

COSEP'S REVIEW OF THE DRAFT REPORT  
OF THE  
INTERNATIONAL COMMISSION  
FOR CENTRAL AMERICAN  
RECOVERY AND DEVELOPMENT

Managua January 13, 1989

FOREWORD

We must begin by stating that COSEP deplors that the Draft Report of the International Commission for Central American Recovery and Development has been scarcely available -- practically kept as a secret by the Members of the Nicaraguan Committee that integrate this Commission.

Many political, religious, labor, business, and civic leaders (at least the ones who have been invited by the Nicaraguan Commission to today's meeting at INCAE) should have had the opportunity to review the Draft Report prior to today's meeting when these leaders are supposed to give their authorized opinion on the Central American crisis. These leaders' opinions are necessary to illustrate the Members of the Nicaraguan Commission in their task of helping draft the final report next week in Miami. Therefore, we contend that the Commission's Final Report is being drafted without the due contribution, knowledge and consent of the leaders mentioned above.

Even so, six days ago COSEP managed to get from a Central American friend a copy of the English version of the Draft Report. That didn't give us much time to review it as we would have liked to do it, and, besides, the lack of the Spanish version reduced the application of our human resources to only the English speaking members and staff personnel of our organization. Therefore, our's is not a thorough review of the Draft Report. Yet, in agreement with the Commission's belief ("*...Central Americans established these goals, and Central Americans must continue to provide the leadership in achieving them*") we undertook the task of making this review as a contribution for the improvement of the final report. After all we are Nicaraguans and we care for Nicaragua.

COSEP thanks all the members of the Commission for the time and effort they have devoted in attempting to find answers that resolve the Central American crisis, and encourages them to continue in this endeavor until all causes of the crisis have been tackled and overcome.

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NOTICE: Copies of this Review are being sent to Sen. Sanford, Mr. Arthur Levitt, Jr., Ms. Sonia Picado, and to the Nicaraguan leaders mentioned above. Effort will be made to translate this Review to Spanish.

1      ARE THERE SOLID GROUNDS OF HOPE?  
IS THE OPTIMISM REALISTIC?

Page\Paraph

1\2 Yet recent historic breakthroughs, both in Central America and in global affairs, create solid grounds of hope. To build on this progress in a spirit of realistic optimism, this Commission sets forth far-reaching inter-related recommendations to foster peace, democracy, and economic development throughout Central America.

Commentary 1:

Solid grounds of hope? Realistic optimism? We fail to share this optimism. On the contrary, in the findings presented in the Commission Report we find grounds of concern. We cannot but to assure ourselves of the total absence of international maneuvers (we have already suffered some) with the singular purpose of preserving and strengthening the Nicaraguan regime in order to advance their own political interests.

We must remember that the original members of the Nicaraguan Commission, as initially appointed by Sen. Sanford, was distinctively one-sided on behalf of the Nicaraguan regime. Under COSEP's assertion to Mr. Arthur Levitt, Jr. the organization of the Nicaraguan Commission was modified, but, yet, it is not even integrated solely by native Nicaraguans --"internationalism" was preserved and given the privilege of representing 25% (down from 33% original grant) of the Nicaraguan interests.

2 ON THE NONEXISTENT CENTRAL AMERICAN WAR.

Page\Paraph

2\3 Throughout the decade, governments of the region grew more distrustful of each other, and built security forces far larger than the region had ever known. Governments questioned each other's legitimacy and threatened each other's existence. As a result, regional insecurity increased.

2\5 In the face of this deteriorating situation... the five presidents met at the request of Guatemalan President Vinicio Cerezo to discuss ways of ending the wars and building peace.

Commentary 2:

It is inaccurate to assert that "governments of the region grew more distrustful of each other". Rather, the governments of the region grew more distrustful of the Nicaraguan Government. Also, we find no evidence that may substantiate the Commission Report's statement that "Governments questioned each other's legitimacy and threatened each other's existence".

There is abundant evidence of apprehension on the part of the Central American Governments caused by the Nicaraguan Government ideology-expansionist behavior, e.i., Nicaragua was (and is) perceived as a threat, but no other Central American Government feared (or fears) the other Central American Governments. We recognize the old Honduras-El Salvador feud because of old territorial disputes, but even in this

case we fail to perceive that each of these governments questions each other's legitimacy or that they threaten each other's existence.

In pursuit of true historical facts, specially for those who have not yet been able to grasp the truth because of the massive Nicaraguan disinformation campaign, the Commission should try to avoid fueling the erroneous belief that there is a state of war between the Central American countries. All violence is, and has been, inside some of the Central American countries but not among themselves: Local guerrillas only.

### 3 CONTRADICTIONS ON FOREIGN INVOLVENT APPRAISAL

#### Page\Paragraph

- 2\4 Compounding the problem... Conflict within Central America poses the danger of further involvement of external powers..
- 4\1 The growing interest in Central America of the European Economic Communities and the Nordic countries, Japan, Canada, and others further enhances the climate for progress towards peace.
- 6\2 (at the end of the paragraph) ...Such a secure Central America is the best guarantee of the legitimate security interests of external powers.
- 13\4 This Commission is unique in that 20 of its 47 members are Central American.

#### Commentary 3:

These concepts seem to contradict themselves. In 2\4 the Commission Report calls the involvement (in Central America) of external powers: "danger". In 6\2 recognizes the legitimate security interests of external powers in Central America. In 4\1 accepts and invites external powers to involve themselves in the Central American problem. Also, as detailed in Commentary N° 1, not all the Members of the Nicaraguan Commission are native Nicaraguans.

One must remember the saying: «*England has no friends, she has only interests*» The same applies today to all countries (and political parties). We must beware of the ulterior purposes of the ones that manifest interest claiming purely altruistic (or philanthropic) motives in their involvement in the Central American crisis. We must carefully select the helping hand only in so far as there is a concurrence on behalf of our true objectives and well-being.

### 4 DID THE CREDIT DRY UP?

Page\Paraph

23\3 The second setback to growth was the drying up of credit.

24\1 ...Indebtedness for Central America grew dramatically. Costa Rica's external debt grew to 102 per cent of gross domestic product in 1985. From 1975 to 1986, Nicaragua's debt went up sixfold; Guatemala's and Honduras' fivefold; Costa Rica's and El Salvador's fourfold...

Commentary 4:

These concepts contradict themselves. Did credit dry up? Was it, rather, ill-used? In general, the basic problem of the Latin American foreign debt problem is rooted in the dishonest misuse of the funds.

5 ERRONEOUS TESTIMONY ON WOMEN'S RIGHTS

Page\Paraph

55\2 Women are currently denied the opportunity to make their full contribution to the reconstruction and development of the region. Women grow 30 to 40 per cent of the food crops, but their rights to own land are restricted for legal and cultural reasons.

Commentary 5:

We don't know to what country in Central America this statement may apply, if any. Truly, this does not apply to Nicaragua at least since independence in 1821.

At least one member of the Nicaraguan Commission whose female relatives have possessed (and possess) farms and lands can testify about the erroneous opinion presented in the Commission Report. Personally we can attest that very many campesino-women own, and have owned land since we can remember.

6 POVERTY IN 1946 VS. 1980 -- WHICH WAS WORSE?

Page\Paraph

21\4 ... Although economic growth outpaced the rise in population (1950-1980), growth was insufficient to alleviate poverty, largely because its benefits were concentrated in the hands of the few. Thus, more people were living in poverty in 1980 than in the period immediately following the Second World War.

Commentary 6:

4

Even though this statement is based on CEPAL statistics, personal experience and observation questions this finding. The following data is for Nicaragua only (which is our main concern): Percapita Health Budget for 1963, \$5.80 vs. \$44.70 for 1977; infant mortality per 1000 born alive, in 1958, 84.05 vs. 41.9 in 1975; water supply per 1000 people, in 1963, 34 vs. 50 for 1977. Percapita Government Revenues \$16.90 in 1950 vs. \$ 192.51 in 1977; percapita exports \$33 for 1950, vs. \$276 in 1977; number of students in relation to total population, 8.5% in 1947 vs. 20.56% in 1977. PIB percapita (1958 real terms) for 1946, C\$1,259 vs. C\$2,680 for 1977. In 1946 (at the end of WW-II) Nicaragua had only 964 Km of total roads out of which 182 were paved; there were only a total of 94 buses in the whole country.

These facts and figures make us believe that --regardless of CEPAL's statement-- poverty in Nicaragua was worse in 1946 than in 1978/79. We may summarize by saying that by the end of the WW-II: "Eramos de caite y descalzos" --and that is a fact!

## 7 ASSISTANCE IS REQUESTED ONLY FOR INCAE - THE ONLY ONE MENTIONED IN THE REPORT

### Page\Paraph

52\3 The international community can contribute to the development of managerial and technical expertise by supporting the Central American Institute of business Administration (INCAE), which provides such training on the broadest regional basis.

#### Commentary 7:

Since INCAE was mentioned in the Report, others could have also been mentioned: El Zamorano, for instance, just to mention another. Many institutions (regional and local) are also making large contributions on health, education, cooperatives development, etc. However, we believe that NONE should be mentioned in the Report.

## 8 ON THE ROOTS OF THE CRISIS

### Page\Paraph

15\all Chapter I. Roots of the crisis.

to 1). Political structures have not shown the ability to modernize and  
19\1 accommodate the interests of all members o society.

2). Across the region, Central American elites utilized exclusive economic, social and political systems to forward their own interests.

- 3). The military formed alliances with the traditional elite and played a fundamental role in enforcing the closed political system... and prevented the development of political institutions...
- 4). Though economic expansion helped many poor raise their standard of living, neither existing nor emerging social groups were permitted to participate democratically.
- 5). Elections, when held, were frequently marred by fraud and the marginalization of many political groups. Through campaign restrictions, limited media access and even threats of violence, political parties were excluded from genuinely competing for power. Repression by authoritarian regimes... (except Costa Rica)...

Note 8.1 - In so far as the limited media access, government violence, campaign restrictions, etc., the Commission Report fails to tell about the worsening situation in Nicaragua since 1979, which in turn becomes an essential part of the root of the internal Nicaraguan crisis.

- 6). At the end of the 1970's, growing social unrest alarmed local business communities throughout the region... ceasing to invest and grow, business no longer created jobs, thus exacerbating one of the root causes of the crisis...(Also page 16, paragraph 2), the political repression which predominated in most countries of the region sparked vigorous, widespread public frustration.

Note 8.2 - The Commission Report fails to mention the political repression that has predominated more intensely in Nicaragua ever since 1979, sparking widespread public frustration. The Commission Report should take this fact into account in order to be able to make wise recommendations based on all facts, factors, and causes of the crisis.

- 7). In the early 1980's, just as the violence was increasing, Central America's international terms of trade suffered the sharpest downturn in 40 years...

Note 8.3 - We must remember the 1970's sudden threefold of oil prices originating the worst and most sudden negative terms of trade for Central America. Nevertheless, Central America managed to overcome it.

- 8). The Central American Common Market virtually collapsed after 1980, adding to the region's growing trade gap...

Note 8.4 - We believe this comes out as a consequence of the crisis and that this is not a factor as part of the root of the crisis.

21\3

- 9). Flawed Economic Structures (1970's) - Unemployment for the region as a whole rose to 12 percent, leaving idle between four and five million Central Americans.

Note 8.5 - The Commission Report considers 12% unemployment as a flaw in the economic structures, suggesting that this fact was a factor in the root of the crisis. However, in page 49, paragraph 1 the Commission Report informs that "*In the wake of economic collapse and rapid population growth, roughly 45% of Central America's workforce is now unemployed or underemployed.*"

Today's 45% unemployment and underemployment is definitely a worldwide high figure and reveals the urgency of undertaking the heroic necessary steps to remove the causes of the crisis so that the plan proposed by this Commission in regards to recovery and development may be launched.

Commentary 8:

The Commission Report fails to mention other important roots of the crisis such as:

- a) The communist drive -through Castro, or by Castro himself-since the 1960's to promote and encourage subversion in Central America. (See appendix A).
- b) The Sandinista betrayal of the original goals of the Nicaraguan Revolution, establishing instead a military tyranny that encourages and promotes violent insurrections in other Central American countries.
- c) The huge military build up in Nicaragua, promoted and financed by the Soviet bloc through Cuba, since the very beginning of the Sandinista regime.
- d) The true Central American crisis starts (skyrockets to crisis status) with the the sandinista's rise to power in Nicaragua.
- e) Fears and apprehensions caused throughout the private and public sectors of the other Central American countries by the sandinista ideology, behavior, and their ties with Fidel Castro and the Soviet bloc. Memories and consequences of the Cuban revolution were revived in 1979 with the Sandinista Revolution.

9      THE GOALS OF THE PLAN

Page\Paraph

- 112\2      Central Americans established these goals, and Central Americans must continue to provide the leadership in achieving them.
- 5\4      The comprehensive development plan we propose is intended to:  
1). Promote the peace process by healing the wounds of war;  
2). Enhancing incentives for democracy; and  
3). Building a strong regional and international framework.
- 6\1      The Commission believes that all fronts should move forward together... its initiation should not await peace but be pursued as an integral component of the struggle for peace.
- 98\1      (On International Cooperation) This support must be manifest in a coordinated diplomacy that places peace first, and economic policies that provide Central America with the opportunities for growth.

Note 9.1: Nowhere in the Report we find specific proposals of actions to help bring about peace. On the contrary, we sense that all actions recommended by the Commission assume that peace has already been secured. In so far as the Nicaraguan case is concerned, all recommendations are valid only for future preservation of peace, once it has been secured. (Page 113, paragraph 1: *"The timing for applying this human-resource emphasis is now excellent. The Central American nations, backed by the international community, have taken important steps toward achieving peace and laying the foundation for post-war Central America*).

6\2

The Commission seeks a Central America in which:

- 1). Individuals feel secure in their own homes;
- 2). Families feel secure that their basic needs can be met;
- 3). Bussinesses feel secure from arbitrary interventions; and
- 4). Governments feel secure from internal or external violence.

#### Commentary 9:

These are good goals. However, there must be a proviso by which "Individuals feel secure not only in their own homes, but anywhere". Also, because of the Nicaraguan case in so far as the institutionalization of confiscatory political vengeance (vendetta) "Individuals and Families must feel secure of possessing their own homes and means of production and sustenance".

Individuals and Families must also feel secure from arbitrary government violence and arbitrary government interventions in the individuals' and families' right to pursue their own happiness.

The Report correctly points out that "By 1984, \$2.5 billion owned by Central Americans was on deposit in U.S. banks." Remembering Cuba and Nicaragua, the Central American individuals and families sought refuge for their own future well-being.

## 10 IMMEDIATE ACTIONS SUGGESTED BY THE COMMISSION

### Page\Paragraph

44\2 The greatest challenge for Central America is to address the immediate needs of reconstruction and recovery, and at the same time create the conditions for sustained development.

26\all The immediate actions recommended in this report are not intended to be relief efforts like those to ~~that~~ follow a natural disaster. Instead, this plan is intended to be the first step of a

42\all long-term effort to make structural changes that will enable Central Americans to benefit from the recovery and development of their region.

**JOB PROGRAMS** should revolve around the construction of infrastructure for the protection, renovation and conservation of critical natural resources..

**FOOD SUPPLY SECURITY.** Immediate action should focus on providing food assistance,

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strengthening the production of food, and providing access to food staples (including both the prices and distribution of basic foods).

**HEALTH AND NUTRITION.** Immediate action should focus on a primary health care strategy, providing the target population with better access to all health services, controlling contagious diseases prevalent throughout the region...

**DRINKING WATER AND WASTE DISPOSAL.** It is estimated that the immediate actions required to cover at least minimal conditions would cost approximately \$178 million.

**TEMPORARY HOUSING.** As refugees and displaced persons return to their places of origin, the first housing priority should be to provide building materials for temporary shelter for those whose homes were totally destroyed (an estimated 40% of returnees homes have been destroyed).

**EDUCATION.** Immediate action should focus on rebuilding formal educational services...

**FUNDAMENTAL RIGHTS.** Immediate action must be taken to protect basic individual rights of all citizens --but particularly for displaced persons and refugees..

**PHYSICAL INFRASTRUCTURE.** Immediate action should focus on repairing and rebuilding important municipal buildings and principal roadways to resettled communities. Immediate action should also be taken to provide emergency power supplies, and to rebuild power and communications systems where they have been destroyed.

**LONG TERM PROGRAMS** should seek to overcome the structural causes that underlie the conflict and restore and advance the levels of coverage of basic services..

#### Commentary 10:

In Point N° 9 the Commission's goals of the Plan was reviewed. In establishing the goals of the Plan the Commission states the following premise:

*«The comprehensive development plan we propose is intended to:*

- 1). Promote the peace process by healing the wounds of war;*
- 2). Enhancing incentives for democracy; and*
- 3). Building a strong regional and international framework»*

The Commission also adds:

*«The Commission believes that all fronts should move forward together... its initiation should not await peace but be pursued as an integral component of the struggle for peace»*

We think that the immediate actions suggested in the Commission Report will have to wait until after peace has been secured instead of contributing as an integral part in the pursuit of the urgently needed peace. We agree with the goals of Esquipulas II Plan: To urgently find ways of ending the wars and building peace, but the "comprehensive development plan" proposed in the Commission Report is just a comprehensive development plan to be implemented once peace has been secured.

The Commission asserts that "*The greatest challenge for Central America is to address the immediate needs of reconstruction and recovery, and at the same time create the conditions for sustained development.*" We believe that this is a genuine overall

Central American goal. However, this assessment is inaccurate for the Nicaraguan case.

The greatest challenge for Nicaraguans is to address the immediate need to draft, enact and adopt a new Social Contract adequate for the essential peaceful re-assembling of the scattered Nicaraguan family. Then, and only then, recovery plans can be successfully carried out. Otherwise, the toil, hopes, expectations, and billions of dollars sought through this Little Marshall Plan proposed in the Commission Report, will be lost forever.

The Commission Report rightly says: "*...a rare moment of international opportunity has arrived. It must be seized.*"

However, it must be done right and without haste: All factors and roots of the crisis (country by country) have to be taken into account, and individual and regional solutions have to be sought and executed. To do otherwise would resolve in a forever lost last opportunity and Central Americans will be condemned to live in poverty and chaos forever.

## 11 WILL THE MAJORITY OF THE DISPLACED NICARAGUANS REALLY BE HELPED WITH THIS PLAN?

### Page\Paraph

- 26\3 These immediate actions, however, are designed to do more than to feed the hungry. They offer pragmatic suggestions for reintegration of the displaced and refugee population, they will create employment,...
- 27\1 If basic conditions of living dramatically improve and the prospects for political participation are enhanced for the majority of the population that lives in abject poverty, this will encourage both guerrilla fighters and those civilians who have supported them to see the possibility of rebuilding their lives in a society of peace.
- 27\2 We estimate that it will cost \$2.55 billion over three years to resettle refugees and displaced persons.
- 31\4 Because the region's civil conflicts have taken place largely in rural areas, we assume that almost all displaced persons are of rural origin, and that returnees will go back to their original rural communities. (In identifying the displaced and refugees) The first group is drawn from all persons who are either displaced within their countries, or are refugees in another country, who are likely to return to their homes... (618,000 Central Americans).
- 33\1 The second group consists of people living in extreme poverty in the rural communities receiving the displaced persons and refugees (483,000 people). The third group includes the displaced persons who are already integrated -or may integrate-into communities other than their places of origin...(680,000 people). The fourth group include those people who are living in extreme poverty in the urban communities where the displaced persons and refugees of group 3 have resettled (510,000 people).
- 41\3 on We recommend:

- a) Those who have been displaced from their original communities should be provided with the necessary personal identity documents so that there is no distinction between them and the rest of the population.
- b) Population displacements have caused a great deal of difficulty over land titling and titles for other properties. Formal and definitive titles should be provided to solve these problems.
- c) In urban communities, legal security of living quarters should be provided to those who live under permanent threat of being evicted from the land or buildings they occupy.
- d) Programs should be developed to organize and educate communities to enable the target population to participate actively in its own economic recovery..

46\last The first key to economic revival is the cessation of armed conflict. An end to civil violence would help restore investor confidence and, if accompanied by guarantees against confiscation, would unleash some entrepreneurial activity.

Note 11.1 - This is the only time the Commission Report mentions the need to avoid confiscations. We notice that the Commission Report only claims economic reasons to discourage confiscations and, even so, it does it very timidly downplaying the claim with a conditional IF.

Commentary 11:

Most of the displaced and refugees are Nicaraguans and Salvadorans. In so far as the Nicaraguan case is concerned, many thousand families adding at least 250,000 people have had their homes and means of production and support confiscated as a consequence of political revenge. For example, no less than 25,000 small land owners (adding at least 125,000 people) who used to own less than 50 manzanas (35 Ha. or 75 acres) have lost their lands, livestock, and homes through unjust confiscations. Many of these small landowners (campesino-farmers) have joined the Nicaraguan Resistance and the Commission Report fails to address this basic and urgent problem. How can these displaced families go back to their original communities?

We deplore the Commission's exclusion of these hundreds of thousands of Nicaraguans whose re-integration to civilian life is essential for the recovery and development of Nicaragua as sketched in the Commission Report.

12 HOW DO THE FOLLOWINGS APPLY TO NICARAGUA?

Page\Paraph

46\2 Once Central America's domestic-oriented and export-oriented production has revived to the point where it generates sustainable surpluses, an evenhanded and economically neutral tax structure must be devised to channel a larger portion of the surplus into government spending on social services.

46\2 Monetary and fiscal discipline is necessary to guarantee price stability and improved balance of payments

that will restore and strengthen the climate for investment.

Note 12.1 - As long as the Nicaraguan policies continue to encourage the exodus of its citizenry instead of promoting the massive return and re-assembling of the Nicaraguan family; as long as repression (physical, social, political and economic repression) prevails; as long as the confiscatory practices and menaces prevail, investment will remain depressed.

46\3 Promoting equity will also require specific and courageous efforts to mobilize and channel resources to the poorest, often excluded segments of the population.

Note 12.2 - Hasn't the Sandinista Government, precisely, been doing this? Does the Commission's suggestion apply to all Central American countries?

46\3 Agrarian policy must ensure more realistic agricultural prices and more productive access to land for the poor (specially where cultivable land is idle).

Note 12.3 - The Commission Report does not take into account the different requirements of each of the different Central American countries, rather, it provides the same set of suggestions and actions for all of them.

52\3 The Commission also recommends that the international community complement improved education in the region with technical and professional training programs in countries outside the region.

Note 12.4 - Thousands of Nicaraguans attend soviet bloc schools --of all sorts. No other Central American country (not even the pre-sandinista Nicaragua) has ever had such amount of people profiting with technical and professional training as it is being done today. Is the Commission Report suggestion also valid for Nicaragua?

75\3 But security is not achieved by repression and military dominance of government. Continued withdrawal of the military from the political scene, their training in democratic political values, the rejection of authoritarian doctrines of national security, and the development of effective mechanism of civilian political control are indispensable elements for achieving the de-militarization of Central American societies.

76\2 The fact that all five Central American nations have civilian presidents indicates that the armed forces have made at least a provisional commitment to the process of democratization.

Note 12.5 - The Members of the Commission know better! It is true that all Central American nations have now civilian presidents, EXCEPT NICARAGUA. Nicaragua has never been so highly militarized as it is today. Why is this fact distorted? Why must this truth be twisted? We expect that, when the Draft Report is checked next week in Miami, this distortion (and many others) will be corrected, otherwise we will be forced to suspect a deliberate attempt to distort the facts to make them agree with the Commission's pre-established premises in order to favor ulterior overall purposes.

## 13 OVERALL VIEW OF THE REPORT

### Commentary 13

The Report --as a whole-- portrays the following important concepts:

- a) **Benefaction-oriented.** In regards to the Central American poor, the Commission Report preaches very little "teaching how to fish" attitude. Instead, seeks too many handouts of fish, e.i., *populist-oriented*.
- b) **Lack of need to preach values and attitudes that foster progress.** The Commission Report omits to budget the need to strongly preach, through all means, the set of attitudes tightly linked to the ideas of progress and change, e.i., the need to accelerate the process of cultural change through the constant preaching of the values and attitudes that make progress possible. In other words, the Commission Report stresses the "distribution of wealth" but not the "creation of wealth" as a firm cultural attitude.
- c) **All Central American Countries suffer the same crisis originated by the same causes.** The Commission Report neither discusses nor classifies the causes of the crisis in each of the Central American countries. Much emphasis is stressed only on the uneven distribution of wealth and the discrimination of certain groups. Even though this is true in different degrees for different countries, other very important factors pertinent to individual countries are ignored.
- d) **A torrent of dollars - Let's grab them!** The Report casts a sense that the Commission's attitude is that no matter how remote the prospects of creating a Little Marshall Plan might be for Central America, under the present circumstances, all efforts should be made to make it come true, regardless of the long-range positive or negative accomplishments of the plan. We believe that there must be a comprehensive recovery and development plan for the region, based on individual needs for each of the Central American countries and also for collective needs of the region, once the proper conditions for the success of the plan have been secured, e.i., democratic governments in all five Central American countries. The Commission's findings and suggestions provide a good initial sketch for the designing of the final plan that must be set in motion once prevailing conditions enhance its success.
- e) **No effective answers to real overall crisis.** The true Central American crisis is not tackled in the Commission Report mainly because the Commission Report fails to point it out. There is a sense that the Commission Report circumvents some essential causes of the crisis in a country by country basis and, as a consequence, fails to recommend some also essential corrective actions. Much is lacking.

## CONSEJO SUPERIOR DE LA EMPRESA PRIVADA (COSEP)

cc. Ing. Gilberto Cuadra S.  
President

### APPENDIX A

#### ORGANIZATION OF THE LATIN AMERICAN SOLIDARITY MOVEMENT (As reported by the New York Times)

RADICAL LATIN REDS OPEN HAVANA PARLEY. By James Reston. Special to the New York Times.

Havana, July 31 (1967) - The first conference of the Organization of Latin American Solidarity opened tonight in the Havana Libre Hotel... The members of the organization of Latin American Solidarity are mainly radical Communist revolutionaries who have gathered to push the traditional Communist parties into a more radical continental strategy for expanding their influence in Latin America... The background and purpose of the Organization of Latin American Solidarity are fairly clear. It grew out of the First Tricontinental Solidarity Conference, which was held here in January, 1966. The meeting was an attempt by the most militant segments of the Communist parties of the world to organize a world Communist strategy that would confront the non-Communist nations, and particularly the United States, with an unmanageable series of guerrilla wars. It was hoped that these would cause chaos in so many places at the same time, that even an interventionist and powerful Government in Washington could not hope to deal with them. The tricontinental meeting was formally called The Organization of Solidarity of the Peoples of Africa, Asia, and Latin America. While it was meeting here the Latin American Delegates decided to form their own branch, called the Organization of Latin-American Solidarity.  
(August 1, 1967, 1:8, 9:1)

Havana, August 9 (1967) (Reuters) - ... Tonight the conference decided to base a permanent committee in Havana. It also approved documents establishing as its purpose "the promotion of anti-imperialistic unity and support of peoples that struggle against imperialism and colonialism, specially those who are engaged in armed struggle".  
(August 10, 1967, 13:1)

Havana. August 10 (UPI) - Delegates to the Latin American Solidarity Conference ended an 11-day meeting tonight with the adoption of a long manifesto that said "the duty of Latin American peoples is to make revolution." Premier Fidel Castro addressed the closing session with an attack on the United States and the Central Intelligence Agency... In a special message of salute to Maj. Ernesto Che Guevara, the guerrilla organizer now believed operating in South America, the conference repeated a call for several Vietnam-type conflicts in this hemisphere. "The path of Vietnam is our path," it said. "The continental confrontation is our path -the cration of the second and third Vietnam in the world."  
(August 11, 1967, 14:7)

Buenos Aires - ... Memories are still fresh throughout Latin America of the revolutionary gathering held in Havana in August, 1967, at which "OLAS" was founded. OLAS, which means "waves" in Spanish, is an acronym for Organization of Latin American Solidarity. The OLAS meeting launched an international body Cuba calls the "Fifth International". The Fifth International, in which leftist guerrilla organizations throughout the Western Hemisphere are represented, is dedicated to armed revolution. The most spectacular accomplishment of OLAS to date was the Guevara's ill-starred 1967 campaign in Bolivia. Although Guevara was killed and his guerrillas were crushed, they left a lasting political imprint on the continent. During the past year, for example, democratic

Uruguay has been torn by rioting, strikes and urban terrorism. At least part of Uruguay problems seem to stem from the new "Tupamaro" guerrilla organization, which describes itself as belonging to the OLAS continental movement...

(February 2, 1969, IV, 7:1)

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IMPORTANT NOTICE: The rest of the story is known to everybody and the Commission should not forget to take it into account when reviewing the causes of the crisis.

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CONSEJO SUPERIOR DE LA EMPRESA PRIVADA  
(COSEP)