complicated problem there is a solution that is simple, easy and wrong. In Central America in the latter part of the twentieth century no response is going to be simple and easy; but if it is intelligent, far-sighted and sensitive to the realities, it may be right.