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NICARAGUA AND EL SALVADOR

WAR OR PEACE IN CENTRAL AMERICA?

On January 20, 1989, the day George Bush was sworn in as President of the U.S., thousands of Nicaraguans poured into the streets of their capital, Managua, to celebrate the end of President Ronald Reagan’s term in office. The cause of their jubilation was proclaimed on national television and radio and from billboards in the streets: "Reagan is gone, and the revolution is still here!"

For the Sandinistas, Nicaragua’s governing party, surviving the Reagan presidency was a hollow victory. A decade of civil war has left their country in a state of near chaos. The annual inflation rate for 1988 reached an incredible 36,000%, causing the government, which can no longer afford such minor luxuries as light bulbs for most public-school classrooms, to slash its 1989 budget by half, putting some 35,000 public employees out of work. Even for those Nicaraguans lucky enough to have a job, the average salary of $8 per month does not come close to meeting basic needs. As tragic as the situation in Nicaragua may seem, in the context of Central America as a whole it is not unusual.

Central America, the narrow isthmus bridging North and South America, which includes Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua (but traditionally not Panama), is a region in crisis. In El Salvador a 10-year civil war has claimed an estimated 70,000 lives and displaced 500,000 people. In Guatemala and Honduras, fledgling democratic governments have been frustrated in their attempts at economic and political reform by well-entrenched military establishments and members of the upper class who oppose change. And in Costa Rica, the only Central American country where democracy has gained a sure footing, worsening economic conditions have seriously eroded the standard of living.

U.S. involvement in Central America has a long and pervasive history. The frequent intervention of the U.S. in the economic and political life of the region has caused most Central Americans to view North Americans with a mixture of resentment and esteem. Though many admire the U.S. for its high standard of living, democratic traditions and respect for basic human rights, others resent Washington telling them how to run their countries.

Brief history

Central America was once the home of a highly developed Indian society. During the classic Mayan period (A.D. 300–900), large urban centers boasting towering pyramids and populations in
the tens of thousands thrived in what is now southern Mexico, Guatemala and Honduras.

When the Spanish arrived in 1501, those great urban centers had been abandoned and the old Mayan Empire was gone. In its place, the Spanish found isolated groups of Indians living in the mountain highlands, with little knowledge of their own past. The Spanish established the Kingdom of Guatemala as part of the viceroyalty of New Spain, which ruled the isthmus during the entire 300-year colonial period (1520s to the 1820s).

In 1823, Central America declared its independence from Spain and formed a federation. Bickering soon broke out between two major political factions, the Liberals and the Conservatives. The Liberals, who represented commercial, urban and intellectual circles, favored restrictions on the power of the Roman Catholic Church, free trade, the abolition of slavery and the promotion of economic development. The Conservatives—representing mainly large landowners, rural areas and the Church hierarchy—were suspicious of change, supported the Church, and argued against free trade and other economic reforms. The battle between Liberals and Conservatives brought the destruction of the federation and the establishment of five independent states in 1838.

Outsiders originally intervened in Central America's political affairs at the request of internal opposition parties, who sought help in settling disputes with those in power. The most infamous case came when frustrated Liberals in Nicaragua turned to an American adventurer for help in ousting the Conservative government. In 1855, the Liberals contracted William Walker, a well-educated Tennessee mercenary, to hire a small army and invade Nicaragua. This he did, winning a quick victory and declaring himself head of the armed forces and chief of state. Walker, who attempted to expand his control into Honduras and Costa Rica, was driven out of power by Conservative forces in 1857. When he attempted to return to Nicaragua in 1860, he was caught and executed.

From its earliest days, Central America's economy has been closely linked to agriculture. Spain encouraged the development of crops in demand in Europe, such as cocoa and indigo, a natural dye. Under the export-promotion policies of 19th-century Liberal governments, agriculture continued to dominate the region's economy.

Coffee, not native to the isthmus, was the first modern cash crop introduced there. Costa Rica and Guatemala began serious production in the 1830s, and by the end of the century, El Salvador, Nicaragua and Honduras had all joined the coffee trade. Today, Central America accounts for approximately 15% of the world's coffee production, selling primarily to the U.S. and Western Europe. Coffee is the number one export of Guatemala, El Salvador, Nicaragua and Costa Rica.

Because of the industry's size and its need for a large labor pool at harvest-time, coffee workers have traditionally been kept idle during much of the year, with neither enough land nor money to provide for their own subsistence. Tenures centered around coffee plantations have erupted into major confrontations between workers and governments. In 1932, coffee workers in El Salvador joined a Communist-led rebellion which ended with the massacre of 30,000 peasants.

**Banana republics**

It is the banana, however, which is most closely associated with Central America. Because of the importance of the fruit to their economies, the region's countries are often derogatorily referred to as banana republics.

Bananas were first exported from Central America in the 1870s. In 1889, a group of U.S. entrepreneurs formed the United Fruit Company. Known as El Pulpo (the octopus), United Fruit soon acquired an unsavory reputation for meddling in the internal affairs of the countries where it operated. Because of its close association with members of the U.S. government, U.S. policy in Central America through the first two decades of the 20th century often reflected company interests.

During the 1920s, United Fruit and another U.S. firm, the Standard Fruit and Steamship Company, its major banana competitor, expanded their investments to develop the region's principal utilities, railroads, ports and communication systems.

Between 1950 and 1970, agriculture in Central America was diversified, first into cotton and sugar production, and later into beef and nontraditional crops, such as flowers and vegetables. Nonetheless, coffee and bananas remain the region's two largest export commodities, making it dependent on external trade and vulnerable to changes in the global market.

**Common market**

In 1960, the region's leaders created the Central American Common Market, or CACM. The organization was meant to stimulate industrial development by promoting free trade among the Central American countries, and initially it met with enormous success.

Between 1960 and 1978, trade among CACM's member countries jumped from $32 million to over $900 million. By the mid-1970s, intra-regional trade accounted for 25% of total exports, and included flourishing electronic products, prepared foods, paper products and other consumer-goods industries.

The same period brought a boom in economic growth to Central America. In the late 1970s, however, the price of coffee, bananas and other commodities on the international market began to decline as the global economy took a downturn, and by the early 1980s the boom had turned into a bust.

**Shattered hopes**

Because of the region's dependency on imports, especially oil, and the drop in the value of its exports, Central America soon began to run increasingly high trade deficits. In 1980, for example, its trade deficit reached $1 billion; by 1982, it had doubled to $2 billion. To finance the growing disparity between imports and exports, Central America's leaders began to borrow heavily from international banks. In 1981 alone, the region's combined debt increased by more than 30%. Today, the region owes nearly $25 billion, or around $1,000 for every man, woman and child, far more than an entire year's income for most Central Americans.

Today, only Guatemala, with the region's most diverse economy, and El Salvador, sustained by huge infusions of U.S. economic aid, are in a position to service their debts on a regular basis.
Central America: bullets or ballots?

Nicaragua's revolution

On July 20, 1979, a group of battle-weary revolutionary leaders representing all sectors of the population, especially the middle class, drove triumphantly through the streets of Managua. They were celebrating the downfall of the country's dictator, Anastasio Somoza Debayle, and the end of the weary revolutionary leaders representing all sectors of the population, especially the middle class, drove triumphantly through the streets of Managua. They were celebrating the downfall of the country's dictator, Anastasio Somoza Debayle, and the end of the long-ruling Somoza family dynasty.

The broad-based popular uprising toppled a regime that had maintained an iron grip on the country's economic and political life since 1937. During their decades in power, the Somozas had acquired huge fortunes at the expense of their fellow countrymen. When he was overthrown, Somoza's family wealth was estimated at $1 billion.

The coalition government that replaced the dictator included leaders of the Sandinist National Liberation Front, or Sandinistas, a Communist rebel group that takes its name from the 1920s anti-U.S. national hero, Augusto Sandino. Before long the Sandinistas were in charge. They took over a country in ruins: 50,000 dead, 100,000 wounded and an estimated $1.3 billion in war damages. Some 25% of Nicaragua's factories suffered damage to plant and inventory, and over 90% closed completely during the last stages of the war. Before they fled the country, the Somozas plundered the national banks, leaving only $3.6 million in the treasury and a debt of $1.6 billion.

At first, the new government enjoyed considerable international support. Its recovery program was assisted by nearly $600 million in foreign loans and grants, including $118 million which the U.S. provided. In 1980, Nicaragua's GDP increased by 10.7%, one of the highest growth rates in the world, and unemployment fell to pre-war levels. The government initiated an aggressive literacy campaign, improved health care and began a sweeping agrarian reform program.

The economic recovery and the concept of a democratic government were short-lived. By 1981 it was apparent that the Sandinistas intended to transform the political and military structures along Marxist-Leninist lines. National elections that were to have been held immediately were postponed indefinitely as the Sandinistas shifted their focus toward military preparation. The army grew from 20,000 troops in 1981 to a current strength of over 70,000, one of the largest forces in Latin America. Military aid, totaling an estimated $2.7 billion between 1982 and 1988 (including tanks, sophisticated aircraft and training), was provided by the Soviet Union, some Eastern European countries and Cuba.

Contra war . . . The thrust of the Reagan Administration's anti-Sandinista policy centered on the support of...
counterrevolutionary forces, or contras, consisting of ex-members of Somoza’s National Guard, peasants from the regions bordering Costa Rica and Honduras, and other Nicaraguans upset by the lack of freedom under Sandinista rule. The original U.S. government explanation for supporting the contras was that they could help prevent the spread of revolution in Central America by intercepting Nicaraguan arms shipments to El Salvador and Guatemala. It soon became apparent, however, that the U.S. would never accept a Communist-led government in Central America and that the primary goal of the contras was to overthrow the Sandinista government.

At their peak, the contra forces included between 12,000 and 15,000 troops. Between 1981 and 1987, they received $265 million in U.S. assistance. Over the nine-year course of the war, nearly 45,000 Nicaraguans, mostly civilians, lost their lives. The war cost Nicaragua $1.8 billion in direct expenses.

In 1984, the Sandinistas finally held the long-promised national elections. Their candidate, Daniel Ortega Saavedra, won 68% of the vote, and opposition parties received about 30%, entitling them to representation in the legislature. A key U.S.-supported opposition coalition—claiming that government control of the media and restrictions on campaigning guaranteed a Sandinista victory—chose not to field a presidential candidate.

Trade embargo . . . In 1985, the Reagan Administration imposed on Nicaragua a trade embargo designed to crush the economy. Since then, President Ortega has twice announced austerity programs aimed at stopping Nicaragua’s economic slide. Because the austerity measures involved deep cuts in government spending, most of the social and economic gains from the early days of the revolution have slowly eroded. The infant mortality rate, for example, has shown a steep increase, and illiteracy is again on the rise. Says Sandinista official Omar Cabezas, “To tell the truth, President Reagan was partially successful. He didn’t throw us out of power. But he slowed us down about 50 years.”

The contra war and the U.S. trade embargo are not the only factors contributing to Nicaragua’s economic woes. Sandinista policies favoring the nationalization of some industries and government regulation of others by huge bureaucracies have led to over 50% of the labor force being employed in the nonproductive public sector and have stopped private investment.

The Sandinistas are anxious to bring an end to the trade embargo. Over the past two years press restrictions have been relaxed, large numbers of political prisoners have been released and opposition parties are now able to hold political rallies. New elections are scheduled for February 1990, and the government claims it will honor the results. Insists Foreign Minister Miguel D’Escoto: “What we guarantee is that there are going to be elections, free elections...and that whoever the people choose will be the new president of Nicaragua, regardless of the party.”

For opposition leaders it is deeds, not words, that continue to cast doubt on the Sandinistas’ intentions. Since 1981, at least 7,000 farmers have been jailed on suspicion of being contras. Despite government assurances that there would be no further expropriation of private land, last June three prominent farmers who support the political opposition had their coffee plantations seized.

“The Sandinistas are good fighters,” says Alfredo César Aguirre, a former Sandinista, then contra director who returned to Managua in 1989 to participate in the elections, “but they never made the transition from being guerrillas with guns to a government with laws.”

El Salvador: endless war

Even as the revolutionaries were entering Managua in 1979, events in El Salvador were hurting that nation toward armed rebellion. For 50 years the military, with the blessing of the country’s powerful “14 families,” had ruled El Salvador with little tolerance for political opposition.

During the 1970s, political tensions smoldered. Despite a highly successful industrialization program that generated considerable investment from abroad, 80% of the population continued to live in extreme poverty. After the 1972 presidential elections, the Christian Democratic party candidate, José Napoleón Duarte, widely considered the legal winner, was forced to flee the country.

Death squads . . . By the late 1970s, El Salvador had become increasingly polarized between left and right elements. Marxist guerrilla squads began operating in the countryside, attacking civilian and military targets in an attempt to disrupt the government. In retaliation, right-wing paramilitary groups, representing the landed elite and the wealthy business community, soon emerged. These “death squads” spread their own brand of terror, kidnapping and murdering suspected members of the political opposition. By 1980, politically motivated violence in El Salvador was claiming up to 1,000 lives every month.

In January 1980, following the collapse of one junta after its civilia members withdrew, a second civilian-military junta was formed with Duarte as president. The junta set in motion an extensive land-reform program as well as the nationalization of the country’s banks and the coffee-export trade. These measures proved unpopular with the military and many political groups, especially the far-right, and the violence continued to escalate.
During the 1970s, as in much of Latin America, the Catholic Church in El Salvador—in a break from its traditional role—had increasingly become involved in politics as a voice for the poor. In March 1980, Catholic Archbishop Oscar Romero, an outspoken proponent of political reform, was shot and killed while saying mass in San Salvador, the capital city. Though the killing was clearly linked to members of the military, no one has ever been brought to trial for his murder.

The FMLN . . . In October 1980, at the urging of Cuban President Fidel Castro, four separate guerrilla groups came together to form the Farabundo Martí National Liberation Front, or FMLN, named for a Communist leader of the 1932 revolt. In 1981, the FMLN launched a “final offensive” consisting of a military operation combined with a call for a popular uprising. The uprising failed to take place, and the rebels sustained heavy losses. Nonetheless, an estimated 7,000 guerrillas still control considerable portions of the countryside.

Following elections judged to be honest in March 1984, Duarte became president of El Salvador. Under pressure from the U.S., the government succeeded in reducing death-squad activity with the help of the military leaders, who adopted the unprecedented role of defenders of the democratic process. They protected the government against attack from both the right and the left, and, with nearly $1 billion in U.S. military aid, improved its capacity to fight against the FMLN.

The war in El Salvador has devastated the country’s economy. The guerrillas have destroyed bridges, trains, government facilities and factories, costing the government an estimated $2 billion in damages. Almost 50% of the working population is currently unemployed, and real wages are just half what they were in 1978. Malnutrition and infant-mortality rates have sharply increased while access to basic necessities, such as drinking water and medical supplies, is severely limited, especially in rural areas.

Recent elections . . . In March 1989, Salvadorans again went to the polls to elect a president. This time, disenchantment by official corruption, inefficiency and ineffective reform, voters rejected the Christian Democratic candidate and instead swung to the right with their selection of Alfredo Cristiani, a member of the National Republican Alliance, or Arena party, whose founder, Roberto D’Aubuisson, has been closely linked to the death squads and the murder of Archbishop Romero. Cristiani has pledged “to continue and improve on the efforts of the Duarte government to respect human rights.” However, human-rights monitoring organizations claim there has been an increase in death-squad activity over the past year.

During his inaugural address, Cristiani offered to open peace talks with the rebels, setting no preconditions. In September, the rebels accepted and negotiations, which the U.S. supports, have since begun. Still, it is difficult to predict an end to the bloodshed in El Salvador. As New York Times correspondent James LeMoyne has written, “The war in El Salvador may already have become the Northern Ireland of Central America: a permanent running sore, congenitally incapable of fully healing or being cured, short of the most radical measures.”

Guatemala: ailing democracy

In October 1990, Guatemalans will go to the polls to elect a president to replace Christian Democrat Vinicio Cerezo Arévalo, who in January 1986 became the country’s first civilian president in 16 years. If the elections go as scheduled and Cerezo is permitted by the military to pass the presidential sash to a democratically elected successor, it will only be the second time that such an event has occurred in Guatemala’s 150-year history.

Guatemalans began to experiment with democracy in 1945, with the election of President Juan José Arévalo, an idealistic university professor who initiated a series of economic and social reforms. In 1951, Arévalo was followed as president by Jacobo Arbenz, a left-of-center ex-military officer whose land-reform program and ties to the Communist party quickly antagonized both the powerful United Fruit Company and the U.S. government. In a 1954 coup engineered by the Central Intelligence Agency (CIA), Arbenz was deposed by Col. Carlos Castillo Armas, who returned the country to military control.

The 1954 coup began an era of political upheaval and violence that continues to plague Guatemala. In 1960 a group of young officers favoring political reform went into the mountains to form a guerrilla movement, beginning one of the world’s longest-unbroken armed insurgencies. The guerrillas claimed to be fighting for economic and social equality, a position that gained support among the 50% of Guatemalans who are of Mayan Indian descent.

To combat the rebels, the military developed a counterinsurgency campaign that included destroying villages and burning the countryside in order to eliminate their civilian support. The
army also helped organize right-wing death squads that carried on a murderous "dirty war" against political dissenters, and is believed to have been responsible for some 30,000 deaths during the 1960s and 1970s.

Reign of terror. In the early 1980s, spurred by the success of Nicaragua's Sandinistas, the rebels, who reached a peak of 12,000 combatants at that time, redoubled their efforts to topple the Guatemalan government. The military responded with a new reign of terror, including burning crops, killing livestock and massacring entire Indian communities. Between 1978 and 1983, 440 Indian villages were destroyed and from 50,000 to 75,000 Indians were murdered. In 1983, the government began the forced resettlement of Indians living in areas of high rebel activity into so-called model villages, giving the army control over their day-to-day lives. Civil-defense patrols were also formed, requiring the participation of all Indian men above the age of 18. By 1989, these patrols included over 800,000 men, and were being used primarily to discourage grass-roots political organization.

Because of the army's abuse of human rights, the U.S. halted all military aid to Guatemala in 1977. The military began a series of constitutional reforms in 1984 that led to the election of President Cerezo in December 1985. Cerezo's election brought a sense of hope for democracy that Guatemalans had not felt since the early 1950s. During the president's first year in office, unions were again allowed to organize, opposition groups could demonstrate openly and the incidence of political violence dropped dramatically.

Over the past four years, however, the optimism has gradually dissolved. President Cerezo, who has weathered a number of coup attempts, is under constant threat of assassination and openly defers to the military on most matters of national importance.

Honduras: contra worries

Like Guatemala, Honduras has a tradition of military intervention in politics, having suffered repeated coups throughout its history. The least developed country in Central America, it is widely considered the quintessential banana republic.

In 1981, after 18 years of military rule, President Roberto Suazo Córdova was elected to head a civilian government. In 1986, Suazo passed the presidency to José Azcona Hoyos, in Honduras's first transfer of power between elected presidents in half a century.

Honduras has largely managed to avoid the wholesale violence that characterizes politics in Nicaragua, El Salvador and Guatemala. Though the existence of a small leftist rebel group gave rise to a fierce counterinsurgency campaign during the early 1980s, the resulting deaths numbered in the hundreds, not in the tens of thousands. Recent attacks by rebels against Honduran and U.S. military personnel stationed there and retaliatory threats from right-wing groups have led many to fear that political violence may be on the rise.

More troublesome to most Hondurans than domestic political violence is the potential threat to the nation's security caused by the presence of the Nicaraguan contra forces and their families, an estimated 40,000 people, who so far have refused to disband. Hosting the contras was always a mixed blessing for Honduras. For allowing them to stay, the U.S. increased its economic and military aid from virtually nothing in 1980 to over $200 million a year by 1988. But economic activity in the southern region of Honduras was severely disrupted by the contra presence, which sparked political protests, especially by small coffee growers. The contras also provoked numerous border incidents with Nicaragua, many involving skirmishes between Honduran troops and the Sandinista army.

Now that the contra war has largely come to an end, the major fear is that well-armed rebels will turn to banditry and other illegal activities to survive.
Quest for peace

In January 1983, the foreign ministers of four Latin American countries—Colombia, Mexico, Panama and Venezuela—met on Panama’s Contadora Island to discuss the possibility of bringing peace to Central America. The Contadora plan, as their draft proposal came to be known, was soon endorsed by four other Latin American nations—Argentina, Brazil, Peru and Uruguay. Together with the original four, these countries came to be called the Group of 8. (Due to political turmoil brought on by dictator Gen. Manuel Noriega’s refusal to honor the results of the May 1989 national election, Panama has since been suspended from the group.)

The Contadora plan, which strongly affirmed the principles of self-determination and nonintervention, contained four basic elements: first, it called for an immediate end to all hostilities in Central America; second, it placed limits on the size and weaponry of each country’s military; third, it called for the exclusion of all foreign military advisers from the region; and finally, it advocated a halt to support of rebel forces throughout the isthmus. Partly because of resistance from the Reagan Administration, which considered it inadequate, the Contadora plan was never implemented.

In recent years, the Central American governments have themselves taken a more active role in the quest for peace. In August 1987, the presidents of the five republics met in the Guatemalan resort town of Esquipulas and signed a detailed plan for peace in Central America. The agreement incorporated the four elements of the Contadora plan and listed 10 specific steps to peace. These included an immediate end to all hostilities, amnesty for political prisoners, freedom of the press, free elections, a commitment to democracy and the establishment of a Central American parliament.

At a follow-up meeting in August 1989, the five Central American presidents agreed on a timetable for disbanding the contras. Under the August accords, the contras were given until December 1989 to lay down their arms voluntarily in exchange for peaceful reintegration into Nicaraguan society. The agreement also called on the UN to establish a peacekeeping force of 2,000 men along the Honduras-Nicaragua border.

The Guatemalan agreement grew out of a plan by Oscar Arias Sánchez, Costa Rica’s energetic president who received the Nobel Peace Prize in 1987 for his efforts toward regional peace. Because Costa Rica was the only Central American country not torn by bitter internal strife, Arias was in a unique position to push for a meaningful accord.

Due to its neutrality and commitment to the fair treatment of all its citizens, Costa Rica is often referred to as the Switzerland of Central America. Democracy was established there in 1899 and prospered in a land of small farmers and an egalitarian society; in 1949, under a new constitution, the country abolished its army, choosing instead to rely on an 8,000-man Civil Guard, whose primary responsibilities are keeping the peace and border surveillance.

Not that Costa Rica is trouble free. As with the region at large, the country has suffered a severe economic downturn during the past decade. Inflation has been running at 15% for several years, and the country’s foreign debt of $4 billion is one of the highest per capita debts in the world. Even though the unemployment rate of 5.5% is the third lowest in the Western Hemisphere, good jobs are scarce, with many families struggling on incomes of $120 to $180 per month, barely enough to meet their basic needs.

U.S. policy: sticks and carrots

In 1823, President James Monroe declared that “the American continents are henceforth not to be considered subjects for future colonization by any European powers.” The Monroe Doctrine, as the policy came to be known, was originally meant to counter any possible efforts by Britain, France, Spain and czarist Russia to recolonize parts of the Americas, and it was seen throughout Latin America as a commitment to mutual security and cooperation.

In 1904, the Monroe Doctrine was given a new twist by President Theodore Roosevelt. In what came to be called the Roosevelt Corollary to the Monroe Doctrine, Roosevelt proclaimed that the U.S. had the right to assume the role of an “international police power” in order to prevent European governments from exploiting the region’s instability. Under this corollary, the U.S. began its long history of “gunboat diplomacy” and “dollar diplomacy” in Central America and the Caribbean, often sending troops to occupy uncooperative nations, as was the case with Nicaragua from 1912 to 1933. Much of today’s anti-U.S. sentiment in Latin America is a legacy of those years.

In the 1930s, the U.S. made a dramatic shift in its policy toward intervention in Latin American affairs by adopting President Franklin D. Roosevelt’s Good Neighbor Policy, which stressed the importance of good will between hemispheric neighbors and placed special importance on economic development. The foundation for the policy was laid in 1933 at Montevideo, Uruguay, when the U.S. signed the Convention on the Rights and Duties of States, affirming that “no state has the right to intervene in the internal or external affairs of another.”

The Good Neighbor Policy reached
a peak under President John F. Kennedy. In 1961 Kennedy unveiled the Alliance for Progress, an initiative supported by the Organization of American States, that incorporated political, economic and social reforms and is still considered the most ambitious approach to Latin American development ever designed. Under the alliance, the U.S. promised to provide a major part of the $20 billion that would be needed over a 10-year period and greatly expanded its presence in the hemisphere.

To be sure, neither the Good Neighbor Policy nor the Alliance for Progress brought an end to U.S. military intervention in the region. During the post-war period, the U.S. extended its covert and overt military operations in Latin America. The most notable cases include the 1961 aborted Bay of Pigs invasion of Cuba and the 1965 invasion of the Dominican Republic by 25,000 U.S. Marines.

During the Carter Administration, an attempt was made to introduce a fundamental change in U.S.-Central American relations by downplaying East-West ideological themes in favor of North-South development issues. Carter showed a greater tolerance for socialist governments while loosening ties with right-wing authoritarian governments. Under Carter, human rights became a primary concern, leading to such actions as the aid cut-off to Guatemala in 1977.

Critics claim that Carter's policies were seriously flawed, arguing that he undermined rulers friendly to the U.S., such as Somoza, by his preoccupation with human rights instead of shoring up the status quo. Also, Carter failed to provide adequate economic aid to stimulate the region's flagging economies.

Toward the end of his Administration, Carter suspended economic aid to the Nicaraguan Sandinistas because of their military support of the FMLN in El Salvador and—a few weeks before leaving office—restored military aid to El Salvador after Duarte demonstrated he could control the army.

The Reagan Doctrine

The Reagan Administration saw the conflict in Central America in classic East-West confrontational terms, and the region was made a top policy priority. It also became a test case for the so-called Reagan Doctrine, which advocated the containment of Communist expansion by any available means.

"The national security of all the Americas is at stake in Central America," President Reagan stated in a speech to Congress in 1983. "If we cannot defend ourselves there, we cannot expect to prevail elsewhere. Our credibility would collapse, our alliance would crumble, and the safety of our homeland would be put in jeopardy."

Reagan’s two main concerns in Central America were the consolidation of power by the Sandinistas and the increasing strength of El Salvador’s Marxist rebels, which he viewed as part of a “well-orchestrated international Communist campaign.” To combat the guerrillas, the Administration increased its military assistance to El Salvador, which went from $6 million in 1980 to $81 million in 1983. During the same period, Reagan authorized the CIA to support and train the Nicaraguan contras and began holding U.S. military maneuvers in the region.

By 1984, total U.S. military assistance to Central America had peaked at $300 million a year. Though El Salvador received nearly two thirds of the aid, Honduras and Costa Rica also got their share. In 1985, the Administration reinstated modest amounts of aid to the Guatemalan army. Total military assistance to the region has fallen since 1985 to a little over $200 million a year.

Economic aid

In 1982, President Reagan announced his Caribbean Basin Initiative (CBI), a comprehensive program to integrate trade, aid and investment in Central America and the Caribbean nations. The CBI centered on the removal of all U.S. trade restrictions on imports from the region as a means for promoting market-oriented growth. Though it has had a positive effect in Central America, the region’s high foreign debts and continued political unrest have prevented the program from reaching its full potential.

In 1983, the National Bipartisan Commission on Central America was established to study U.S. interests in the region. In its 1984 report to the President, the commission, chaired by former Secretary of State Henry A. Kissinger, recommended that the U.S. play a pivotal role in promoting economic growth and social change in Central America. In response to the report, the President asked Congress to provide $8 billion in economic support for the region over a five-year period. Annual economic aid to Central America fell to $1 billion in 1985, and has since fallen to approximately $600 million.

Contra support

Support for the Nicaraguan contras had become the backbone of Reagan’s Central American policy by 1982. By 1984 it was apparent that the contras could not defeat the much stronger Sandinista army. Instead, they were encouraged by the U.S. to carry on a low-intensity war aimed at disrupting the Nicaraguan economy. As part of this plan, the CIA mined Nicaragua’s main harbors, temporarily disrupting trade, and distributed a controversial manual on guerrilla warfare to the contras, detailing such techniques as political assassination. Both actions were greatly criticized in the international press.

Obtaining congressional support for the contras was a constant problem for the Administration. From 1982 to 1983, the contras received approximately $50 million in covert funds. Congress openly supported the contras for the first time in 1984, when $25 million in military aid was approved. Due to strong public opposition, funding for weapons was suspended in May 1984; in June 1985, $27 million per year in “humanitarian” aid was granted for such things as food, clothing and medicine. In 1986, full funding of $100 million was approved, but the military portion was again suspended in 1988.

To counter the lack of public support, the Administration sought other means of providing military aid to the contras. One method was to solicit funds from wealthy conservatives; another was through the illegal sale of arms to Iran, and the secret diversion of the profits from those sales to the contra leadership. The discovery of the Iran arms deal in 1986 quickly mushroomed into the Iran-contra scandal, leading to the indictment (and, in at least one case, conviction) of several top Administration officials.
Failed policy?

Critics claim that the Reagan Administration failed to accomplish even the most modest of its goals in Central America. They point out that after eight years of high-level U.S. involvement and billions of dollars in economic and military aid, the Sandinistas are still in power in Nicaragua, the fighting continues in El Salvador and the standard of living in the region has plummeted.

"The Reagan Administration," notes Robert A. Pastor, National Security Council director of Latin American affairs under President Carter, "[was] so preoccupied with Central America and the Nicaraguan contra rebels that it lost sight of the country's purpose and the hemisphere's policy landscape."

Reagan's supporters disagree; they point out that the Reagan Doctrine was successful in keeping the Sandinista revolution from spilling into neighboring countries and in strengthening the foundation for democracy in El Salvador, Guatemala and Honduras. Says Robert Kagan, deputy policy in the State Department's Bureau of Inter-American Affairs from 1985 to 1988: "Not even the heyday of democracy in the first two years of the Kennedy Administration can compare either in breadth or longevity with the democratic trend of the 1980s."

In March 1989, the Bush Administration and leaders of Congress jointly announced a new U.S. policy plan for Central America, pledging bipartisan support for democracy, peace and security in the region as embodied in the 1987 Guatemalan peace initiative. In exchange for humanitarian funding for the contras through the scheduled elections in Nicaragua in February 1990, the White House agreed to consult regularly with Congress on progress in meeting the goals of peace and democratization in the region.

U.S. policy options

Developing a workable policy toward Central America has not been easy. Often U.S. initiatives have failed to produce their desired results and even contributed to regional instability. What role should the U.S. play in Central America? The following are some of the choices.

- **1. Multilateralism—hold the middle ground.** This strategy entails pursuing a course of quiet diplomacy and avoiding bold or dramatic policy initiatives, much as the Carter Administration did. The aim would be to encourage political and social reforms through multilateral cooperation rather than U.S. unilateral actions. This would enable the U.S. to lower its profile in Central America while still maintaining indirect influence. However, such a policy—at least in the short run—would do little to dislodge the Sandinistas in Nicaragua or defeat the rebels in El Salvador.

- **2. Interventionism—focus on security issues.** Under this policy, halting the spread of Marxism and even reversing its influence in Nicaragua would take precedence over other policy concerns. The objective would be to maintain pressure on the Sandinistas by having a highly visible U.S. military presence in the region and by renewing aid to the contra forces should the 1990 Nicaraguan elections not produce the desired results.

- **Proponents claim that this policy is necessary to protect U.S. security interests in the hemisphere and to counter moves by the Soviet Union and Cuba. Critics point to the lack of progress in achieving these goals during the Reagan years as evidence that a different policy is called for.**

- **3. Stress economic and political development.** Under this option, the U.S. would focus on providing economic rather than military aid to Central America. Support would be given to CACM and other initiatives designed to increase trade. At the same time, the U.S. would encourage democratic reforms and respect for human rights.

This approach would promote political stability by raising the quality of life for all Central Americans. However, it also fails to address the existing political problems in Nicaragua and the rebel war in El Salvador, and would require an increase in U.S. aid at a time when this country is facing its own budgetary concerns.

- **4. Benign neglect.** A fourth possible policy choice entails a deliberate U.S. hands-off attitude toward Central America aimed at letting the region solve its own problems. This would save taxpayer dollars and reduce the possibility of U.S. troops being sent to fight in Nicaragua or El Salvador. On the other hand, a policy of benign neglect fails to take into account what many consider the strategic importance of the region to the U.S. and the need for economic and political development there.

Despite the large role the U.S. has traditionally played in Central America, policymakers here continue to debate the significance of the isthmus to this country. Some argue that because of its small size and minor influence in the international economic order, the region should not be a major focus of U.S. foreign policy. Others believe, as did President Reagan, that its proximity to North America and inherent political instability should afford Central America a prominent place in U.S. foreign policy discussions.
FOR DISCUSSION

1. President Reagan said, “The national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot expect to prevail elsewhere.” Do you agree or disagree with the President’s reading of the situation in Central America?

2. Despite concern over regional stability, the U.S. government has been extremely reluctant to commit U.S. troops to fight in Central America. Do you agree with this policy? Can you think of any circumstance in which you would favor American soldiers being sent to fight in the region?

3. President Carter was criticized for placing too much emphasis on human rights. How important a role should human rights play in U.S. policy?

4. The Reagan Administration based a great deal of its policy toward Central America on support for the Nicaraguan contra forces. Was this an effective policy? Was U.S. support for the contras responsible for the Sandinistas agreeing to hold elections? Or were there other more-effective pressures at work?

5. The U.S. halted economic aid to Nicaragua in 1980 and imposed a trade embargo in 1985—measures that contributed to the country’s economic collapse but also helped to strengthen anti-U.S. sentiments. Do you believe these were wise policy choices? Would a more conciliatory approach have helped to moderate the Sandinistas?

6. Should the U.S. pursue a multilateral approach to problem solving in Central America, or is it better to take unilateral action?

7. In all the Central American countries, social indicators, such as health, education, and employment, have registered steep declines since 1979. What do you believe is responsible for the worsening economic situation in the region? What, if anything, would you recommend that the U.S. government do to help stimulate Central American economics?

8. U.S. journalist Clifford Krauss believes that “at the end of the day Central Americans have to solve their own problems.” Do you think this is true? Should the U.S. have a “hands-on” or “hands-off” policy toward Central America?

SUGGESTED READINGS


For further in-depth reading, write for the Great Decisions 1990 Bibliography (see page 4).