



MESSAGE TO CENTER FOR STRATEGIC AND INTERNATIONAL AFFAIRS

by

Enrique Bolaños Geyer – President of Nicaragua
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1. I want to thank the Center For Strategic and International Affairs for the generous invitation to address this distinguished and diverse audience, as I am eager to share with you my analysis of geopolitical and geo-economic events taking place in Central America.
2. Once a hotbed of civil war and revolution, this 30 million people isthmus is an oasis of peace seeking prosperity.
3. Talking specifically about Nicaragua, I may proudly say that Nicaragua is nowadays the safest place in Central America, and one of the safest in Latin America.
4. Oil workers' strikes and violent street protests, currency upheavals and riots involving banks, terrorist bombs and kidnappings in other places of the world, and even in our continent, have not affected our region.
5. Our economies have grown modestly; only 1%, while the rest of Latin America has perhaps a negative growth the year 2002, because of the after effects the whole world suffers as a consequence of 9-11.
6. For the first time in many decades, there are six civilian presidents (including Panama) elected by popular vote who know each other well and share values and visions to lead their people out of poverty. Border disputes and internal quarrels have been put aside.
7. Besides, we are all committed to erase our mutual customs by the end of this year. This is a very difficult task especially due to the high subsidies handed out to farmers in the United States and in Europe.
8. We have to standardize our tariffs in order to protect our own farmers and peasants, and these negotiations are, as you may understand, very sensitive.
9. Furthermore, we are also committed to leap forward in the effort to consolidate our trade relationship with the US. We have already begun negotiations to reach by the end of this year a Free Trade Agreement —or CAFTA as it is called— between Central America, as a region, and the United States. This is courageous step on behalf of the welfare and prosperity of our people.
10. Trade between Central America and the US is third in Latin America, after México and Brazil, and larger than that of Russia, India and Indonesia combined. There is surprising economic weight in the decision to have Central America as a closer trade partner.
11. On the other hand, CAFTA can and will give new impetus to economic development through attracting investment to Central America, both domestic and especially foreign.
12. Nicaragua, for instance, seeks to be a gateway to an expanded market in Central America for investors who seek a manufacturing base with abundant labor at the right wages, taking advantage of its geographic position, with access to both oceans and a great potential as an inter-oceanic route. Its excellent farmland, the best and the largest in the region, could be used to let Nicaragua become an agricultural biotechnology center.

13. But CAFTA is much greater than tariffs reduction or market access negotiations. It has subtle and deeper dimensions that will reach out and improve the lives and behavior of many institutions in the whole of Central America.
14. For instance: CAFTA will help absorb the rules of good governance and sound economic policies in our political system. The judicial systems and full respect to the unified rules of the game will improve as a natural consequence.
15. The Free Trade Zone envisioned in CAFTA will encourage each nation to remain within the democratic mainstream, force each other to ensure that every individual has the chance to achieve prosperity, and pressure each government to truly devote itself to the well-being of all our people.
16. In Nicaragua we also want to share the prosperity, dignity, and freedom, and follow in the footsteps of this great nation, the United States of America. CAFTA is a critical step on the road to achieving this goal.
17. President Bush in his State of the Union Address just said that "Freedom is not the gift of America to the world, but the gift of God to humanity". Nicaragua wants to contribute to another goal, shared by all democratic societies that cherish freedom: the goal of a safer world, free of hatred, free of the curse of terrorism.
18. With the help of the OAS, and other neighboring countries, Nicaragua came to a peaceful solution of the civil war of the 80's, through free elections. The Army has been greatly reduced and the Contras have peacefully integrated in society. Great quantities of weapons have been willingly destroyed.
19. We have destroyed all anti-personnel mines in stock, and the locations where mines had been deployed, are being cleared. The countryside in the southern border is already completely free of anti-personnel mines, and the process continues for the rest of the country hoping to finish this task within two years.
20. I am determined to lead the further demilitarization of Central America, within a "regionally balanced" approach so we may devote our resources not to military arsenals, but to further the welfare and dignity of our people.
21. Our bold steps should be reciprocated by the rest of the Central American countries. An unilateral disarmament may not prove to be a wise early decision vis a vis our neighbors, and may even provide a tempting opportunity to organized international crime in drug and arms trafficking.
22. We would dream of a process by which the Central American region can allocate more of our resources to education, public health and internal security that our people demand. In this endeavor the Nicaraguan Army has set the pace in creating a Civil Defense Corp which is a model for all of Central Americans to follow. It provides an excellent service to the population in a natural disaster prone region.
23. We hope that CAFTA's potential will be developed to full capacity and full benefits by the end of the first decade of its initial application. In the mean time we feel uneasy of the danger posed by Colombia's cocaine fields and the spillage, both physical and moral, which accompanies the drug trafficking through Central America to reach the US market.

24. We cannot put aside the fact that the unparalleled drop in the prices of our main crops, chiefly, coffee make our producers economically and morally vulnerable. Our farmers are full of debts while subsidies granted to farmers in the US and Europe make their crops valueless while oil prices and costs keep rising at the rate of the beating of the drums of war.
25. Page 36 of "The Economist" dated February 15, of this year, when talking about corruption in Central America reads: "Some governments are trying to answer that. Nicaragua has charged Arnoldo Alemán, the president from 1997 to 2002, and several associates, with corruption. That has carried a cost: Mr. Alemán's supporters in Congress have held up several governments' reforms in retaliation".
26. As I said yesterday in my address to the National Endowment for Democracy, the eyes of the continent, I may even venture to say, the eyes of the world are still turned to this issue. If Nicaragua fails in this yet unfinished task, transparency in the world would be set back.
27. The leaders who in the future wish to undertake the same task might think it dangerous and worthless. There are too many dangers, too many doubts, too many hesitations. It is a lonely path. We all have to contribute making sure that democracy and transparency pays, everywhere.
28. We cannot forget that man does not live by bread alone, and that man does not live without bread!
29. The lack of true free trade and the lack of access to market our products in a competitive environment does not put bread on our tables. This is our main concern.
30. Perhaps at this point in time in Nicaragua we may sadly say that our main export product is people. We have to take measures to reverse this sad situation because it also brings thousands of illegal immigrants especially to the US and Costa Rica.
31. Helping the economies and development of the Central American Nations with direct assistance and through the Free Trade Agreement to open up a true Free Market and equal opportunities for all parties involved, may provide an ounce of prevention which is in order!
32. This is the message I bring to you today. A message of opportunities, hope and optimism tempered with reality.
33. Thank you.