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NICARAGUA

SAM-7 Missiles Cause Problems between Nicaragua and US

On 21 Mar, the US State Department confirmed the suspension of \$2.3 million in military assistance to Nicaragua because of the country's delay in destroying its aging SAM-7 missiles. The military aid will be frozen until Nicaragua completely scraps the Soviet-made missiles, because the US government believes that they could end up in the hands of terrorists (Vol. 24, Nos. 1, 2).

The US military aid was primarily to be used for training and credits to purchase military supplies. This is only a small portion of the nearly \$46 million in assistance the US gives to Nicaragua. Deputy State Department spokesman Adam Ereii said some progress had been made on President Enrique Bolanos' pledge to eliminate the stocks of SAM-7 missiles, but differences within his government have held up the progress, prompting the US to act.

More than a week after the US froze this military aid, the president of the congressional Commission for the Defense and Government Administration, Fernando Avellán, presented to the first secretary of the National Assembly a bill that would authorize the Executive Branch and the Nicaraguan Army to destroy 80% of the missiles from the army's arsenal. The bill also proposed that the army would be able to keep 20% of the missiles in order to protect the sovereignty of the country. Many members of the National Assembly do not believe that Nicaragua should have to destroy any of the missiles until other countries in the region, specifically El Salvador and Honduras, reduce their arsenals.

Comments made by US Secretary of Defense Donald Rumsfeld in mid-Mar, claiming that in the '80s the Sandinista National Liberation Front (FSLN) government sold an undetermined number of SAM-7 missiles to the Palestinian Liberation Organization and the Basque terrorist group ETA, has sparked new anger among Nicaraguans. Tomás Borge, who was the FSLN Minister of the Interior during the '80s, fired back at Rumsfeld's comments by accusing the US government of launching a fear campaign against the FSLN in order to prevent Daniel Ortega, the party's presidential candidate, from being reelected in '06.

Archbishop Obando y Bravo is Saying Goodbye

Cardinal Miguel Obando y Bravo, the Archbishop of Managua for the past 35 years, announced during Mass on Easter Sunday that he will soon be stepping down as head of the Roman Catholic Church in Nicaragua. Obando y Bravo, who submitted his resignation to the Vatican in '01 upon turning 75, said that the late Pope John Paul II had accepted his letter of resignation earlier this year.

Obando y Bravo was named Archbishop of Managua in Apr '70 and became a Cardinal in '85. Monseñor Leopoldo José Brenes Solorzano, the Bishop of Matagalpa, was appointed on 1 Apr to succeed him. Obando y Bravo, who favored the Somoza dictatorship and the Liberal party, has been accused by some in more recent times of becoming too "close" to the Sandinistas. However, the Archbishop always said that he never took any political side and was just a mediator of disputes within his country at times. Most recently, he played an active role in trying to end the ongoing tripartite National Dialogue between political leaders.

Nemagon Victims Still Battling for Compensation

Former banana workers who became sick from the toxic pesticide Nemagon that was used on banana plantations during the '60s, '70s and '80s are outraged over a recent proposition that Dole Fruit Company made to the Nicaraguan government. The transnational company proposed that it would return to Nicaragua, creating new jobs as well as investments, if the government would take action to stop the Nemagon victims' lawsuits against them.

The BBC first published the report at the end of Mar, which revealed that the executive vice-president of Dole, Michael Carter, had sent a letter to the Attorney General of Nicaragua asking the government to take measures to guarantee that the company would not be affected by the Nemagon victims' demands for restitution. If Nicaragua were to comply with this "request," Dole would be inclined to start production again. Former banana workers in the city of Chinandega immediately rejected the proposal.

Leaders for the Nemagon victims announced that they would continue with their lawsuits against the transnational companies, which in addition to Dole include Standard Brands and Chiquita Fruit Company. The victims are seeking more than \$17 billion in compensation. However, the companies being sued continue to deny recognition of the damages the workers have claimed and dismiss their lawsuits as fraudulent. The former banana workers have no idea why the Nicaraguan government would even be in talks with the transnational company, since the government is not authorized to negotiate on their behalf. On 30 Mar, they requested a clear explanation from the Bolaños administration as to why Dole would have made such a proposal. They are furious that the government is now trying to become involved in their fight against the transnational companies. Many feel that while the government is trying to help the affected workers, it is also working to keep the transnational companies happy.

On 18 Mar, before the Dole proposal was revealed, government officials had signed an accord with representatives of the thousands of banana workers who had been camped-out in front of the National Assembly in Managua since early Feb. The accord provides for medical care, financial assistance for food and other necessities, as well as legal support in the struggle for a just settlement of their claims against the banana companies.

Fuel Costs Cause Major Problems and Bring Changes

During late Mar and early Apr the country's minimum wage increased, the cost to ride the city's public buses increased, and Nicaragua began to observe daylight savings time. All of these changes occurred as a result of the soaring cost of petroleum.

Also during this period, university students who were outraged about the fare increase on the city's public buses staged violent protests. Many protesters came to blows with police and numerous arrests were made during the massive 6 Apr protest in the capital city. The cost of riding a public bus in Managua is now \$0.18, a three-cent increase from the former fare. Many Nicaraguans are worried about the fare hike because it is a daily struggle to come up with the money for a round-trip bus fare and the increase is only going to make life more difficult. However, Managua bus companies believed that they had no choice but to raise the bus fares because they were losing money due to the current high cost of fuel.

On 5 Apr, President Bolaños authorized the Minister of the Treasury to increase the salaries of state workers who are currently making the minimum wage. Bolaños believes that increasing the country's minimum wage is the only responsible thing to do to lessen the current economic hardships felt throughout the country. The current minimum monthly wage for state workers is \$54.30. The government's proposed increase of 15% would allow a state worker to earn \$61.32. However, this increase has aroused debate. Alfredo Cuadra, president of the Supreme Council for Private Business, said that "officially" they are rejecting the 15% increase and will not take it into account in future negotiations. Sergio Santamaria, an independent economist, said that the new minimum wage will not cover the increased cost of public transportation. "They're doing it on the basis that a family only takes one bus," said Santamaria.

On 10 Apr, Nicaragua began to observe daylight savings time in order to save energy costs related to petroleum. The last time Nicaraguans turned their clocks an hour ahead was in '00 under the Alemán administration in response to the petroleum crisis at that time. On 4 Apr, Minister of the Treasury Mario Arana said that Nicaragua will discuss with the Inter-American Development Bank the impact the petroleum prices are having on the economy and the seriousness of this problem.

—*Julia Tulba*