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30 Years of Solidarity with the Nicaraguan People

US Millennium Challenge Funds Canceled European Budget Support on Hold

by Katherine Hoyt

Nicaraguan Foreign Minister Samuel Santos said on June 10 that the government's dialogue with the group of donors known as the Budget Support Group had had "no results," leaving up in the air US\$60 million in support for Nicaragua's budget for fiscal 2008 and an unspecified amount for fiscal 2009 which begins July 1. The Budget Support Group is composed of the European Commission of the EU, the United Kingdom, Finland, Switzerland, Germany, the Netherlands, Norway, the Inter-American Development Bank and the World Bank. Budget support funds are important to a country's budget because they can be used wherever they are needed.

One of the conditions set by the donors for renewal of the budget support funds, according to Bayardo Arce, economic advisor to President Daniel Ortega, "is perfecting the electoral system and that includes reviewing the composition of the Supreme Electoral Council (CSE)." Evidently a change in the electoral system that includes the independence of the CSE has emerged as a possible way out of the logjam that emerged when opposition parties and groups alleged fraud in the municipal elections of Nov. 2008 and donor countries suspended aid.

The CSE and Ortega have denied fraud and have said that there is no possibility of revisiting the elections where mayors and city councils have now been in office for months. It is unclear whether the Ortega government would accept this proposal which looks to the future rather than the past and, in fact, whether it is the only condition for renewal of Budget Support aid or if there are other conditions as well.

In the case of the U.S. government's Millennium Challenge Corporation money, which was also suspended after



Jobs for rural road improvement were among those lost when Millennium Challenge Grant funds were cut off.

the Nov. 2008 elections, the decision was made on June 10 to cancel future aid to Nicaragua under the program. Projects already contracted will continue but US\$62 million for projects not yet contracted will not be disbursed and no funds will be allocated for the coming year. Acting Chief Executive Officer for the MCC Board Rodney Bent said, "Although the Board would like to continue in full MCC's support for Nicaragua's economic development, we remain committed to upholding MCC's funding principles of working with those countries whose governments actively demonstrate a commitment to democracy and the rule of law."

Ortega responded to the announcement by saying that the aid was canceled because "we don't do what the yanqui wants; the yanqui wanted for mayor of Managua someone who had stolen from the people [Eduardo Montealegre] and the people chose Alexis Argüello." On June 12, Ortega announced the creation of the

ALBA-Solidaria Program as a mechanism to use the funds from the cooperative trade association ALBA to complete the programs that will not be carried out because of the cancellation of the MCC funds.

Montealegre answered saying, "We all know that it is a lie that the funds from [Venezuelan President] Hugo Chavez are going to arrive to benefit the people. They are going to finance the give-aways to Ortega supporters and businesses close to the presidential family." The United Nations Food and Agriculture Organization recently affirmed Ortega government programs had reduced malnutrition from 52% to 22% in its two years in office calling it the greatest increase in food security in Central America.

Arce told journalists that U.S. officials had said that of all the countries that were beneficiaries of the MCA program, Nicaragua was the most efficient and

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responsible in its execution of the projects. Therefore, he added, the decision was based entirely on politics. He said, “The decision is incorrect because our management has been efficient; it is unjust because the basis for making the judgment is that supposedly there was fraud in the electoral process, which they themselves did not verify.”

The Nicaraguan-American Chamber of Commerce lamented the cancellation and wrote to U.S. Secretary of State Hilary Clinton saying that the organization would hope to see the aid “automatically renewed” if the next elections (scheduled for 2011) are free and fair.

The Nicaragua Network rejects US and other foreign interference in Nicaragua’s sovereign affairs. Claims of fraud, except in a handful of precincts, were not submitted through legal channels by which a determination of their merits could have been adjudicated. That makes it impossible for outside observers to make a judgment about whether a significant level of fraud existed. Opponents of the Ortega government instead “tried” their claims in the media and foreign capitals, in some cases calling for aid to be cut to their own country which remains the second poorest in Latin America.

The Nicaragua Network mobilized grassroots actions focused on the Millennium Challenge board, unsuccessfully making the argument that cutting development aid would only hurt the poor. Other U.S. assistance, which does not have the political conditions that the Bush administration put on the Millennium Challenge funds, has continued to Ortega government anti-poverty programs.

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Boycott Flor de Caña Sugar Workers Turn up the Heat

In April 2009 the Flor de Caña Boycott Group in Nicaragua launched a boycott against the famous Nicaraguan rum. The boycott is in solidarity with former sugar cane workers who are members of the Nicaraguan Association of Those Affected by Chronic Renal Insufficiency (ANAIRC), sickened by exposure to toxic chemicals, bad water and long days in the sun. The group has been targeting its campaign to the Pellas Group and to international rum distributors.

For sample letters, visit the Nicaragua Network web site at

www.nicanet.org.

More than 480 people – the number keeps constantly increasing — have joined in a Facebook group [<http://www.facebook.com/group.php?gid=76399022845>] to express their support for this cause. The idea is to keep up the pressure, to force these companies to change their labor logic and agree to negotiate a reparations package for the former sugar cane workers, and for the widows of ANAIRC, whose husbands died

from IRC. For the last two months, the members of ANAIRC have been camping out in the center of Managua demanding a dialogue with the Pellas Group which has



A mother watches the last of her four sugar-working sons die from Chronic Renal Insufficiency.

ignored their demand for negotiations.

To read an interview with Carmen Rios, president of ANAIRC, go here: <http://www.nicanet.org/wp-content/uploads/2009/05/156-sugar-workers.pdf>

Through the Alternative Mesoamerican Communications website at <http://rcam.ws/leer.php/8809162>, the Flor de Caña Boycott Group announced a new campaign of letters that seeks to strengthen the protest.

The campaign web site explains: “In Nicaragua, a holding company by the name Pellas Group has a sugar cane plantation and mill called the Ingenio San Antonio. This plantation produces the raw material for making Flor de Caña rum. The labor conditions and the use of pesticides on the plantation have sentenced to death more than 3,000 former workers, besides contaminating the water, lands and the air of the western part of the country.”

“This holding company,” – says the text, “is Nicaragua’s most powerful, and it is very difficult to get it to change its corporate practices, above all because

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it fashions itself a responsible and pro-environment business, buying public opinion through corporate social responsibility programs. For this reason, we request people's solidarity through protest and dissemination of the message.”

The members of the group believe that at this point it is important to get those companies that are importing and distributing Flor de Caña around the world involved in the campaign. For that reason they have prepared letters translated into different languages, so that each person who wants to show his or her indignation about what is happening and let his or her protest be known, can write to Compañía Licorera de Nicaragua SA, and to the importers and distributors of Flor de Caña rum in their respective countries.

On May 29, under pressure from the international campaign, Nicaragua Sugar Estates president Carlos Pellas promised to collaborate in the building of a hospital to treat kidney ailments such as the CRI which affects thousands of former sugar workers. He also promised to guarantee the jobs of the company's current workers in light of the boycott and said the company would participate in a commission along with government officials to investigate the causes of the kidney failures so prevalent in the western part of Nicaragua where the majority of the nation's sugar plantations are located.

ANAIRC members continue to live in their Managua tent encampment waiting for the Pellas Group to respond to their repeated demands for dialogue.

For sample letters to the Compañía Licorera and to the distributor for the United States, visit the Nicaragua Network web site at www.nicanet.org.

The letters list a series of claims having to do with labor, human rights and the environment. Among them:

- 1) Contamination of land and water of the western part of Nicaragua (Chichigalpa), where the Ingenio San Antonio is located. This is due to the excessive use of toxic agricultural products in the region.
- 2) Air contamination, due to the irresponsible burning of the sugar cane fields as a common planting/harvesting practice in the western part of Nicaragua (Chichigalpa), where the Ingenio San Antonio is located.
- 3) Contamination of workers at the Ingenio San Antonio through fumigation with toxic agricultural products. This,

Bad smell in L.A. Nemagon Ruling

*An interview with writer Vicent Boix
By Giorgio Trucchi [Translated by
Katherine Hoyt]*

Introduction

More than 15 years have gone by since former banana workers affected by DBCP—Nemagon or Fumazone—began to take their first steps to get the transnational corporations that have produced, sold and applied this mortally toxic agrochemical to take responsibility for tens of thousands of resulting sicknesses and deaths.

It has been a long history of struggle and hope, one that was a symbol of resistance in the face of transnational power and its exploitative economic model. But it was also a history of divisions, fights, and insults among the groups of affected workers, lawyers, and politicians which, in the end, weakened the process of achieving worker demands.

In 2007, a jury of the Superior Court of Los Angeles, CA, found two U.S. transnational corporations, Dow Chemical Company and Dole Fruit Company, Inc., responsible for causing sterility of Nicaraguan workers because of direct exposure to Nemagon and awarded US\$3.3 million to six of 12 claimants.

Then, in a second historic decision, Dole was asked to pay an additional US\$2.5 million to five of the six in

along with other questionable labor practices (such as an excessive number of hours working under the sun) has contributed to workers developing Chronic Renal Insufficiency (IRC), a disease which has already killed more than 3,000 people in that zone of Nicaragua.

4) The proscription of independent labor unions, allowing only those that are “company unions” sponsored by the businesses of the Pellas Group (Compañía Licorera de Nicaragua and Nicaragua Sugar Estates Ltd, proprietor of the Ingenio San Antonio).

The letter to the Compañía Licorera urges the company to review and change environmentally hazardous practices regarding the use of chemicals and the burning of sugar cane fields (among others), to welcome independent studies of water, land and air quality at the Ingenio San Antonio and its vicinity and, lastly, to sit down and dialogue with the former workers organized through ANAIRC.

punitive damages. However, this second damage award was thrown out by Judge Victoria Gerrard Chaney. The workers' U.S. attorney Juan Jose Dominguez, and his collaborator in Nicaragua, Antonio Hernandez, have appealed that decision.

Because of these historic decisions, the lawyers decided to present other cases in Los Angeles, but what happened was catastrophic.

To try to understand this very complicated and unexpected situation which could put an end to the hopes of thousands of affected workers, I talked with Vicent Boix, a writer and journalist who recently published the book [El parque de las hamacas](#) ([The Park of the Hammocks](#)), the story of the painful and combative history of the former banana workers of Nicaragua and Central America.

Interview:

Q. Last week [April 21, 2009] Judge Victoria G. Cheney decided to throw out two cases [Mejia vs. Dole Food and Rivera vs. Dole Food] related to banana workers affected by Nemagon, saying that there was fraud and attempted extortion, presentation of false evidence and the organization of a machinery to falsify reality and that the Nicaraguan judicial system was involved. How much consideration does this decision merit?

The decision of Judge Chaney is important because it creates a precedent for DBCP cases. It foments skepticism among other judges who could have cases come before them related to this chemical and, in general, it can influence other cases not related to DBCP where the plaintiffs come from the Global South. For that reason, I believe that this ruling cannot be seen as an isolated case, but rather should be thought of as one that can impact future cases.

Since the 1980s, numerous claims related to DBCP have been initiated in the United States. All moved ahead normally and with respect for the ones supposedly affected and for their countries. In the 1990s, there were cases heard in the U.S. brought by more than 20,000 workers and never did a U.S. judge see the “ghosts” that Judge Chaney saw. This judge, in these two cases, which included only 80 plaintiffs, saw a grand conspiracy.

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Q. Do you see anything strange in this case? For example in the attack on Nicaraguan Special Law 364 [which established a legal procedure under which former banana workers could sue companies for damages to their health]?

One of the things that most calls out for attention is that the judge not only threw out two cases from the Los Angeles court, but she also attacked open cases in Nicaragua and insulted some of the judges, calling them corrupt. I don't know what proofs she might have to go so far.

Her interpretations of the facts about Law 364 are erroneous and they make me think that she did not read the rulings handed down by Judge Socorro Toruño of the court in Chinandega. If she had read them, she would have realized that the companies could have defended themselves but they did not deposit the surety required by the law. She would have realized that evidence could have been presented over a period of months and the case actually dragged on for years.

Q. She referred to 27 witnesses who testified behind closed doors for security reasons because they received threats. They all said that they were prepared and trained to give false testimony in court, that they never were banana workers, and that the lab analyses were falsified...

This is another curious aspect of this case. We should first mention that this whole proceeding was in secret, due to the fact that the companies convinced the judge that the 27 witnesses had been threatened. This indicates that they remained anonymous and also that attorney Juan Jose Dominguez and his associates could not defend themselves in normal conditions. I am surprised that so much credit could be given to these anonymous witnesses. It is of fundamental importance to know who they are because the attempts by Dole to wheedle supposedly affected banana workers are public and notorious.

Q. What are you referring to?

One of the best known cases was the change in attitude of the leadership of ASOTRAEXDAN, the organization of affected workers that in the past was the most committed and combative. They went from organizing giant marches and sit-ins to sitting down at the same table with Dole.



Many former banana workers, victims of the pesticide Nemagon, live in this camp in Managua to draw attention to their plight. Now, former sugar workers suffering from Chronic Renal Insufficiency live in a very similar camp

But there is still another case that cries out to the heavens. On June 9, 2006, Joe Fisher II, a district court judge in Jefferson County, Texas, issued an order to stop the contacts that Dole was having with affected workers in Nicaragua who had signed on with the law firm Provost and Umphrey. Dole was trying to convince them to withdraw their suit and instead urge the repeal of Law 364. Judge Fisher recognized that Dole should not be negotiating with affected workers who had lawyers representing them. Are any of these 27 anonymous witnesses in that situation? What if they are part of ASOTRAEXDAN?

Judge Chaney definitely did not take into account these factors which demonstrate just how far Dole is willing to go to get its way. Several affected workers protested in Nicaragua that Dole kept contacting them. These omissions are incredible; the judge should not have ignored this evidence.

Q. Do you believe, then, that Dole has a definite strategy for getting out of these cases that have been tormenting the company for decades?

It's nothing more than a suspicion since I can't corroborate it. Evidently Dole finds itself with the water up to its neck. The legal battle over DBCP was practically lost [for the workers] in the 1990s, but in recent years the workers and their lawyers were achieving very important advances, in Nicaragua and in the United States. Besides, we have to take into account that there are suits by Costa Ricans,

Hondurans, Panamanians, Africans, etc. That's why the ruling by Victoria Chaney has international implications. All of the facts, if you analyze them, have a logical sequence and just one objective: to sink the legal cases.

Q. Judge Chaney has begun to send reports to other judges who are working on other cases related to Nemagon in other cities, such as in Miami, where a case was put on hold. Could her ruling put an end to all the suits?

I hope not. And actually, I see this as an unmistakable sign that Dole feels it is losing the DBCP battle. I presume that an appeal can be made because, as I said, this first ruling has some very strange aspects.

Q. How much weight should be given to the fact that in recent years the struggle of the banana workers has been in the hands of lawyers and not of those who were affected by the pesticide?

I believe that success in the DBCP case has always been fought on two fronts. One was formed by the lawyers who kept up the fight in their offices and in the courts. The other front was the workers' struggle, the objective of which was to maintain cohesion, get news to the media, internationalize the struggle and, above all, stay alert at times when the struggle was at risk. In that setting, the workers in Nicaragua defended, for example, Law 364 from all attempts to repeal it.

Sadly, right now there is no group of organized affected workers and it is noticeable. If one existed, it

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could dialogue with and pressure the government to react to the surprising and denigrating declarations of Judge Chaney. Also, an organization could have garnered the support of Nicaraguan civil society.

Q. The struggle of the Nicaraguan banana workers has gone around the world, but right now it seems that there is not much interest in the media, in society, or in the political sphere, in what just happened in the US.

It is lamentable how the banana workers have been abandoned in their own country. Nicaragua is living through a period of collective catharsis, due to the serious confrontation between the Sandinista Front and the other political forces. This fratricidal dispute is damaging the image of the country and feeding declarations such as that made by Judge Chaney.

I am surprised by the silence of civil society which before gave support to the DBCP struggle. I fear that certain sectors of the opposition, especially some socio-political organizations, have kept silent about Cheney's statements because what the California judge said goes in the same direction as what they are saying. Nevertheless, the victims of this whole mess are the workers affected by Nemagon. The silence [of civil society] affects them [the workers].

Q. What role should the Nicaraguan state play at this moment?

The administration of Daniel Ortega should have reacted quickly to the decisions of a judge who not only closed off the options for justice for thousands of Nicaraguans who were exposed to a proven poison, but who also seriously insulted Nicaraguan institutions and laws.

Nicaraguan banana workers win case, in Venezuela!

The Supreme Court of Venezuela (Civil Panel) has ordered the Venezuelan subsidiaries of Shell Chemical Company, Dole Food Company, and Dow Chemical Company to pay compensation to 98 former banana workers who worked on 16 Nicaraguan banana plantations for damage to their health resulting from exposure to the pesticide DBCP, also known as Nemagon and Fumazone. The ruling was made based on a procedure under which the Venezuelan court can enforce a ruling made by a foreign court. In this case the court was the Second District Civil Court of Managua, presided over by Judge Vida Benavente whose decision dated from 2004. The Venezuelan court ruling was issued on May 4.

Former banana workers who hope to benefit from the decision expressed joy at the news. They have been represented by the law firm of Walter Gutierrez and his lawyers Angel Espinoza and Boanerges Ojeda. Benjamin Chavez, a leader of the group, said that it was a historic decision that means that justice has arrived for the victims. The Venezuelan court decision, written by Justice Luis Ortiz, accepted the argument of the Central Americans that, while the companies involved had no assets in Nicaragua, they could be required to pay plaintiffs with assets in Venezuela.

Suspend CAFTA; Stop Panama and Colombia Accords!

By Katherine Hoyt

[This paper was presented on a panel at the LASC-NACLA teach-in at the Univ. of Calif, Berkeley on May 2.]

With the Congress considering trade agreements with Panama and Colombia that are equally as bad as NAFTA and CAFTA, it is a good time to review the story of CAFTA and to demand its suspension!

President George W. Bush announced that he would seek a free trade agreement with the countries of Central America during a visit to San Salvador on March 24, 2002, which was the 22nd anniversary of the assassination of Catholic Archbishop Oscar Romero, a defender of the poor, by U.S. supported death squad members. The announcement, coming as it did on the anniversary of Romero's death, angered and energized activists in Central America and in the United States. Coalitions formed in both regions

Q. The subtitle of your book is "The chemical that hits the poor." Is it the poor who are hit the hardest in this new chapter of the history of Nemagon?

It is. Once again, the poor were the most affected in this long story. In the 1990s, U.S. Senator Patrick Leahy, who knows about the DBCP cases, said publically that the countries of the Global South were treated like garbage dumps and their people like guinea pigs. Starting today and thanks to Judge Chaney, along with being guinea pigs, the affected workers are considered corrupt fraudsters.



Cincinnati activists protest outside CAFTA trade talks.

to oppose the agreement as the ground was laid by the governments involved for the negotiations which would take place throughout 2003.

Within the opposition in both the North and the South, there were two tendencies: the "rechazo total" or total rejection folks, and the "seat at the table" folks. We in the total rejection group believed that the free trade model was flawed beyond any attempt to improve it. The members of what would become the Stop CAFTA Coalition included the Nicaragua Network, the Committee in Solidarity with the People of El Salvador (CISPES), the Network in Solidarity with Guatemala (NISGUA), Witness for Peace, Quest for Peace, and others, including local groups like the Marin Task Force. We worked with our partners in Central America to get the message out about just how damaging the agreement was likely to be.

The seat at the table folks felt that since the various governments had promised civil society involvement, they would take them up on it and make proposals for a better trade agreement. "Seat at the table" folks included the AFL-CIO, the Sierra Club, and others, and in Central America, the members of the CID Initiative. In the end we all ended up on the same page because the negotiators rejected all of the proposals of the "seat at the table" folks.

As you probably know the Dominican

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Fight for Real Democracy

By James Jordan

Jordan is co-coordinator of the Alliance for Global Justice.

The most important conflict in the world today is between neoliberal democracy and participatory democracy.

The historical meaning of liberal, as in liberal democracy, is the idea that the cornerstone right in democracy is the right to own and exploit private property for personal profit. During the rise of capitalism, this was not a necessarily unprogressive point of view. The fight for property rights and the right to profit was part and parcel of dismantling the systems of feudalism and nobility.

But liberalism never was as progressive as the common understanding of democracy; the idea of “one person, one vote” or the idea that “the people rule.” The fact is that in the earliest days of our country’s history, not only were slaves and women denied the right to vote, but also anyone who did not own a qualifying amount of property. Even today, one can see that property and wealth reign supreme.

Even before the bulk of us get to vote on candidates, there is a pre-primary, primary where corporate interests and political bosses choose a slate of candidates that we are then allowed to choose between. I can assure you that there has rarely, if ever, been a person elected as a Senator or Governor or President in this country who did not have the preapproval and the backing of certain sections of the propertied and the wealthy. Liberal democracy as well undermines the political organization and the voice of the community through the use of gerrymandered districts that are carved out by ruling powers so as to keep certain political tendencies in power, rather than to reflect actual community-based cohesion.

Marc Plattner is a Vice President of the US government funded National Endowment for Democracy. He tells us that, “Liberal democracy clearly favors the economic arrangements that foster globalization—namely, the market economy and an open international trading system....Liberalism is based on the natural rights and the desire for property....From the outset modern liberal democracy has been identified with a substantial freeing up of the economic

sphere. For [philosopher John] Locke, ‘the great and chief end’ for which men unite under government ‘is the preservation of their property’....Thus at its very foundations, liberal democracy is bound up with a view that, while insisting on the indispensability of the political, in some sense puts it in the service of the



Robert Nast Harpers Weekly political corruption cartoon. What would he think about the state of US democracy today?

economic.”

In this age of dwindling resources and decreased personal buying power and shrinking markets, big corporations are doing everything they can to gain access to natural resources, cheap labor, and new markets. Hence, neoliberalism is the idea that transnational, global corporations should be able to go anywhere on the face of the planet to exploit resources and bring home mega-profits to their shareholders and CEOs. The purpose of neoliberal democracy is to make sure that governments are in place that are friendly to big corporations and to the political and military aims of the US government as the protector and guarantor of transnational corporate rights. So when we hear about US government Democracy Promotion programs, we have to understand that these programs are part and parcel of a campaign to protect corporate interests backed up by military coercion.

Plattner spells this out in plain language: “Globalization has fostered democratization, and democratization

has fostered globalization. Moreover, both trends generally have furthered American interests and contributed to the strengthening of American power....It is worth emphasizing that the international order that sustains globalization is underpinned by American military predominance.”

So there you have it. Neoliberal democracy has substituted the idea of “one person, one vote,” with “one dollar, one vote.” And the ones with most the dollars are the transnational corporations.

However, we see emerging in Latin America today an alternative form of democracy — participatory democracy. This is not an entirely new form. We have seen examples and roots of this democracy through the ages, including examples such as the Six Nations Iroquois Confederacy, the Paris Commune of 1871, the early years of Tanzania’s independence, based on African concepts of community called Ujamaa, and the first five years of the Nicaraguan Revolution when popular organizations elected their representatives to the Council of State. Today, in Latin America, widely varied experiments in participatory democracy are breaking out in many countries, ranging from the autonomous movements of the Zapatistas in Mexico to the Bolivarian Revolution in Venezuela, and again in Nicaragua with the return of the FSLN to power.

In Venezuela, for the first time, there are 33,000 Community Councils involved in every aspect of local decision-making and development. Venezuela has been developing hundreds of thousands of agricultural and other kinds of cooperative ventures and there is a movement of workers to take over and run factories that is actually favored by the government. Social programs for housing, health care, education, community media development and more are not only funded by the government, but they are implemented and run at the most basic, neighborhood levels.

So what is participatory democracy? It is a form of democracy that centers political decision-making and the implementation and direction of government programs in natural, organic community structures. Most importantly, it regards the resources of a nation — the natural, labor, and market and distribution

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Community Councils in Venezuela bring democracy to the level where people can articulate their own needs and priorities.

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resources — as being inseparable from the communities with which they are intertwined.

Thus there is a fundamental conflict between neoliberal and participatory democracy. Whereas neoliberal democracy sees land and resources as property to be privatized and exploited for the profit of a wealthy elite with little or no connection to the land, participatory democracy sees land and resources as part and parcel of the community — a community that is completely integrated into its host ecosystem. Undoubtedly, the people who live in an ecosystem are going to develop resources in a more sustainable way than will any transnational corporation.

The big objection that the neoliberals make to participatory democracy is that it can lead to a kind of mob rule and the denial of inalienable rights. But for hundreds of years, indigenous people in Bolivia were ruled over by a European-descended minority. It took a participatory democratic movement to bring to power an indigenous movement and President. It took participatory democracy in Venezuela to reduce the poverty rate by 20% through more equitable sharing of the oil wealth. Under participatory democracy, union membership has doubled in Venezuela, and workers councils have direct power in implementing government programs. So the track record for protecting rights seems to be better with participatory democracy than with the liberal and neoliberal varieties.

What has elitist rule brought us here

in the United States and the Americas? It brought us a North American Free Trade Agreement that has been destroying family farms and rural communities in Mexico, the United States, and Canada and led to the militarization of our Southern border. It has created a new trail of tears of Mexican migrants from these rural areas seeking jobs as second-class workers with few rights. It brought us a war for oil in Iraq. It has brought us the current health care “reform” debate in which the majority support of the people for single payer healthcare is “off the table” because the insurance companies are the ones with the votes that count.

It is worth noting, too, that the militarization of the border and the Iraq war have done little for the people but much for these elite rulers and profit-mongers. Boeing Aircraft was operating at a loss until the US invaded Iraq and until the border wall started getting built — bringing it lucrative contracts. And every year since the invasion of Iraq, Exxon Mobil has broken world records for the huge profits it has turned.

The truth is, those in power try to scare us with phrases like “mob rule” and the implication that we are not fit for self-government. Well—participatory democracy is not perfect. In fact, it’s a grand and fluid experiment that will have its ups and downs. What this struggle is really about is communities and resources. Neoliberalism is theft. It is the theft of resources from communities and it is the theft of the very life and spirit of these communities. It is fundamentally against everything we think of as democracy.

The fact is that the United States government is involved in activities around the world that it calls Democracy Promotion programs, but which are really about influencing and manipulating elections in other countries. When that doesn’t work, they are willing to outright overthrow them, if need be, like they did in Haiti, Bulgaria, Mongolia and like

they tried to do in Venezuela. There are a variety of institutions that carry out these programs.

For instance, the Millennium Challenge Corporation (MCC) gives billions of dollars each year to impoverished nations for much needed aid. However, to get that aid, countries must agree to a checklist of austerity and “good government” measures entitled “Ruling Justly,” “Encouraging Economic Freedom,” and “Investing in People” that are graded and assessed by the MCC. The United States Agency for International Development, or USAID, is another government institution that funds vital, important aid programs, but it also funds campaigns and political parties in other countries and is thus deeply involved in manipulating governments and elections.

These and other organizations, however, also serve legitimate and important purposes in providing much needed aid. In that sense, they are reformable on some level. But for the misnamed National Endowment for Democracy, its one and only purpose is the manipulation of electoral processes around the world. In Latin America its interference is directed almost entirely at defeating the emergence of participatory democracy and returning Latin America to its status as the United States’ backyard and a transnational corporate playground.

Let’s quickly review a few examples of the NED’s handiwork: The NED...

- * ...spent more than \$20 per voter in Nicaragua in 1990—more than had been spent by both candidates in the 1988 US Presidential election!
- * ...funded and set up meetings between organizations involved in the 2002 attempts to overthrow the elected government of Venezuela and has spent more than \$30 million dollars trying to influence various elections there.
- * ...funds far right parties in Eastern Europe, even working with convicted Nazi collaborators like László Pasztor, of the NED funded Free Congress Foundation.
- * ...funded, created, and trained most of the groups involved in the overthrow of Haiti’s elected government in 2004, through its core institute, the International Republican Institute, chaired by John McCain. This led to the bloodiest year in Haiti in modern history.
- * ...spends almost half its budget in support of the occupation of Iraq.
- * ...funded the Cuban American National

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Foundation, which, in turn, funded a series of terrorists bombings of hotels and restaurants in Havana during the late 1990s.

*...directly violated Mexican law by advising the campaigns of Vicente Fox in 2000 and Felipe Calderon in 2006, helping steal the elections from Center-Left candidates in what are widely believed to have been rigged elections.

*...handpicked an opposition candidate to run for President in Belarus in 2006, then declared the election a fraud when he lost, even though their own polls showed the candidate only had single digit support.

The NED was founded in 1983 by an act of Congress and it is 95% funded by US taxes. However, the law that created the NED also designated it as a private organization. Therefore, it receives no significant or detailed oversight by any elected officials. In our names and with our taxes, it carries out a shadow foreign policy behind our backs. Since only the Executive and Legislative branches are supposed to carry out US foreign policy, we of the Alliance for Global Justice and its Respect for Democracy Campaign maintain that the NED is unconstitutional.

Unfortunately, the NED also has broad bipartisan support. In the 2004 campaign, when Pres. Bush announced his intention to double the NED budget, John Kerry

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Republic was included in the negotiations in August 2003 but the acronym DR-CAFTA never caught on. Certainly it rhyming possibilities for slogans at opposition rallies were non-existent.

Even though we didn't "Stop CAFTA," we came closer to defeating a trade agreement than had ever been done before. We were able to get the word out that the majority of Central Americans opposed the agreement just as the majority of people in the United States were turning against so-called "free trade." While the sugar and textile industry representatives received the most press here in the U.S. for their opposition to the agreement, the Stop CAFTA Coalition was a leader in the struggle against CAFTA. Some organizations in the coalition sponsored visitors from Central America, including farmers, factory union organizers, and even bishops, to tell the story of the real impact CAFTA would have on their economies and lives. Some put out news



A cartoon from The Onion. The Respect for Democracy Campaign wants to build a real Democracy Movement in the United States.

proposed it be tripled. In 2003, for the 20th anniversary of the NED, Joe Biden sponsored legislation commending and reaffirming the NED's mission. It passed unanimously in the Senate and with one vote against in the House. Pres. Obama has pledged to increase the NED budget.

However, there have been some signs of positive change from the Obama administration. It is significant that in recent elections in Venezuela and El Salvador, responding to mass pressure, the State Department released statements that the US government regarded these elections as internal affairs. The campaign led by the Committee in Solidarity with

the People of El Salvador (CISPES) was especially important in this regard.

The Alliance for Global Justice has established the Respect for Democracy Campaign (www.respect4democracy.org) to mobilize actions when elections are coming up that are threatened by US and outside interference. We are especially focused on Latin America because of the emergence of alternative forms of Participatory Democracy that challenge the neoliberal model. To sign up for AFGJ alerts, which also include other intervention alerts and alerts in support of labor struggles, send an email to James@AFGJ.org.

bulletins for members of Congress.

The coalition helped organize demonstrations at every single city in the U.S. where negotiating sessions were held. We stayed in touch with our Central American partners and supported their activities with the placing of supportive paid ads in their local newspapers and other activities at the times when negotiating sessions were held in their countries. We publicized the demonstrations carried out by popular movements there. The Nicaragua Network sent to every member of the House of Representatives a petition signed by over 800 representatives of Central American organizations meeting at the Meso-American Forum in El Salvador explaining why they opposed CAFTA which Representative Hilda Solis sent to them again with a letter from her.

But in the end, legislatures in all of the countries whose governments had signed the agreement in December 2003 finally approved it. In the US, Republican

leadership in the House violated rules and twisted arms to get the last two votes they needed. In at least one country, legislators met at night behind barricaded doors to approve the agreement because of mass protests outside. Costa Rica held out the longest and pushed the government to hold a referendum on CAFTA which was only won by the "yes" faction because the Bush Administration violated Costa Rican electoral law and threatened voters in the last 48 hours before the election.

So, what is so wrong with CAFTA? I don't have space to tell you all that is wrong with CAFTA; that would take many pages. But here are a few points. On labor rights, CAFTA is worse than the Generalized System of Preferences (GSP) and Caribbean Basin Initiative that it replaced. These at least included a petition process when labor rights were violated but now this useful, if modest, enforcement mechanism has been lost. Countries are required only to follow their

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own labor laws, not ILO standards, and penalties are minimal and do not include remedying the rights violation, but rather fines.

In the case of agriculture, Central American countries are required to eliminate import tariffs on rice, beans, yellow corn and dairy products, on which the livelihoods of 5.5 million small and medium farmers depend. The U.S. refused to negotiate the subsidies it provides that enable U.S. agribusinesses to export goods at below the costs of production. Without the compensating protection of tariffs, Central America's doors have been opened to the dumping of U.S. farm products, risking massive displacement of rural workers and increased food insecurity in Central America.

With regard to investments, under CAFTA, national development needs are secondary to the rights of foreign investors. The United States Trade Representative says that U.S. investors enjoy "in almost all circumstances the right to operate investments in Central American countries on an equal footing with local investors, and with investors of other countries." So, governments are not able to use foreign investment for economic development strategies that promote domestically oriented growth



CAFTA opponents stage demonstration in Nicaragua in 2003.

or support new domestic industries. And CAFTA includes NAFTA-like investor-to-state lawsuits, which allow corporations to sue governments over regulations (such as those that give preferences to local companies) that they believe infringe on their business interests.

This is just a sampling of bad provisions. Others are those affecting public services, the environment, intellectual property and medicines, regulation of capital flow, etc. For more information, visit the Stop CAFTA web page at www.stopcafta.org where you can read the three monitoring reports that we have issued.

CAFTA was as bad or worse than NAFTA and the upcoming agreements

with Panama and Colombia are just as bad. Not only should the U.S. put a moratorium on future CAFTA-style agreements, but Congress should evaluate the existing agreements and renegotiate or roll back the failed accords. In the case of CAFTA, the results of our third report led the Stop CAFTA Coalition to believe that the current agreement should be either completely overhauled or outright eliminated, and that an alternative trade relationship between the U.S. and Central America should be built based on the eight principles of the "Pledge for Trade Justice" which we included in our report. President Obama and Democrats in Congress are wavering from their campaign promises to revisit trade agreements and, in the case of CAFTA, we can expect no help from the governments of the region either, because the Central American countries, which include two members of ALBA (Nicaragua and Honduras), released a statement at the recent Summit of the Americas supporting the Panama-US agreement.

So, meet with your Senators and representative and ask them to take the Pledge for Trade Justice. If enough of our representatives take this pledge we will see all current agreements taken off the agenda and a completely new type of agreement to benefit the people negotiated.

Month In Review

(Compiled from Nicaragua Network Hotlines May 26-June 9, 2009)

Sugar & Banana Workers

Manipulating workers' fear for their jobs in light of an international boycott of Nicaragua's famed Flor de Caña rum, Carlos Pellas, president of Nicaragua's largest business group, signed an accord with three of the country's major labor federations which "guarantees" jobs for the more than 7,000 workers at the National Liquor Company and Nicaragua Sugar Estates, Ltd. in exchange for the unions criticizing the International Union of Food Workers (UITA) which is working on behalf of former workers poisoned on the Pellas sugar plantations. The unions include the Sandinista Workers Central (CST), the Confederation of Union Unity (CUS), and the Autonomous Confederation of Union Unity (CUS-A). Chronic renal insufficiency (CRI) has killed several thousand sugar workers in recent years. Survivors and their

widows have been camped in downtown Managua for several months demanding negotiations with Pellas.

The Nicaraguan Workers Front (FNT), like the CST a Sandinista federation, strongly condemned the three unions for supporting the Pellas Group. The FNT said that it was a "vile action to put a brake on the claims of hundreds of workers who suffer from chronic renal insufficiency as a result of the indiscriminate use of agricultural toxins, the application of which is banned internationally because of their impact on human health."

[For more on this story and the former banana workers setback in US court as well as their victory in Venezuelan court, see stories on pages 2 and 3.]

Agriculture & Trade

Two hundred and fifty small farmers in the Department of Carazo planted 870 acres of black beans, all for export to

Venezuela, and the national cattle industry will export 1,100 head of cattle there as well this month, part of the Ortega government's efforts to find new markets under the Bolivarian Alternative for Our Americas (ALBA) cooperative fair trade agreement. The black beans were planted under contract with Nicaragua Food, Inc. (ALBALINISA), which made a commitment to purchase all that was produced. The cattle shipment was part of an agreement to export 5,500 head to Venezuela.

Small farmers received 80 pounds of seed and 200 pounds of fertilizer and technical assistance which enabled them to produce 1,437 pounds of beans per acre cultivated. The Ministry of Agriculture and Forestry (MAGFOR) now plans to expand the program to 17,400 acres, all for export under ALBA to Venezuela.

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Nicaragua's cattle industry has generated US\$11 million under ALBA, according to National Assembly Deputy Douglas Aleman. That is expected to rise by the end of the year. Aleman also said that 6,000 tons of beef will be shipped to Venezuela in July as part of the ALBA agreements. He said that he expected that in the coming weeks a second accord will be signed to raise the amount of beef exported to Venezuela to 12,000 tons.

Aleman also said that the proposed Law for the Promotion of the Dairy Sector will, among other things, establish that all children under 12 years old should have a glass of milk a day in school. The law is expected to easily pass the legislature.

The Inter-American Institute for Cooperation on Agriculture, headquartered in Costa Rica, named Nicaragua and Chile as having the most dynamic agricultural sectors in the Americas. IICA Director Gerardo Escudero said that the increase of 5% in the production of food that Nicaragua has achieved is something that few countries in the world have matched in the present economic crisis. He added that a successful model must be sustainable, incorporate knowledge and technology, and include the small and medium farmers. "We have to rise out of the ashes of the urban industrial model that made us poor and look again at the countryside," Escudero said. He also noted the increased participation of women in agriculture saying that women have taken over the responsibility of much of the region's food production.

The Food and Agriculture Organization said that Nicaragua is the country in Central America that has achieved the most in the fight against hunger, having lowered its percentage of malnourished from 52% to 22%. FAO representative in Nicaragua Dr. Gero Vaagt said, "The government of Nicaragua gives great importance to food and nutritional security which is reflected in the efforts it has made on the national level with small farmers, poor peasants, and the most vulnerable population of the country, to improve their food situation." Among the government programs he mentioned were Zero Hunger, school nutrition programs, the infant malnutrition eradication program, and the National Food Program which seeks to increase food production by improving seeds. Although recent figures show that Nicaragua continues to have the most

problems with nutrition in the region, Vaagt said Nicaragua has more policies to guarantee its citizens food security. Nicaragua shows a drop of 30% in food insecurity, compared to an increase of 2% in Guatemala. Food

production should improve even more since the new Production Promotion Bank is getting underway with National Assembly approval of Sandinista Gustavo Picado Moreno board president and a former attorney for the Superior Council of Private Enterprise (COSEP), Orestes Romero Rojas, as vice-president. The other members of the board will be named by President Daniel Ortega and will include a representative each from the government, the National Union of Farmers and Ranchers (UNAG), and the Nicaraguan Union of Producers (UPANIC). They will have to be confirmed by the National Assembly. The bank will begin operations with an initial capital of US\$54.4 million and it is hoped that it may be able to help finance the second planting this year which will begin in September.

Social Investment

On Friday, May 29 the Ortega government, working with the Commission of Verification, Reconciliation, Peace and Justice, headed by Cardinal Miguel Obando y Bravo, announced it is giving 100,000 sheets of galvanized roofing to demobilized combatants in 97 municipalities, benefiting 10,000 families of the demobilized from the 1980s for a total of 50,000 beneficiaries. On the same day, Ortega handed out 3,119 property titles to women in honor of Nicaragua's Mothers Day.

The roofing materials were given out as part of "Plan Roof" to improve housing for the poor by investing economic resources, in this case, over US\$2 million, adding to a program on the Atlantic Coast for



By July 19, Nicaragua expects to be the 4th country in Latin America to be free of illiteracy.

demobilized YATAMA indigenous rebels who received 7,000 sheets of roofing, and on the Pacific side of the country where 8,000 people received 17,000 galvanized sheets.

The Peace Commission also

distributed hundreds of uniforms, backpacks, and school supplies to prepare students for school in accordance to the policy of the Ortega government that everyone must have the benefit of an education. The Social Security Institute has also approved 400 pensions and made 342 loans to widows and disabled fighters. The government has also donated 30 wheelchairs, 112 prostheses, 50 canes, dental work and a considerable number of caskets.

On the eve of Mothers Day, President Ortega handed out 3,119 property titles to women which the government described as a continuation of the Rural and Urban Land Reform Program of the 1980s. Ortega recognized that, during the years of the Sandinista revolution, they handed out property without properly recording the titles, leaving thousands of families insecure in their property ownership during the 1990s and subject to eviction by the previous owners. Since returning to office, the Ortega government has registered 29,750 property titles benefitting 148,750 people.

A total of 88 municipalities will be free of illiteracy by the end of May according to Reynaldo Mariena. Mariena is the General Director of Literacy and Education of Youth and Adults of the Ministry of Education (MINED). He said that the "Marti to Fidel" Literacy Campaign is in its seventh phase with the record registration of 91,000. He expects a retention rate of 90%. On the Atlantic Coast citizens are being taught to read in their own languages including Miskito, Mayagna, and Creole.

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Education Minister Miguel de Castilla reiterated Nicaragua's confidence that it will become the fourth country in Latin America to become illiteracy free. Nicaragua implemented the Literacy Campaign with the help of Cuba and Venezuela as part of the Bolivarian Alternative for the Americas (ALBA).

MINED projects that nationally illiteracy will stand at 4.3% by June 30, a victory for the Ortega government.

On May 23 the Ministry of Environment and Natural Resources (MARENA) inaugurated a National Cleanup Day with the objective of eliminating trash and litter from the roadways of all the municipalities of the country. Vice-Minister Roberto Araquistain said that the major challenge is to make people understand that they shouldn't throw their trash on the ground, especially plastic bags, which are the largest component of litter in the environment. Councils of Citizen Power, volunteers, students and employees of city offices

participated in the clean-up, according to the vice-minister.

Araquistain said, "It is not like before when we drank from glass containers." he "Now we use plastic bags, and that has created the enormous quantities of plastic bags which contaminate the environment and the landscape. It is terrible."

In other environmental news, Central America could have more biodiversity than previously believed, as Nicaragua, the largest country with the most extensive protected areas, only now begins a species inventory. Nicaragua has had no clear understanding of its natural resources. But, thanks to US\$8.4 million in support from Spain to open biological laboratories in the SIAPAZ nature reserve which includes the Rio San Juan, Indo Maiz and Southeast, as well as in the Bosawas Biological Reserve in the North Atlantic Autonomous Region, it can now do a comprehensive census.

Political Issues

Opposition groups marched without incident in Masaya on June 7 to protest alleged fraud in last November's municipal elections and to demand the removal of magistrates of the Supreme

Electoral Council. Because a Sandinista march was announced for the same day, there were fears of violent encounters similar to those that have taken place in the past, but the fears proved unfounded.

At the Sandinista rally, the 30th anniversary of the death of eleven young people in Masaya during the final offensive of the 1979 revolution was



Opposition groups, many funded by the NED and USAID, not only oppose President Ortega, but also Venezuelan President Hugo Chavez and Bolivian President Evo Morales.

commemorated and Education Minister Miguel de Castilla officially declared Masaya free of illiteracy. Membership cards in the Sandinista Party were handed out to new members as part of a national campaign to build membership.

The opposition march was organized by the Union of Citizens for Democracy, a coalition of 16 groups. Benjamin Lugo of the Movement for Nicaragua, a group created and funded by the US International Republican Institute, calculated that some 4,000 people attended. Politicians such as losing presidential and Managua mayoral candidate, Eduardo Montealegre, and Sandinista Renovation Movement (MRS) leader Edmundo Jarquin attended the march. The Constitutional Liberal Party (PLC) which maintains an "on again, off again" pact with the Sandinista Party did not participate.

Also on the agenda for many groups was concern over the leaked draft of government regulations of non-governmental organizations (NGOs) which would establish that international NGOs with a presence in Nicaragua "must abstain from any participation in political

activities of a partisan character." Specific activities of Nicaraguan NGOs that are funded by international groups must not be political in nature either. The US regulates NGOs in a very similar manner. Nicaraguan Democratic Bench member, Maria Eugenia Sequeira, said that this prohibition constitutes a "blockade" of democracy. She said that, "More than ever,

now that we have a dictatorial government, we need the support of friendly countries to promote democracy among our people." Jarquin of the MRS called Ortega's government "a low intensity dictatorship" and said that it "is invading all the spheres of life." Montealegre said that the regulations are a blow against democracy and part of "a pattern that is being followed in Venezuela, Ecuador and Bolivia and now they want to implement it here and in Honduras."

While the Nicaragua Network is not surprised that the "bought and paid for" Nicaraguan right-wing supports US intervention in Nicaragua's internal affairs, it is disappointing to hear former revolutionaries such as Jarquin

echo the calls in favor of foreign electoral manipulation.

Javier Melendez, director of the Institute for Strategic Studies and Public Policies, said that the manual, if put into effect, would mean that "organizations such as the German Friedrich Ebert Foundation and the National Democratic Institute (NDI) of the US or any other organization would not be able to train members of the political parties in leadership, transparency in the public sector or any other related subject." He questioned, "With this restriction, will these organizations have to cancel their operations in Nicaragua?"

Let us hope so. The reason the measures are needed in the first place is because the main weapon of US "regime change" strategies, especially in Latin America, is the use of so called "democracy building" programs to fund and train right-wing opposition parties and even coup fomenters. Whether the regulations are ultimately judged good or bad depends on how the government defines "political." NGO participation in electoral politics is

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strictly forbidden in the US, as it will now be in Nicaragua. However, if restrictions are placed on public policy advocacy, such as abortion rights, then it will have a chilling effect on Nicaraguan democracy.

More than 500 women protested in front of the Supreme Court on May 28 demanding that the Court rule immediately on two petitions of unconstitutionality against the law that criminalized therapeutic abortion in 2006 ending a right that had existed since 1893. The rally was led by the Network of Women against Violence with the participation of the Feminist Movement, the Nicaraguan Center for Human Rights (CENIDH), and the Strategic Group for the Decriminalization of Therapeutic Abortion. Vilma Nuñez of CENIDH said that the government was holding up the ruling in order to get the Catholic Church to sit down at the table for a dialogue on unrelated political issues.

The women blamed the Court for deaths of mothers who have not received needed attention in the nation's hospitals and have died from complications of pregnancies. Virginia Meneses of the Network of Women against Violence, said that according to international organizations, over 1,000 girls were raped in Nicaragua since the law was passed and those who became pregnant were obliged to carry those babies to term.

None of the justices met with the women unlike their expressed willingness to meet with the Catholic bishops. Ruben Montenegro, secretary of the Court, said that a draft of the ruling on the issue exists but he would not say whether it ruled against or in favor of the criminalization of therapeutic abortion.

Maria Teresa Blandon of the Feminist Movement of Nicaragua said that the women wanted the Court, before it issued its ruling, to meet with a delegation from the women's movement and from the Association of Gynecologists and Obstetricians. "We reminded the justices," Blandon said, "that they must act according to the law, independent of their personal beliefs, because that is what the Constitution of the Republic demands."

Nicaraguan Attorney General Julio Centeno Gomez said last week that the accusations against 39 people involved in the bank failures of 2000 and the subsequent issuing of the now infamous Negotiable Investment Certificates

(CENIs) were supported by substantial evidence. The failed banks resulted in a loss to the Nicaraguan state of US\$600 million. The architect of the bailout was former presidential and Managua mayoral candidate Eduardo Montealegre, one of



Photo - Tortillaconsal

Eduardo Montealegre, who was favored by the US government for president in 2006 and mayor of Managua in 2008 appears here with Sandinista Renovation Movement leader Dora Maria Tellez. Montealegre is under indictment for fraud for his handling of bank failures during the Aleman presidency.

the 39 accused of fraud. "We did not act based on any political criteria," Centeno said. While the indictments were handed down in July of 2008, all of those indicted are free and the person most responsible [referring to Montealegre] uses his legislative immunity to enjoy what he took from the people, according to Centeno.

Then on June 1, Constitutional Liberal Deputy Jose Pallais said that his party had received an invitation from Montealegre to work to create "chaos" in the country to get the Sandinista Party to accept the candidates that the opposition wants for positions on the Supreme Court, the Supreme Electoral Council, the Superintendent of Banks, and the Human Rights Ombudsman. Rather than condemning the invitation as traitorous, Pallais cynically said that the PLC reacted "prudently, because we have not evaluated if a crisis is to our advantage, who would win and who would lose." He went on to say, "We can't act irrationally; the PLC needs to consult with all sectors."

International Relations

[See story page 1 on US and European aid suspension.]

Foreign Minister Samuel Santos and Prosecutor General Hernan Estrada met with US Ambassador to Nicaragua Robert Callahan to review progress in compensation to US citizens for loss

of property during the revolution of the 1980s. Auxiliadora Rayo, spokeswoman for the prosecutor's office, said that the government had favorably resolved 33 claims of US citizens during the previous (US) fiscal year. Those were claims filed during Violeta Chamorro's presidency.

Estrada told Callahan that there were 52 claims on that list from people who, after 15 years, had not presented the required documents. Estrada proposed that they be purged. Estrada also explained that the remaining names were of Nicaraguans, now US citizens, who were officers in the National Guard or members of the Somoza family. He noted that not even the previous governments viewed those claims as valid.

In order to receive economic assistance from the United States, the Nicaraguan government each year must show "progress" in resolving pending property disputes resulting from Nicaraguans who left the country to live in the United States, became US citizens, and then claimed compensation based on US law on property confiscated from US citizens. Some of the property was foreclosed when the previous owners mortgaged the property, took the money to the US, and never made payments on their loans. Some was taken for agrarian reform, which the FSLN acknowledges was sometimes abused. And some was taken from supporters of the Somoza dictatorship and the Somoza family who had gained it by illegitimate means. Estrada said that since 1994, the Nicaraguan government has paid out US\$1.228 million in compensation.

The US government makes the decision as to whether progress has been made on property claims each July. Estrada said that last year the decision was favorable based on the resolution of 40 cases. He said that he hoped that the decision would be favorable this year as well, as the list gets down to cases that are more difficult to resolve.

On May 20 a mission from the International Monetary Fund began a two week visit to evaluate revisions to the IMF-approved 2007 economic program. The fact that Nicaragua has registered an inflation rate of zero for the first quarter of 2009 and maintained its level of international reserves above the required level means that the government can count on the approval by the IMF of its economic policies, according to independent economist Nestor Avendaño.