New Guernica in El Salvador

The Elections

Legislative and municipal elections took place in El Salvador on March 31st. Contrary to most predictions that the Party of National Conciliation (PCN) and the National Republican Alliance (ARENA) would gain the majority of votes, the Christian Democratic Party (PDC) led by President Jose Napoleon Duarte won.

The elections took place in a country torn by terror and war, in a situation where whole regions did not vote, where the country's real opposition (the FMLN-FDR) did not participate, and where barely 40% of the voters turned out because of the general climate of insecurity (Le Monde, April 4, 1985). Despite the elections, El Salvador remains under martial law, labor strikes are banned, public demonstrations are prohibited and dozens of political prisoners remain in the country's jails. There can be no real democracy under these conditions.

The elections were intended in part to divert attention away from army massacres of the civilian population and death squad killings which have continued under Duarte's
rule. A report issued by the Salvadoran Commission for Human Rights shows that 474 people were murdered by government forces or death squads in the first two months of 1985. The United Nations Human Rights Commission has also dealt the regime another blow by recording in a resolution on March 13th that "violations of human rights are continuing in El Salvador" ("Two Sides of the Imperialist Policy").

The Reagan Administration's approach to the elections is to use the voting as a smokescreen to mask huge increases in military aid to the Salvadoran regime. As with the election of Duarte a year ago, the recent victory of the Christian Democrats in the legislative and municipal elections will be used by the administration to get bipartisan support for increases in military aid. According to the Central American Research Institute (CARIN): "Immediately following Duarte's election the House voted to reject any cuts or [the imposition of] substantial conditions and authorized the president's entire funding for fiscal year 1984 and 1985. Within seven months Congress appropriated more than half a billion dollars for El Salvador" ("Reagan Policy in El Salvador...").

It does not matter that part of the money is earmarked for non-military purposes — such money merely allows the Salvadoran government to "free" part of its nonmilitary budget and use it for military purposes, filling the gap with US aid. In other words, it is possible for the Salvadoran government to use all US aid for military purposes simply by redistributing its internal budget. Of the 1.7 billion dollars in US aid to El Salvador since 1981, 74% has been devoted to the war and war-related activities (Cockburn).

The FDR victory has served to diffuse US public opinion enough to allow a qualitative escalation of the war. "The United States has been organizing, supplying, overseeing, and in many cases actually executing the heaviest bombing and most ferocious aerial war ever seen in the Americas" (Cockburn). Elections and democratization are not the fundamental political realities of El Salvador. The basic fact of life in El Salvador today is the war and the US military aid which perpetuates it. The election of the Christian Democrats merely allows the Reagan Administration to present a favorable image of El Salvador in order to be able to gather funds and support for the bloodiest aerial war our hemisphere has ever seen.

The Escalating Air War

The US-sponsored air war in El Salvador was already a reality during the Presidential elections of 1984. During the month of March, while the American public watched televised reports about the progress of the electoral campaign and the elections themselves, the Air Force of El Salvador dropped an average of 30 bombs a day on civilian targets. In three small villages, according to the legal aid office of the Archdiocese of El Salvador, 235 people were killed in a 10 day period due to the bombings (Garcia). Overall, an estimated 300 people were killed by the Salvadoran armed forces during March 1984, the month of the elections (as opposed to 195 in February). The bombings decreased shortly after the elections only to intensify again in June. Maria Julia Hernandez of the Roman Catholic Church's Legal Oversight Office attributed the increase in deaths to the increased accuracy of the Salvadoran Air Force due to the initiation of US spy flights in late February (Ostertag).

Accounts gathered by US journalists such as this one by Chris Hedges corroborate these claims:

The Salvadoran Air Force has increased indiscriminate bombing raids in conflictive and guerrilla-held zones, according to residents and recently displaced people from the Cuscatlan and Cabañas provinces.

Air Strikes by A-37 "Dragonfly" jet fighter-bombers and Huey helicopters are now being made two or three times a day on and around Guazapa Volcano, those interviewed say: "We have little to eat because we are not able to grow
anything," says one woman standing in her house, half of which was destroyed by a bomb in February. "When we hear the noise of the planes," she says, "we run to take cover under the trees because they fire their machine guns and drop their bombs on the houses."

One tiny village in this area, La Escopeta, resembles a ghost town. Every structure appears to have been hit at least once by a bomb and many show signs of being strafed by machine-gun fire. Civilian residents in La Escopeta and displaced persons from other towns around Guazapa Volcano say entire villages have been abandoned in the past four weeks. "Towns such as El Zapote, El Corazal, Tres Ceras, Paloyo Grande, and Mirandilla no longer exist," one woman contends (Hedges, April 6, 1984).

The US military plays an indispensable role in the bombings, encompassing both reconnaissance operations and coordination of the air attacks themselves. The spy flights come out of Honduras. The US OV-1 "Mohawk" turboprop planes have infrared sensors that can spot groups of people or campfires from a height of 3,000 feet. The data collected by the "Mohawks" is sent via radio to the US Southern Command in Panama and relayed to the Pentagon where, after undergoing a complete analysis, it is transmitted via teletype to the Salvadoran headquarters at Ilopango, just outside San Salvador. The entire circuit, from the original sensing of information to the implementation of "recommended tactics" developed by the Pentagon, takes only two hours" (Garcia).

The bombs being dropped on the Salvadoran peasantry are of three kinds: 1) Demolition bombs of 550 pounds generally are used to destroy whole towns and people seeking refuge in air raid shelters. 2) Fragmentation bombs which explode before reaching the ground and send shrapnel over a wide area are used to hit concentrations of people, such as civilians fleeing zones of combat. 3) Incendiary bombs are used against crops and houses in order to destroy the sustenance of the peasantry. The use of Napalm and White Phosphorus in El Salvador has been documented. Dr. John Constable, a Harvard burn expert, identified burns in patients which he diagnosed as caused by napalm (Mutnick).

In 1985, the air war in El Salvador has intensified even further. The US-staged election of Jose Napoleon Duarte (followed by similar legislative elections) has helped the Reagan administration hide the dark truth of El Salvador behind the facade of a "democratically elected" government.* To the Salvadoran peasants it makes little difference that they are being bombarded by a "democratically elected" government. But the US Congress, more subtle than the Salvadoran peasants, knows very well how to distinguish between "democratic" and "non-democratic" bombing.

The bombings are part of an overall strategy of killing or relocating the peasants of El Salvador who support the guerrillas and constitute most of their ranks. In some areas, the Salvadoran army is carrying out a "scorched earth" policy designed to destroy the peasant villages and crops in order to destroy the food supply of the population and hence of the guerrillas. The air war merely provides another means, less costly in terms of the lives of the Salvadoran military, for carrying out the scorched earth policy. Americas Watch published a document in March, 1985 which extensively documents the continuation of massacres by the government and the increase in aerial warfare. It gives the details of recent massacres at the Gualain River and at Los Llanitos. The massacre at Los Llanitos was carried out by the US-trained elite Atlacatl Battalion, which is responsible, among other things, for the massacre of 700 persons in El Mozote in 1981. The recent decrease in death

*For the organization of the elections by the US, the role played by the US embassy in El Salvador in backing Duarte, and the expenses of the operation see: "El Salvador Elections Amidst War", Central American Bulletin, May, 1984.
squad killings has been more than compensated for by both the ravages of the aerial war and more "efficient" counterinsurgency tactics (Draining the Sea).

The Americas Watch Report states: "We believe that the purpose of the indiscriminate attacks by the Salvadoran armed forces in guerrilla-controlled zones of El Salvador is to force civilians to flee those zones, thereby depriving the guerillas of food" (Draining the Sea, p. 43). One military advisor observed, in relation to the scorched earth policy: "It is often not a question of separating the fish from the sea. They are all fish out there." Or, as US defense attaché Duryea admitted: "We are making life worse in the guerrilla-controlled zones by keeping constant pressure on them. This can't help but make the government areas more appealing to the population" (Burbach, p. 9).

The war against the peasantry also involves relocations of families to government-funded villages, or the clearing of FMLN presence from an area, the establishment of "civil defense units", and the conduct of "civic action projects". This effort is administered by the Commission for Reconstruction of Affected Areas (CONARA) ("El Salvador, Election Amidst War"). This is the Salvadoran equivalent of the "strategic hamlets" policy pursued by the US in Indochina. CONARA, for the most part, has not been successful. Other ways of establishing strategic hamlets are being tried. "Proyecto Mil" (Project One Thousand) is a scheme for the resettlement of the half a million displaced persons who have remained inside El Salvador in 1,000 villages that the government will construct for the purpose.

"Questions have been raised about whether these villages would resemble the 'model villages' in which some of the displaced in Guatemala have been resettled or the 'strategic hamlets' that the United States sponsored in Vietnam. In both cases, those programs involved systematic surveillance over and control of the residents" (Draining the Sea, p. 51).

Although introduction of U.S. troops is not probable in the near future, everything from the scorched earth to the strategic hamlet policies indicates that El Salvador is being progressively Vietnamese. As in Vietnam, the US government will have no qualms about bombing El Salvador "back to the stone age". Already over one fifth of the Salvadoran population of 5 million are refugees, which is proportionately higher than the corresponding figure in South Vietnam at the height of the war. (Cockburn) Massive bombardments are bound to affect the lives of thousands of individuals in the short run and potentially could alter basic human and ecological balance of the region for decades to come. What is at issue is not just the immediate human injustice being perpetrated, but also the long-lasting effects these bombs could have on an environment that should be able to support human life for future generations of Salvadorans.

The Silence of the Press

How is it possible that the bloodiest aerial war ever seen in the Western Hemisphere goes unpublished in the US press? In researching this article, we disregarded the warnings of one journalist (Cockburn) that the US press was virtually silent about the air war in El Salvador, and we proceeded to look for articles in the mainstream press and then in alternative sources. Most of the material we were able to find came from publications specializing in Central America (Alert, Central America Bulletin, Center for the Study of the Americas), from progressive newspapers (The Guardian) or from human rights organizations (Americas Watch). The Christian Science Monitor is the notable exception among "mainstream" publications.

The articles in the New York Times seem little more than a repetition of the favorite themes of the Reagan administration. The typical argument of the "international communist conspiracy" is presented in James LeMoyne's article of May 21, "Captured Salvadoran Rebel Papers List Training Overseas". The argument that the right wing is being progressively marginalized and replaced by the "reasonable" forces of Duarte is presented in "Salvadoran Right Hurt in Vote, Seem Aadir", again by Le Moyne. Le Moyne also claims that the gueril-
las are being defeated by sheer human rights progress in a May 14 article entitled "El Salvador puts Guerillas on the Defensive," which states: "Several changes have contributed to the decline of the rebel's fortunes. Their popular appeal has been dented by the growing strength of Salvadoran President Jose Napoleon Duarte and his moderate Christian Democrats. Officially backed death squad killings appear to have virtually ended, further strengthening the government's standing. President Reagan met with Mr. Duarte last week and hailed his heartwarming progress" (NYT, 5-14). About the aerial war and its effects on the population, not a word... 

What is going on in El Salvador, according to Cockburn, is a secret aerial war — that is, a war known to its victims, international observers, humanitarian organizations, foreign journalists and some radicals in the US, but otherwise not reported in the media of the US and therefore unknown to the majority of Americans. "All you need is a complacent or covard press and a mendacious State Department and the American people need scarcely know that repeats of My Lai and Operation Speedy Express are taking place not far south of Miami and are sponsored by their government" (Cockburn).

C.J. Ayala and F. Tigre

References

1) Nora Garcia, "Flying Death Squads: The


Notes on Recent News

(Original: Latin American Weekly Report, June 28 and July 5)

Peru—Sendero Luminoso continues to grow and to expand its military activities. APRA, the recently elected party, is scheduled to take office on July 28 and will "introduce measures in support of peasants, the workers, and the middle classes" in the hope of undercutting Sendero's support.

Brazil—President Sarney is promoting a land reform "to boost rural incomes, check migration to the cities, and increase food production". (The legislation for the reform was created, ironically, by the military dictatorship but was never implemented.)

Mexico—The ruling PRI (Institutional Revolutionary Party) is preparing for another election. Its principal opponent, PAN (Party of National Action), is seeking the votes of those who oppose the PRI although PAN is a conservative party promoting "free enterprise" with the United States.

Nicaragua—The United States House of Representatives voted June 27 to allow the President to order an invasion of Nicaragua without Congressional approval if 1) U.S. citizens, their possessions, or allies were under clear and present danger from Nicaragua; 2) If Nicaragua were to receive MiG fighters or nuclear weapons; or 3) if U.S. citizens or allies were hijacked or subjected to terrorism by Nicaragua. Nicaragua promptly went on an invasion alert. "The US special ambassador to Central America, Harry Shlaudeman, gave his opinion on the state of alert: 'Every three, four, or six months they return to this theme. No invasion has occurred and I think it is a psychological tactic'" (Mr. Shlaudeman's remarks make much more sense when we realize that the United States' frequent threats of invasion qualify more easily as a psychological tactic than the states of alert.)

Reagan's trade embargo seems to have a minimal effect on the activities of CUSLAR so far. It is still legal to travel to Nicaragua although the Nicaraguan airline, Aeronica, is no longer permitted to fly to Miami. Travel is still possible through Mexico, Honduras and El Salvador. Since the coffee marketed in the United States is processed in the Netherlands, the embargo does not cover it. Material aid is still legal, but it falls within the vagueness of the law. It can no longer be sent on U.S. ships to Nicaragua, so transportation may be a problem. However, given the tightening of Reagan's economic mose around the neck of the Nicaraguan economy, material aid is more necessary than ever. According to the Center for Constitutional Rights, the embargo does not exclude donations of money to Nicaragua and such items as food, clothing, and medicine, intended to be used to relieve human suffering.

Brooklyn in Syracuse

July 7 — Brooklyn Rivera, general coordinator of Misurasesa, told a Syracuse audience that he wants to return to negotiations with the FSLN (Sandinistas) sometime next month. By that time, he said, Misurasesa will be ready to submit its counter-proposal for autonomy of Nicaragua's Atlantic region. Rivera expressed scorn for the FSLN's last offer, saying that he would not agree to a cease-fire until the FSLN "shows clearly its sincerity and good faith." He and FSLN Comandante Luis Carrion agreed in Mexico City April 22 "to avoid offensive armed actions," which means, says one Misurasesa representative, "We won't come looking for them in their military installations, and they won't come looking for us in our villages" [May 1 report, Indian Law Resource Center].
NICARAGUA NOTES

(Source: La Voz de Nicaragua radio station bi-weekly English language news summary, Kansas City, Missouri.)

May 4 - In spite of the counterrevolution, 90% of the expected coffee crop was harvested, according to Commandante Jaime Wheelock, the Minister of Agricultural Development and Agrarian Reform. Also, the State agricultural enterprises (familiar to Ithacans who participate in the harvest brigades) are being reorganized so as to make them more efficient and productive.

May 18 - The Nicaraguan Foreign Ministry issued a communiqué which contradicts claims made by Salvadoran President Jose Napoleon Duarte, who stated that Salvadoran authorities had captured a Nicaraguan ship allegedly transporting arms to the guerrillas fighting the Salvadoran regime. "We categorically reject these false accusations, which are a part of the U.S. propaganda campaign against Nicaragua. Salvadoran officials later admitted that the 'captured ship' was a U.S. vessel.

May 24 - Members of the Costa Rican-based contra group ARDE have stated that they have taken weapons, including explosives, from the Salvadoran military base at Lopango. Salvadoran Air Force officers have revealed that materials and logistical support have been given to Eden Pastora, head of ARDE. It was stated that this assistance began one year ago and has been steadily increasing over the past several months.

June 1 - The Nicaraguan Foreign Ministry issued a communiqué rejecting the accusations by Costa Rica that Sandinista troops attacked a patrol of the Civil Guard. The communiqué also rejected the claim that soldiers of the Popular Sandinista Army have entered Costa Rican territory and criticized the government of San Jose, "which seems to be going along with the North American strategy to create artificial conflicts between the two countries in order to justify the U.S. military presence in Costa Rica."

June 2 - The Minister of Defense, Comandante Humberto Ortega, affirmed that the Costa Rican Civil Guard patrol fell into an ambush set up by members of ARDE, led by Ernesto Chamorro, and that Costa Rican authorities knew about the ambush in advance but blamed it on the Sandinista Army.

Two Colombians are now saying that US officials, working through intermediaries, tried to get them to implicate Nicaragua in international drug trafficking. A Madrid court is investigating the allegations. The two remain in jail, awaiting a decision on their extradition to the United States.

The Canadian Foreign Ministry announced that Canada will initiate an assistance program for Nicaragua amounting to $11 million and that Canadian products could replace those that Nicaragua can no longer receive under the US trade embargo. (The Nicaraguan government is moving its trade office from Miami to Toronto.)

June 15 — A group of somocista mercenaries attacked a cooperative near Quialil in Nueva Segovia, killing 5 militia members and wounding 3 civilians. That same day, another cooperative, located near Witwil, was attacked and 8 campesinos were wounded. Among those wounded by Reagan's "brothers" were six children younger than 3 years of age.

The Nicaraguan embassy in Washington D.C. was the target of an attack on June 20. Unidentified persons threw an explosive device against the embassy building, causing a fire which resulted in material damages amounting to some $50,000.
Latin America's External Debt: Part II

Introduction

This article is the second of a two-part series. Last month’s article provided a brief overview of the debt situation of the underdeveloped countries (UDCs), described the policies of the International Monetary Fund (IMF) and World Bank, and gave a brief history of the accumulation of UDC debt during the period between WWII and the oil price increase of 1973.

This month’s article brings the history of UDC debt accumulation up to the present. The first section describes the period of expanding international indebtedness during the 1970’s. The second section describes the period of crisis which caught the attention of the US media with Mexico’s 1982 moratorium on repayments of principal. Particular attention is focused in this section on who has been hurt by the debt crisis so far, whether banks, developed country taxpayers, UDC populations in general, or UDC indigenous capitalists. The concluding section discusses the stability of current international financial arrangements and considers several possibilities for future developments.

The Rise of the Euromarket

Since its inception at the end of WWII, the IMF has encouraged poor countries to seek "sustainable flows" of capital from the developed world to solve both their balance-of-payments and development difficulties (cf. last month’s article). These flows can take the form either of loans or of direct private investment. In theory, this imported capital is supposed to be invested in productive activities which yield earnings sufficient to pay profits, or interest and amortization, and still leave something for the poor borrower. In practice, imported capital has repeatedly served only to exchange current foreign exchange problems for future ones. With each new crunch, the IMF has been called in to arrange for "ever larger...credit flows from the industrial countries." (Payer II, p. 9). Like the "get rich quick" pyramid schemes of confidence operators, this system of international finance is only stable so long as the total amount of new loans each year is expanding. The significance of the current crisis is that the limit has finally been reached; new funds are no longer available in sufficient quantities.

UDC foreign indebtedness increased tenfold between 1965 and 1981. Just as significant, the proportion of UDC debt owed to commercial banks, rather than to governments or multilateral organizations (like the IMF or World Bank) also mushroomed over the last two decades. One banker, writing in 1984, estimated that "...in 1973 the UDC's owed about $40 billion to the world's banks, representing a third of their indebtedness. Today they owe the banks $325 billion, nearly one half the total." (Bevan, p.33) This trend has also been evident in Latin America. Between 1965 and 1976 the proportion of Latin American debt owed to commercial banks increased fourfold, from 12 to 47 per cent (Poverty Brokers, p.4).

The increase in total lending to the UDC's and the increasing share of commercial bank lending in that total, arose from a number of factors, including a lack of profitable investment opportunities, and consequent sluggish investment demand in the developed world (Dewitt and Petras, p. 194). The "Euromarket", in which banks operate outside the framework of national borders, provided the channels through which commercial bank funds reached the UDC's.

The Euromarket began to develop in the late 1960's, a number of years before the first oil price increase. The 1973 quadrupling and 1979 doubling of oil prices accelerated its development in several ways. First, the price increases increased the needs of UDC's for foreign exchange to buy oil, thus pressuring them to turn to foreign borrowing. Wood (p. 12) cites an estimate that between 1974 and 1982, UDC's "paid $260 billion more for oil imports than they would have if oil prices had simply
risen at the same rate as the U.S. wholesale price index." He goes on to note that "...this sum amounts to over one half of the increase in external indebtedness of these countries since these years."

Second, the price rises facilitated the concentration of funds for lending. While some poor and populous OPEC nations, like Nigeria, had no trouble consuming their increased income, a number of OPEC nations quickly accumulated vast liquid reserves. Saudi Arabia, for example, with a population of only 10 million, accumulated $15.0 billion in liquid assets between 1973 and 1983. The bulk of these assets were placed on deposit with Western banks, allowing for "petro-dollar recycling" through the Euromarket. The IMF also participated in "recycling" by borrowing money from the oil surplus nations to finance its Oil Facility and relending the funds with low conditionality to countries insufficiently "credit-worthy" to interest the commercial banks.

"Petro-dollar recycling" to the UDC's provided commercial banks with immense profit-making opportunities. It also served a less obvious function for the developed capitalist world by maintaining UDC demand for developed country exports. Capital imports allowed the UDCs to continue importing not only oil, but also manufactured goods and agricultural staples (like U.S. wheat) from the OECD (Organization for Economic Cooperation and Development, which includes all the developed capitalist countries) nations. In the three years immediately following the first price increase, 1974-7, the non-OPEC UDC's ran a balance of payments deficit of $63.5 billion with the OECD countries, a large sum even when compared with their deficits of $75.5 billion with OPEC. UDC indebtedness, or the imports which it made possible, postponed the period of painful adjustment to the oil price increases for the rich nations as well as for the poor. In effect, the rich countries got the poor countries to do some of their anti-recessionary deficit spending for them.

The increased availability of commercial bank funds meant that for several years the IMF and World Bank were relatively eclipsed. UDCs were able to borrow significant sums without the strings or conditions which attached to loans from the IMF, World Bank, or developed country governments. Socialist countries, including Cuba and a number of Eastern European countries, were able to gain access to Western capital for the first time without unacceptable interference with their economic policies. Many UDC's used commercial bank funds to invest in state enterprises and import substitution industries which the multi-lateral institutions and developed country governments had been unwilling to support. The share of state enterprises in the economies of the third world as a whole increased by nearly 30% during the 1970's (Wood, p. 16). Many UDC's took advantage of their relative freedom from developed country oversight to pass nationalist economic measures, such as "local content" provisions (requiring that a certain proportion of local materials be used in products assembled in and then re-exported from the country) and requirements that a given proportion of managerial staff be citizens of the UDC.

While admitting that substantial amounts of UDC debt were used to finance "...luxury consumption, capital-flight, financial speculation, and arms imports..." Wood cites "...a range of studies...which show that most commercial borrowing by third-world countries was invested in productive enterprises." (Wood, p. 15). He further argues that conditionality-free commercial bank lending lessened the dependence of UDC economies on multinational corporations.

For Latin America, for example, the Interamerican Development Bank has concluded that the public sector was the main beneficiary of Euromarket expansion, and its data indicate that foreign investment's share of external capital flows to Latin America fell by 30 per cent between 1971-73 and the end of the decade. (Wood, p. 16)
Certainly, the 1960's and 1970's saw substantial rates of industrialization and economic growth in a number of UDC countries. The pattern was especially marked in the two largest debtors, Mexico and Brazil. The fruits of economic growth were, of course, very unevenly distributed. A handful of "newly industrializing countries" (a statistical category defined by the World Bank) accounted for the greater part of the growth. These countries increased their share of gross world product from 5.1 to 7.7 per cent, while the share of the low income countries fell from 8.1 to 4.8 per cent (Wood, p. 16). Within the high-growth countries, the upper classes benefited disproportionately. Nevertheless, it appeared during the 1960's and 1970's that a certain amount of economic power had dispersed from the developed capitalist countries to the traditionally dominated periphery. As will be seen below, the debt crisis has provided the developed capitalist world with the opportunity to launch a coordinated campaign against these changes.

Whatever the short-term effects, indebtedness to the commercial banks increased UDC vulnerability in a number of ways which were predictably destructive of their economic independence. Using borrowed foreign capital requires emphasis on the export sector in order to earn the foreign exchange to service the debt. This, in turn, necessarily and predictably implies vulnerability to the vagaries of the international market which are determined largely by decisions made by the governments of the developed countries. This vulnerability was immensely increased by the fact that 75 per cent of commercial bank loans to UDCs have been contracted at floating interest rates. This means that the risk associated with interest rate fluctuations has been transferred from the lenders to the borrowers. When interest rates rise, the borrowing nations must pay more. Each 1 per cent increase in LIBOR (the London Interbank Offering Rate, the rate at which banks lend to each other) adds at least $2.5 billion (Wood, p. 19, places the figure at $4 billion) to the annual debt service burden of the UDCs. Thus UDCs are at the mercy of interest rates determined primarily by the size of the US budget deficit and the monetary policies of the US Federal Reserve.

A number of factors converged in the early 1980's to lay bare the underlying vulnerability of the UDCs to world economic conditions. "...There was a consensus about the immediate causes of the developing country debt crisis. These were the prolonged recession in the wake of the second oil shock in 1979, the high level of interest rates, and a sharp downward swing in volatile commodity prices." (Delamande, p. 27)

At the time of the first oil price shock, interest rates were actually lower than the rate of inflation. This implies that real interest rates were negative. Real interest rates remained low throughout the 1970's. However, Reagan administration policies spelled the end of low interest rates. Commitments to defense spending required immense budget deficits, which pushed up interest rates by attracting funds to treasury bonds. At the same time, the commitment to battling inflation, whatever the social costs, led the administration to contract the money supply, increasing nominal interest rates at the same time as inflation fell, thus increasing real interest rates from both ends (see Table 3). According to the 1984 Economic Report of the President, real interest rates jumped from 1.8% in 1980 to 10.9% in 1982.

Non-oil primary commodity prices, which had increased 25% per year on average in 1979 and 1980 (Delamande, p. 28), dropped again in 1981. The beef which Argentina exports, for example, fell from $2.25 per kilo in the second quarter of 1980 to $1.60 per kilo by the end of 1981. Sugar fell from 79 cents per kilo to 27 cents per kilo, and copper from $2.61 per kilo to $1.66 per kilo during the same period.

Meanwhile, the recession meant that the OECD nations cut back on imports. World trade stagnated in 1980-81, and fell in 1982 (Delamande, p. 27). The export markets of the UDC's shrank accordingly.

Those with money in third world nations demonstrated their appreciation of the precarious position of their nations' economies by transferring their resources out of their countries as quickly as possible. The Bank for Intern-
national Settlements estimated that Latin Americans alone sent $5.5 billion in capital flight to the developed countries between 1978 and 1983.

Commercial banks, faced with this untenable situation, finally began to get skittish about new lending. In 1981, bank lending to non-OPEC UDCs exceeded the previous year’s total by $1.50 billion. During the second quarter of 1982, lending to non-OPEC UDCs grew by only $1.3 billion. By the last quarter of 1982, lending actually fell by $300 million (Honeywell).

Table 3

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The Crisis

Although the rescheduling of the external debts of four Eastern European nations preceded it by a year, Mexico’s 1982 declaration of a moratorium on principal repayments, followed rapidly by rescheduling requests from 5 other Latin American nations (Argentina, Brazil, Ecuador, Bolivia, and Uruguay) provided the psychological shock which brought home the reality of the debt crisis to Americans. For one thing, the exposure of U.S. banks in Latin America was much higher than their exposure had been in Eastern Europe. Latin America is also a more important trading partner of the U.S. Finally, the quantities involved were greater. Mexico, Argentina, and Brazil owe some $200 billion among them. Poland, the largest Eastern European debtor, owes only $24 billion.

Bankers seeking to minimize the extent of the debt crisis sometimes speak of their “MBA problem”, where “MBA” refers to Mexico, Brazil, and Argentina. The bankers argue that the crisis can be localized to these three countries because no other single country is large enough to threaten the health of the major banks by its default. However, from the standpoint of the populations of the UDCs, the suffering and loss of independence caused by the debt crisis are nearly universal. Between 1979 and 1983, 21 UDC countries rescheduled their debt to governments. Twenty-six rescheduled their commercial bank debt (Wood, p. 10). Additional countries avoided rescheduling only by submitting to IMF or World Bank managed “adjustment” programs. Sixty-seven countries classified by the World Bank as “less-developed” negotiated “high conditionality” agreements with the IMF or World Bank in fiscal years 1980-83. Between them, these countries accounted for 75% of the gross domestic product of all UDC’s (Wood, p. 23).

The universality of the debt crisis has ushered in an era of unprecedented influence for the IMF. When UDCs have run into difficulties servicing their debts, their creditors have immediately called upon the IMF to serve as disciplinarian. Indeed, as early as 1975, the banks were routinely insisting in loan contracts that the borrowing UDC remain.
in good standing with the IMF (Payer II, p. 3). Capital flows of all types, bank loans, private investment, bilateral and multilateral aid, are increasingly linked to certification of creditworthiness by the IMF. The U.S. bank regulatory agencies have endorsed this increased role for the IMF by declaring that the rating of the quality of bank loans to countries outside the IMF pale will automatically be downgraded. This is important since these quality ratings determine the amount of reserves that banks must hold.

The IMF has used its expanded influence to enforce upon the debtor nations a package of economic policies known as "conditionality" which closely follow the model developed by Cheryl Payer in 1974. This conditionality combines two elements: austerity and trade and investment policies. Austerity entails both devaluation of the exchange rate and domestic anti-inflationary programs, including cuts in social services and government employment. The quite predictable result is a decrease in the standard of living of the borrowing nation, accompanied by recession and unemployment.

IMF-imposed trade and investment policies require borrowing nations to make their economies more open to foreign trade and investment. Countries are "encouraged" to be hospitable to investments by developed country corporations. Emphasis is placed on developing the export sector in order to earn foreign exchange. At the same time, the IMF insists on the removal of foreign exchange and import controls designed to conserve foreign exchange. (1)

The results of conditionality for the countries subjected to it are far-reaching. They include:

1. reinforced dependence on capital imports from the developed nations,
2. increased vulnerability to world economic conditions including commodity price fluctuations, developed country protectionism, recessionary cycles, and interest rate fluctuations,
3. increased penetration of the economy by multinational corporations to the detriment if indigenous capitalists,
4. decreased role for state enterprises,
5. dismantling of social welfare programs,
6. increased unemployment and decreased wage levels.

All these effects the IMF euphemistically refers to as the "adjustment process". The IMF's managing director, de Larosiere, boasted in 1984 that "adjustment is now virtually universal...Never before has there been such an extensive yet convergent adjustment effort." (cited in Wood, p. 23).

In return for subjecting itself to conditionality, new loans are extended to the debtor nation. In the debt crises of individual nations in the 1950's and 1960's the IMF itself provided most of the capital. In the current crises,
the sums required are too large for the IMF to raise alone, even with the increase in IMF quotas which Congress passed after considerable controversy in 1983. In addition, the IMF has found it necessary to act to prevent panicked withdrawal of funds on the part of banks acting as uncoordinated individual institutions. Such a panicked withdrawal, which would inevitably lead to country defaults and bank failures, is the specter most feared by the IMF and banks. (2) The IMF has therefore resorted to what Payer describes as "bailing-in" the banks (Payer II, p.4), that is, requiring each bank to provide new loans to the UDC in question equal to a given percentage of its total outstanding loans to the country before the IMF will certify the country as credit-worthy. This new role for the IMF as disciplinarian of the banks as well as the debtors first emerged in the 1982 rescheduling of Mexico's debt. It now has become standard practice.

Despite the pressure of the IMF on banks to continue lending to the UDC's, new loans are no longer keeping pace with interest and amortization payments. "The thirteen biggest third-world debtors repaid $21 billion more in 1983 than they received in new loans. For all developing countries net transfer is estimated by the World Bank to have been minus $11 billion." (Wood, p. 11) If we consider total capital inflows, including both loans and direct investment, and total capital outflows, including both debt service and profit remittances, the extent of the transfer of capital from the poor to the rich nations is even more appalling. The ECLA (U.N. Economic Commission on Latin America) estimates of capital flows to and from Latin America for 1981-83 are given in Table 4. ECLA places the net remittance in 1983 at $29.5 billion. This sum is equivalent to 4% of Latin America's total GNP. The cruel myth of developing painlessly on borrowed capital has been laid bare. The (still) poor nations are exporting capital to the rich nations on a massive scale.

For the populations of the debtor nations these developments have, of course, spelled hardship. Latin America has been the hardest hit. According to the Interamerican Development Bank (IADB):

*By 1982, seven countries in the region saw a full decade of rising incomes wiped out, as their per capita gross domestic products fell to 1972 levels or lower. Estimates indicate that for the region as a whole per capita gross domestic product levels in 1983 were lower than in 1977, and in some countries as low as in the 1960's.* (cited in Wood, p.10) The IADB estimated that 30% of Latin America's labor force was unemployed in 1983 (Wood, p. 10) and ECLA estimated that Latin America's per capita income fell by 5.6% in 1983 (Manchester Guardian, March 30, "The Stranglehold of Debt").

Apart from generally deleterious effects on the economy, the nature of "adjustment" implies that precisely those changes will be made in government policy which are best calculated to injure the poor and working classes. The IMF pressures governments to reduce spending on social welfare programs, public transportation, and subsidies of food, fuel and other necessities. The removal of food and fuel subsidies in the Dominican Republic unleashed protests whose suppression left more than 60 people dead. Of course, neither the IMF nor the governments of the debtor nations consider cutting spending on the military and police, since these are more than ever required to control angry, hungry, and unemployed populations. The IMF insists that governments hold down wages, and insofar as possible,

<table>
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<tr>
<th>Year</th>
<th>Inflows Loans and Investment</th>
<th>Outflows Debt Service &amp; Profit Payments</th>
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<tr>
<td>1981</td>
<td>$38 billion</td>
<td>$29.1 billion</td>
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<td>1982</td>
<td>$16.6 billion</td>
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<tr>
<td>1983</td>
<td>$4.5 billion</td>
<td>$34.0 billion</td>
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(Source: Manchester Guardian, March 30, 1984, "The Stranglehold of Debt")
reduce the power of organized labor. De la Madrid's government in Mexico has held wage increases to 2.5% despite the 100% inflation. Brazil's parliament was coerced into passing the November, 1983 Labor laws (which remove indexing of wage levels to inflation) after failure to meet inflation targets agreed upon with the IMF resulted in suspension of an IMF credit installment and subsequent renegotiation. The motivation behind aid flows has always been to avoid social revolution, ostensibly by ameliorating economic conditions somewhat, and certainly by gaining influence for the aid giver to shape the economy and society of the recipient. However, the content of "conditionality" and "adjustment" goes beyond the traditional goals of aid by embodying an inflexible resistance to any attempt at moderate social and economic reforms. The possibility of a "capitalist path" to a halfway decent society, if it ever existed, has receded in the UDC's as the debt crisis has unfolded.(3) The debt crisis has meant massive suffering for the populations of the underdeveloped nations. It has also imposed a moderate burden on the taxpayers of the developed countries who paid for the 1983 increase in IMF funding, as well as for the various loans from governments and quasigovernmental institutions like the Bank for International Settlements which rescheduling packages have included. Opposition in Congress to the increase in IMF funding focused on the argument that the money was being used to save the banks from the consequences of their own unsound lending practices. And, indeed, it is true that the banks alone have avoided so far bearing any portion of the costs imposed by the crisis. So far, in fact, the debt crisis has meant for the banks increased profits from the penalties and fees imposed on UDC's in return for rescheduling. Wood cites a 1983 study commissioned by the Group of Thirty (a grouping of developed country creditor governments) which found that on average, "restructured debt is yielding banks about 2 percent a year more than the terms on which the debt was originally calculated." (Wood, p. 21) This translates into $1.75 billion a year above what the banks could have earned without restructuring. (4) The banks have also succeeded in holding UDC governments responsible for debts contracted by state enterprises, even in cases where domestic law explicitly released the central government from responsibility. Central governments have even been held responsible for the debts of private firms, in some cases directly, and in some cases by including in rescheduling agreements provisions requiring the government to make foreign exchange available to private firms at a subsidized rate.

On the other hand, the longer-term prospects of the banks remain insecure. Despite the reassuring statements of bankers and IMF officials that the crisis has been resolved, the value of bank stock has "fallen drastically" (Wood, p. 7). No informed observer seriously believes the UDC's have achieved long-term solvency through the most recent round of rescheduling. Brazilian Planning Minister Deirigm was quoted as saying "We are getting one rescheduling after the other, rolling the debt over and over again," while Finance Minister Galves was even more explicit about the "never-never" nature of Brazilian solvency. "Everybody knows that we will never repay the principal of the debt. What we do is to pay the interest, and when we need more money the banks must give it to us." (both quotes from Manchester Guardian, June 21, 1984). If it is this situation continues, the banks need not worry. As Arthur Lewis has noted, "A customer who insists on repaying is just a nuisance who is putting the banker to the trouble of finding another customer" (cited in Wood, p. 20). The frightening question for the banks is whether it is politically conceivable that the long-suffering populations of the UDC's will allow their governments to squeeze them the money to pay interest to the banks into eternity. Default or repudiation by one of the major debtors, or by a group of the smaller debtors, would be disastrous for the banks.

The need of the banks to avoid default or repudiation theoretically should afford the debtor nations some room for manoeuvre within the current international financial system. Argentina's new democratic government, saddled with a debt contracted (often for corrupt purposes) by the brutal military dictatorship
of the Junta, has made the most serious attempt to exploit the exposed position of the banks for its own advantage. Argentina's refusal in June, 1984 to pay $500 million in delayed interest payments in time to save banks from having to report the related loans as nonperforming made headlines in the developed nations. The $500 million payment was not the point. The point was that the banks did not wish to be forced to write-off the entire sum of the loans as bad debts against their profits and equity. The action was designed as a reminder that the developed nations needed to avoid default through rescheduling quite as much as did the UDC's. Argentina hoped to win in this way more lenient terms during rescheduling negotiations.

Argentina was also the moving spirit behind efforts in 1984 to establish a united front among debtor nations in dealings with their creditors. In May of 1984 the Presidents of Argentina, Brazil, Venezuela, Colombia, Ecuador, and Peru signed a public letter condemning high interest rates. In June, the debtor's conference, attended by 10 Latin American countries, took place in Cartagena, Colombia. The conference produced several suggestions for debt relief including an interest rate cap, the limiting of debt service to some fixed proportion of export earnings, the lifting of OECD restrictions on UDC exports, and the rescheduling of debt maturities over much longer periods in order to avoid annual amortization payments. If implemented, these proposals would substantially reduce the burden of debt service to the debtor nations. Unfortunately, Cartagena produced no concrete plan for cooperation among the debtor nations to achieve any of these goals. To date, none of the proposals put forward at Cartagena have, in fact, been implemented (5). The nations attending Cartagena have concluded separate agreements with their creditors. Argentina, in fact, has done so twice. Failure to meet inflation targets specified in its initial agreement with the IMF resulted in withholding of an IMF credit installment. Argentina was forced back to the negotiating table and has recently concluded an agreement with the IMF which includes considerably harsher conditions than did the first agreement.

Possible Directions for the Future

As we have seen, from the standpoint of the UDC's, current international financial arrangements are depressingly bleak. The economies of the UDC's are subject to the dictates of the IMF to an unprecedented degree. Unemployment and inflation are high, while incomes are low. The gains which several countries made in the 1960's and 1970's in terms of economic growth and independent development are being reversed. Immediate prospects of debtor cooperation have receded as even Argentina has been driven back to the negotiating table.

However, despite IMF and bank claims to the contrary, the prospects of long-term stability for current arrangements are virtually nil. Under the nearly universal process of IMF-inspired "adjustment" the debtor nations are all simultaneously attempting to earn the money to service their debts by expanding exports. Without a large increase in imports by the developed nations, which there is little prospect of realizing, this can only lead to fruitless competition among the UDC nations for finite export markets. Certainly, in the United States, a 1984 trade deficit of $123.4 billion (up 78% from 1983), giving rise to protectionist pressures from labor and management alike, makes it extremely unlikely that an increase of imports from the UDC's of the necessary magnitude will be forthcoming. (See, for e.g. NYT April 8, 1985 "Battles Loom over Imports") Thus it is extremely likely that "Debt Crisis II" will hit the headlines in the next couple of years.

Since current arrangements are unstable, the interesting question is what arrangements are likely to replace them.

One "rearrangement" which accompanied many previous debt crises was the coming to power of right wing military governments. In Latin America, such coups are unlikely to occur. On the contrary, Uruguay, Brazil, Argentina, and Peru have all made the transition back to elected civilian governments simultaneously with the rescheduling of their debts. The explanation is twofold. For one thing, the U.S., alive to public opinion both at
home and in Western Europe, no longer looks as favorably on military or ultra-right wing governments as it once did. In Bolivia, a phone call from the U.S. ambassador halted an abortive coup attempt last year; the U.S. strongly backed Duarte against the ultra-right wing D'Abuisson in El Salvador, and even in Guatemala, a facade of elections is now insisted upon. (None of this prevented the Bolivian government from using troops to put down the March general strike, El Salvador from waging a brutal war against the rural civilian population, or Guatemala from forcibly relocating its peasantry to prison-like villages under military guard.) In addition to this U.S. "change of heart," in many Latin American nations, military governments were responsible for creating the most recent debt mess (thus debunking the myth that repressive governments are better economic managers than less repressive ones). The military is therefore not in a good position to claim that it can put the nations' economic houses in order. Perhaps, having created the mess, the generals are just as happy to retire to the barracks, leaving civilian politicians the thankless task of trying to straighten it out.

The proposals in the mainstream press by those writers responsible enough to recognize that the debt crisis is as yet unresolved focus on two alternatives: that U.S. and/or Western European taxpayers pay for debt relief, or that the banks exchange their debt for equity, in effect converting the loans into direct investments (see, for example, Manchester Guardian June 9, 1984 "The rich nations will have to do more than just talk about the poorer nations' problems" for description of "debt for equity" schemes). The first type of proposal represents a return to the traditional view of aid—the rich nations would buy the continued dependence and quiescence of the UDCs. The second type represents a more radically colonialist view—the rich nations would buy the UDCs' themselves. Understandably, "debt for equity" schemes have met a chilly reception from governments in the UDCs, though Grupo Industrial Alfa, Mexico's largest private company, exchanged 30% of its foreign debt for stock. More informally, considerable denationalization of UDC economies has been occurring as multinationals have quietly made purchases.

"Citicorp's senior advisor for international operations has observed that in the major debtor countries that have experienced serious economic contraction, "you can buy for a song most of the valuable industrial capacity that exists in these countries." (Wood, p. 26).

The snag with proposals for using taxpayers' money to provide debt relief is that the required sums are very large and there is considerable political opposition to their provision. A $200 billion increase in the U.S. budget deficit, for instance, would be no small matter. As for proposals to exchange debt for equity, one hopes that the snag would be their unacceptability in the debtor nations.

It is also possible that with the renewed crisis, cooperation among the debtor nations to negotiate a better deal within the framework of existing financial structures along the lines of the Cartagena proposals may reemerge. Banks, and/or developed country taxpayers would pay for the relief provided by such proposals.

The remaining alternative is that of repudiation or default by the debtor nations. Traditional wisdom maintains that the costs of repudiation in terms of loss of access to credit and severing of trade ties are too large for it to be a viable alternative. However, the major debtors are already net exporters of capital, losing access to credit cannot hurt them any more. And for some countries, like Bolivia, austerity is already so intense that it is hard to imagine that austerity could entail more suffering for their populations. Payer argues that the current crisis offers the UDCs' "...tangible opportunities to restructure their economies along more autonomous lines and to build...ties of South-South exchanges..." (Payer II, p. 9) On the other hand, the rich and powerful in these nations depend on their Western ties, economically and also for protection against their own populations. The path Payer advocates would require sacrifice and discipline which a privileged ruling class cannot expect of the population it exploits. Furthermore, even where a UDC government has its people's support, the case of Nicaragua demonstrates that the weapons of the capitalist
nations are not only political and economic. UDC's considering repudiation in the future will have to assess the costs of economic and possible military retaliation by the developed nations very carefully. One thing is certain, UDC's living under the terms of IMF conditionality will find it impossible to institute the trade and currency controls needed to discipline their consumption of imports so as to eliminate dependence on external borrowing. In the longer run, they will find obstacles placed in the way of organizing their economies so as to provide for the needs of their populations from domestic production without reliance on imports. The options of the UDC's will be severely limited so long as they remain within the current international financial order.

Rachel Kreier

Footnotes

1. If this sounds contradictory, that's because it is. See last month's article for a more detailed discussion of conditionality and its rationales.

2. Such a scenario is by no means far-fetched. The drying-up of short term lines of credit to Brazil in the wake of the Mexican moratorium was the immediate cause of that country's need for rescheduling.

3. Costa Rica, for example, long cited as evidence that the reformist, capitalist path could succeed, is increasingly unstable. Its standard of living is falling, its social welfare programs are being dismantled, and it is under great pressure from the U.S. to militarize.

4. This treatment of the UDC's is exactly the opposite of bank practice with corporations. The banks make concessions on interest rates to private firms in difficulties on the theory that the bank has a stake in preventing their bankruptcy.

5. Bolivia, whose GNP declined by 30% in 1984, has unilaterally established the principal that no more than 25% of the value of exports be spent on servicing the debt. (See "General Strike in Bolivia" in the May Newsletter).

6. Nicaragua, it is interesting to note, has scrupulously avoided repudiating the large debt it inherited from the Somoza regime.

References

Delamside, Honeywell, and Payer I from last month's article


Payer, Charyl, "The IMF in the 1980's: What has it learned; What have we learned about it?", Third World Review, vol. 1, no. 1, 1985

New York Times

Manchester Guardian

London Times
Guatemala: 1985 Year of Your Return

This is the slogan for the Guatemalan Support Group for Relatives of the Disappeared/Groupe de Apoyo Mutuo (GAM). It represents their hope that some day soon the "desaparecidos" will return to their lives. The group is similar to the Mothers and Grandmothers of the Disappeared in Argentina whose determined and steadfast resistance to the Argentinian dictatorship brought worldwide attention and far reaching effects.

The GAM, begun one year ago, is trying to make the Guatemalan government accountable for the thousands of trade unionists and peasant, Indian and student leaders who have disappeared in recent years, and to bring the issue of human rights in Guatemala to the forefront internationally.

Letter From Guatemala

Peace Brigades International (PBI) is an organization which offers international support to nonviolent, nonpartisan efforts to further justice and peace in conflict areas. Dan Anstett, from Toronto, is currently a member of PBI's Guatemala Team. He had previously spent a year living and working with Guatemalan refugees in Chiapas, Mexico and now is doing support work for the GAM.

"Have been doing a lot of work here with the relatives of the disappeared — attending meetings and demonstrations as an international observer (offering protection) — have also done some translating (with the press releases and when having international guests, I'll translate the stories people tell of what happened to their relatives.) I have been trying to help get information out to the world on this group.

"The energy and commitment of this group continues to amaze me. They have had a busy month and will continue to organize weekly demonstrations seeing the need to make the issue of the disappeared well known and upfront, hoping that somehow, somewhere, a solution, a break, may finally appear... The women are fully aware of this coming year's elections and the effect these may well have on their group. They fear the newly elected government will wash its hands of all past disappearances as something of 'another era'. Evidence of this was already obvious when the UN Human Rights Commissioner, Victorio Colville said the women (GAM) were 'dealing with an issue of the past'. The women failed to see any political savvy in this statement and have resolved to escalate their opposition to the present government's special commission. (A tri-party commission composed of the vice-minister of state, the vice-minister of defense, and the attorney general was set up on November 12 by the president to deal with the group's demands.) The group feels the next six months are vital ones in their daily struggle to see their loved ones again, and to make known the over three thousand disappearances in 1984 that are very much a thing of the present for them and will not be forgotten or ignored.

"On January 8 GAM held a silent vigil outside the U.S. Embassy. Over two hundred stood with determination at the shining new embassy complex on Guatemala's elite Avenida de la Reforma. Many in the group were Indian women who knelt calmly, at peace with themselves for having made their long journey to the Capitol. Harry Schlaudemann, the U.S. special ambassador to Central America was supposed to arrive at the embassy but his plans were suddenly changed with the group's presence. In fact, the entire embassy was immediately closed for the day. This vigil was the first such protest at the embassy in over twenty years."

Spring Actions and Repression

In March, 100 GAM members occupied the Constituent Assembly for two hours when
it was to vote on a motion to place the category of political prisoners in its constitution. They voted instead to refer the question to the Bar Association and Supreme Court but maintained an executive branch veto over any recommendation.

In a press conference the day before, the Guatemalan Chief of State General Mejia Vicioses denounced the Mutual Support Group as subversives and said that the people that they claim as disappeared have either joined the guerillas or have gone to the United States to work as braceros (migrant farm workers or factory workers).

Soon after, death threats to GAM leadership became a sad reality. Two of the organization’s four officers have been killed and another forced to flee the country. On March 30, Hector Orlando Gomez was kidnapped by armed men. He was found dead the next day with bullet wounds, his head smashed and tongue cut out. On April 5, Maria del Rosario Godoy was found dead in her car at the bottom of a ravine, along with her brother and infant son. Doctors confirmed that the three died of asphyxiation.

Nevertheless, on April 13 a thousand people marched on the national palace to support demands for the immediate release of all the kidnapped and disappeared. Despite the tense atmosphere the demonstration took place without incident.

International Support for the Grupo de Apoyo Mutuo

As information about GAM has been spread from Central America a number of support activities have been devised. You can help by:

- Sending this or a similar message to General Oscar Humberto Mejia Vicioses, Jefe de Estado; Lic. Gustavo Adolfo Lopez Sandoval, Minister of Gobernacion; Lic. Fernando Andrade Diaz-Durn, Minister of Foreign Relations; all at the Palacio Nacional, Zone 1, Guatemala City, Guatemala: “Respect the rights of the Mutual Support Group. Publicly produce disappeared or detained persons alive. Abstain from repression of the GAM, who are nonviolent people and are only searching for their relatives.”

- Adopting a “Desaparecido”. When you donate $5 or more to the Finding campaign, you receive a handwoven bracelet with a commemorative card telling you the name and circumstances of one of the thousands of people disappeared in Guatemala. Wear the bracelet. Tell people what it means to you. Your personal testimony about the tragedy of disappearances in Guatemala is one of the most important contributions you can make.

There will be an information table about the Finding campaign in the ABC cafe on July 16 and July 23 from 4pm to 6pm. Call or visit the CUSLAR office for information at other times.

Tom Joyce

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Calendar

July 2 - July 28
ABC Cafe
Guatemala: Women and Repression
Photographs and placards by Marilyn Anderson

July 15, 7pm
ABC Cafe
Guatemalan dinner to benefit Guatemalan
Women’s Textile Cooperatives

July 15, 8:30pm
ABC Cafe
Weaving and Repression in Guatemala
Slide Show by Marilyn Anderson

July 15, 9:15pm
ABC Cafe
Raffle Drawing (Prizes of Guatemalan Handicrafts)

July 19, 7pm
One World Room
Anabel Taylor
Welcome the Sanctuary Caravan at a dish to pass
dinner followed by a presentation by two Guatemalan
artists

July 19, 9pm
130 Sears St.
Celebrate the 6th anniversary of the triumph of
the Nicaraguan Revolution - music, dancing, slides

July 20, 10am
Founders Room
Anabel Taylor
Sanctuary Press Conference with Guatemalans
Caravan continues to Syracuse

July 20, 2pm
Stewart Park
CUSLAR & Latinoamericanos Por la Paz y la No Intervencion

July 20, 10am
Syracuse
Network gathering for Upstate antidraft activists at 213
Cambridge St. Call Karen (315 478 8521) for info.

1-4pm
Syracuse
Upstate Resistance picnic at amphitheater of
Thornden Park

Aug 10, 10am
40th anniversary of bombing of Hiroshima & Nagasaki.

CUSLAR

The Committee on U.S./Latin American Relations (CUSLAR) is a Cornell University-based group which works in Ithaca and the surrounding area to promote a greater understanding of Latin America and the Caribbean. We are particularly concerned with the role of the United States in influencing the social, political, and economic conditions of the region.

The CUSLAR office is in G-29 Anabel Taylor Hall at Cornell. (256 7293) The office is open to the community on weekdays. Weekly meetings are held on Mondays at 5pm in Anabel Taylor.