

has publicly committed the United States to non-intervention in Nicaragua, his Administration has also adopted a wait-and-see position on the question of "normal relations" with the Sandinista junta. Certainly it is not in the interests of the U.S. to have another Cuba in the Western Hemisphere. Thus external intervention will continue to be within the realm of possibility, as either a multilateral effort led by the U.S. in the Organization of the American States or as a simple unilateral action.

Increasingly Latin American nations are showing their support for the new Sandinista government headed by Sergio Ramirez Mercado. The five members of the Andean Pact were particularly supportive during the insurrectionary stage of the revolution. One of its members, Venezuela, openly denounced Somoza and demonstrated its determination to help bring an end to the government. Venezuela also signed a Defence Pact with Costa Rica on September 15, 1978, to defend the sovereignty of Costa Rica and actually sent an arsenal of planes that were stationed near San José for a short time in order to dissuade Somoza from taking any military action against its neighbour.

A supportive OAS will be important to the fledgling Nicaraguan government in order for it to survive. It will also have to demonstrate its credibility to the other members of the Central American Common Market (CACM), the Central American Monetary Union (CAMU) and the Organization of Central American States (ODECA).

It is also expected that the foreign policy positions of the new Nicaraguan government will call for an end to dependence on the United States. This means that Nicaragua will seek to diversify its external relations by developing ties with nations like Cuba and the Soviet Union. It may also mean that Nicara-

gua will turn to Canada should the U.S. develop trade difficulties with the new government over the question of nationalizing U.S. business interests. Canada recognized the government in July 1979 and is in a good position to help in the reconstruction of Nicaragua. Canada can provide Nicaragua with many of its present needs in the area of non-durable consumer goods, durable consumer goods, raw materials for industry and construction materials.

Development and technical assistance would immediately benefit some capital projects that were under way before the revolution, such as expansion of the water-supply system in Managua, reconstruction of Managua's Las Mercedes International Airport and the geothermal-energy development project at Momotombo.

Prior to the Revolution, between 1975 and 1977, Canada's trade with Nicaragua more than doubled. Imports grew from \$6,061 millions in 1975 to \$14,436 millions in 1977 and consisted mainly of bananas, cotton, fish and coffee. Exports increased from \$4,045 millions in 1975 to \$9,178 millions in 1977, most of which was newsprint, telecommunications equipment, cereals and motor vehicles. If a socialist Nicaragua is here to stay, Canada may discover that the trade benefits with this country are as abundant as with Cuba.

The Nicaraguan Revolution shows that a small nation can break out of its past and establish a new order. But this battered nation has many fundamental economic problems to solve; inflation now in excess of 25 per cent, food shortages, no growth expected from a Gross Domestic Product of \$2.1 billion, and dependence on a primary-product monoculture subject to the vicissitudes of the world market. No *caudillo* or *junta* — socialist or capitalist — can solve these problems in the short term; perhaps not even the long term.

Letter to the Editor

Epstein erred . . .

Dear Sir,

Mr William Epstein's interesting article in the March/April edition of *International Perspectives* about Canada's Disarmament Initiatives at the 33rd Session of the UN General Assembly contains one serious error of fact. He gives the voting figures for the Mexican resolution on SALT (33/91C) and says that the 10 abstentions included the U.S., U.S.S.R., U.K. and France. This is quite untrue. The only abstainers were the East European group of countries (less Romania) and Malawi.

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