UNITED STATES FOREIGN POLICY TOWARD NICARAGUA

BY

LIEUTENANT COLONEL JAMES M. GRANT

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Democracy and stability have been U.S. objectives for Central America throughout this century. Nicaragua for the past fifty-four years has stood as an obstacle to these objectives. From 1936–1979 Nicaragua was ruled by a family of ruthless dictators. The Somozas, while friendly to the United States, led an oppressive government with little respect for human rights. In 1979, Somoza was overthrown by the Sandinistas, who established a Marxist–
Leninist government unfriendly to the United States. In April 1990, the Sandinistas will relinquish power to the freely elected government of Violeta Chamorro and her National Opposition Union coalition party. The purpose of this paper is to look at the U.S. relationship with the governments of Somoza and the Sandinistas. The paper focuses on how the instruments of power were utilized to support U.S. interests and how those interests changed over the years. This review of the U.S.-Somoza relationship builds a foundation for understanding the 1980's. The final chapter offers a personal perspective of the author as well as some recommendations for the future.
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UNITED STATES FOREIGN POLICY TOWARD NICARAGUA

AN INDIVIDUAL STUDY PROJECT

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U.S. Army War College
Carlisle Barracks, Pennsylvania
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ABSTRACT

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Democracy and stability have been U.S. objectives for Central America throughout this century. Nicaragua for the past fifty-four years has stood as an obstacle to these objectives. From 1936-1979 Nicaragua was ruled by a family of ruthless dictators, the Somozas, while friendly to the United States, led an oppressive government with little respect for human rights. In 1979, Somoza was overthrown by the Sandinistas, who established a Marxist-Leninist government unfriendly to the United States. In April 1990, the Sandinistas will relinquish power to the freely elected government of Violeta Chamorro and her National Opposition Union coalition party. The purpose of this paper is to look at the U.S. relationship with the governments of Somoza and the Sandinistas. The paper focuses on how the instruments of power were utilized to support U.S. interests and how those interests changed over the years. This review of the U.S.-Somoza relationship builds a foundation for understanding the 1980's. The final chapter offers a personal perspective of the author as well as some recommendations for the future.
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UNITED STATES FOREIGN POLICY TOWARD NICARAGUA

CHAPTER 1

INTRODUCTION

United States interests in Central America have remained more or less constant throughout this century. The United States wants to keep hostile powers out of the area, wants to maintain stability in the countries of the area in ways amenable to U.S. interests, and finally desires open access to economic markets.¹ Nowhere in Central America have these interests been more threatened than in Nicaragua. For example, since 1912, Nicaragua has seen the U.S. marines involved in a twenty year war for the elimination of banditry and the establishment of a stable government. Then shortly after the marines departed, Nicaragua found itself under the control of a family of dictators that stayed in power for forty years. Now for the last ten years a Marxist-Leninist government has led or misled the Nicaraguan people.² These events in Nicaragua, represent much frustration for the policy makers in the United States.
The purpose of this research paper is to take a look at U.S. foreign policy as it applies to Nicaragua. Primary emphasis will be on the last ten years; however, a rather detailed look at the pre-1980's is necessary to provide an historical background and to set the stage for the assessment. In the last chapter of this report, the author will provide his own views on the past and the future of U.S.-Nicaraguan relations.

For students of foreign policy, the past ten years or post-Somoza period in Nicaragua is an ideal case study. All four instruments of power -- political, economic, socio-psychological, and military -- were used in an attempt to influence the Nicaraguan government. U.S. foreign policy approaches in Nicaragua changed during the period from an initial bilateral focus to ending the decade with one emphasizing a multilateral approach. The success or failure of U.S. foreign policy in the 1980's may not be known for some time, but given the important conflict resolution initiatives now underway, this review appears to be both timely and necessary.

This research paper was not intended to address every transaction in U.S.-Nicaraguan foreign relations. It will focus on policy changes, ways the instruments of power were employed, and an evaluation of the Nicaraguan reaction to U.S. policy. The goal is to be factual and informative.
Endnotes


CHAPTER II

THE SOMOZA RELATIONSHIP

The year 1933 marked three significant events in U.S.-Nicaraguan relations. First, the U.S. Marines left after having spent almost twenty years helping Nicaragua build a stable government. Second, liberal leader Juan Sacasa won the Presidential election and appointed his niece's husband, Anastasio (Tacno) Somoza as Director-General of the U.S. Marine trained National Guard. Finally, the U.S. adopted a foreign policy of non-intervention and noninterference. 1

The most important of these events may be the appointment of Tacno Somoza. Somoza was ambitious and shrewd. He had served as interpreter for Henry Stimson, Herbert Hoover's Secretary of State, and seemed to understand the benefits of ties with the United States. Somoza used his National Guard first to defend Sacasa; then in 1936, he used them to seize power. For the next forty three years, the Guard would remain loyal to the Somoza family.

As Somoza ousted his uncle, the United States sat silent. The policy of noninterference was indeed just that. Secretary of State Cordell Hull said it this way,
It has for many years been said that the United States has sought to impose its own views upon the Central American states, and that to this end, it has not hesitated to interfere or intervene in their internal affairs. This criticism has been made particularly in regard to our relations with Nicaragua. We, therefore, desire not only to refrain, in fact, from any interference, but also from any measure which might seem to give the appearance of such interference.\(^4\)

Somoza played the silent U.S. response like a finely tuned musical instrument, making it appear that the U.S. condoned, approved, or even instructed him.\(^3\) Thus, the Somoza dynasty began.

Somoza ruled for twenty years using his office for profit as well as for power. From 1936 through 1945, Somoza ruled without U.S. interference, but his oppressive government and his personal control over the National Guard did not please U.S. policy makers.\(^4\)

In 1945 following the death of President Roosevelt and departure of Secretary of State Hull, the U.S. changed its policy of noninterference to a policy that permitted some opportunities to influence Nicaraguan politics. The U.S. spent the next several years encouraging Somoza to step down and relinquish control of the National Guard. These efforts were not successful.\(^5\) By the early 1950's, the Eisenhower Administration viewed the existence of communists in the government of Guatemala as a serious threat to the United States and gave less weight to the performance of Somoza as
a dictator and more to his loyalty. As a result the U.S. negotiated a military aid agreement with Nicaragua and the Central Intelligence Agency (CIA) began training Guatemalan rebels on Nicaraguan soil. In June 1954, the Guatemalan government was overthrown. Somoza, who had helped the U.S. against Guatemala, quickly lost U.S. support when he sought to train Costa Rican exiles for a similar overthrow of Costa Rican President Jose Figueres. (Figueres had sponsored assassination plots against Somoza). In response to the lack of support Somoza received from the United States he complained: "What advantage do we get from being friendly? You treat us like an old wife. We would rather be treated like a young mistress."7

In September 1956, Anastasio Somoza was assassinated by a young Nicaraguan poet. His two sons, who had been taught to view their country as their estate, moved quickly to replace their father. Luis Somoza, age 34, a graduate of Louisiana State University became President and his brother Anastasio Somoza, Jr. (called Tachito), a graduate of West Point, became Director of the National Guard.

Luis Somoza proved to be an ostensibly more genial and accommodating politician than his father or brother. He worked closely with the United States and eagerly volunteered facilities on Nicaragua's Caribbean coast to serve as a staging area for the U.S. to train Cuban exiles destined for the Bay of Pigs.8
The early 1960's also proved to be a period of unprecedented economic progress. Thanks to the Alliance for Progress and the Central American Common Market, investments in Nicaragua were at an all time high.

Luis Somoza died of a heart attack in April 1964, just two months after his brother Iachito had been elected president. Iachito, felt an unusual closeness to the United States. with the exception of four years, all of his schooling had been in the States. In his memoirs he wrote next to Nicaragua, I loved the U.S. more than any place in the world. He was even described as a man who was relaxed with Americans, yet authoritative to Nicaraguans who were not members of his family.

Iachito, like his father, maintained formal control of the Guard and the government simultaneously. He ruled with an iron hand and authorized the Guard to abuse and torture political prisoners. Despite his lack of respect for human rights, he did develop a close relationship with the Nixon Administration. Nixon, like Somoza, saw the world as divided between communists and non-communists. Nixon appointed Turner Shelton as U.S. Ambassador to Nicaragua, and Shelton quickly became a confidant of Somoza. Throughout the Nixon presidency, Somoza played on the communist threat, and the U.S. responded with support. However, in 1972, the downfall of Somoza began.
In 1972, Managua was hit by an earthquake that left hundreds of thousands of Nicaraguans homeless and eight to ten thousand dead. The United States and other international communities responded with millions in humanitarian reconstruction aid. Somoza and the Guard turned this national tragedy into a financial gain for themselves by their management or mismanagement of the aid money. As a result, the bond between Somoza and the Guard grew closer, while the Guard became increasingly isolated from the Nicaraguan population. Somoza also lost the support of the business community as a result of his exploitation of the earthquake. In fact, within Nicaragua, Somoza was quickly losing the support of almost everyone except the Guard and Ambassador Shelton. In 1973 the U.S. recalled Shelton, and the Somoza-U.S. relationship immediately changed.

The day after President Nixon resigned, Secretary of State Henry Kissinger appointed William D. Rogers as Assistant Secretary of State for Inter-American Affairs. Mr. Rogers accepted the appointment on the condition that he could make basic changes in policy and personnel, including ambassadors. Turner Shelton was replaced by James Theberge and a new era in policy quickly followed.

The new policy underscored two points. First, the U.S. would now be neutral both publicly and privately in all its
actions (meaning its actions with Somoza and the leaders of a growing opposition within Nicaragua.) Second, the U.S. would monitor much more closely the distribution of money provided by the Agency for International Development. U.S. policy had shifted from the collaborationist policy of Snerst to a variation of the noninterference and neutrality policy of the Roosevelt-Truman years.15

The opposition to Somoza was led primarily by a group called the Frente Sandinista de Liberacion National (FSLN). Formed in the early 1960s, the FSLN initially posed no real threat to the Somozas. The FSLN members called themselves Sandinistas, after Augusto Cesar Sandino, an anti-Yankee Nicaraguan revolutionary nationalist during the 1920’s-1930’s. Their movement posited a Marxist interpretation of history with an intense hatred of Somoza, the National Guard, and the United States. After the 1972 earthquake, support for revolution in Nicaragua clearly increased.

During the period 1972-77, the National Guard was simply too powerful and the Sandinistas too small and poorly organized to overthrow Somoza. Meanwhile Somoza had developed a totally corrupt political system. The Somoza family controlled the nation’s military, its politics, and an expanding share of the nation’s economy.16 In 1977, U.S.-Nicaraguan policy would make yet another change as Jimmy Carter became President of the United States.
Jimmy Carter came to office with two policies that had an impact on U.S.-Nicaraguan relations. The first was stated in Carter's inaugural address, when he said that the United States opposed overthrowing established governments. "We will not act abroad in ways that we would not tolerate at home." Later, in a speech at Notre Dame, he outlined his plan for the advancement of human rights and democracy. This quote may well have been directed at Somoza. "Being confident, we are now free of that inordinate fear of communism, which once led us to embrace any dictator who joined us in that fear." Human rights quickly became the focal point of U.S. foreign policy. The goal of the Carter Administration was to put teeth in a 1973 Congressional initiative that would reduce or eliminate foreign aid to countries violating human rights.

Somoza's initial reaction to U.S. pressure regarding human rights seemed positive. His direction to the National Guard to curb abuses was confirmed by both Amnesty International and the Catholic Church. He also opened his Cabinet to make it more broadly representative, ended censorship, and lifted the state of siege he had imposed back in 1974, following a Christmas raid by the Sandinistas. The United States response to these concessions was a wait and see attitude. The United States was not ready to grant Somoza aid and announced it would not provide aid until further progress was made in human rights.
The Sandinistas saw the end of martial law and the U.S. efforts to democratize Nicaragua - not as an opportunity, but as a threat. Humberto Urtega, a Sandinista leader said that they looked at the progressive steps taken by Somoza and knew these would have an adverse effect on selling the revolution. So they decided to speed up the offensive.

More importantly, the Sandinistas went public with a new goal. "Their goal was not to install a communist government, but merely to overthrow the long-ruling Somoza Regime and establish democracy through free elections."

One of the principle leaders of the Nicaraguan opposition was Pedro Joaquin Chamorro. Mr Chamorro, a descendant of three Nicaraguan Presidents and publisher of the nation's leading newspaper, was assassinated on 10 January 1978. While the responsibility for Chamorro's death could never be directly attributed to Somoza or the National Guard, this event energized the anti-Somoza movement. Over 10,000 people attended his funeral, which was followed by three days of bloody demonstration throughout the nation. The Guard responded in a heavy-handed manner: its ruthless mop-up operations in five cities left 3000 dead.

Somoza, in an effort to slow the swell of opposition, announced his intention to leave both the Presidency and the National Guard at the end of his term in 1981. While this was a shrewd tactic, it was not successful.
In May 1978, the Carter Administration provided two loans for basic human needs to Nicaragua - one for education and the other for nutrition. In doing so the State Department issued this statement.

The U.S. reiterates its policy of strict non-intervention in the internal political affairs of Nicaragua and our continuing desire for a steady non-violent transition to genuine democratic rule. Approval of A.I.D. projects for the needy is not intended as an expression of political support. 

The American press and the Sandinistas, however, saw it as support for Somoza.

By the summer of 1978, pressure for Somoza to step down was not just coming from the Sandinistas. Carlos Andres Perez, the President of Venezuela said,

Somoza, if you don't accept my advice to leave Nicaragua and give way to a democratic solution and to an agreement between the National Guard and the guerrillas for the rise of a government that would grant liberty in Nicaragua, you will be the greatest criminal in Latin America. Everyone is against you. You will not be saved from being overthrown.

Somoza did not step down, and guerrilla activity increased. For example in August 1978, Eden Pastora and a group of twenty-five Sandinistas captured the National Palace and the 1500 people in it. To regain the Palace, Somoza was pressured into releasing political prisoners, giving the
Sandinistas cashed and permitting a long communique to be published in the newspapers and read over the radio. That communique encouraged the Guard to join the Sandinistas in their struggle to overthrow Somoza. The Sandinistas were rapidly gaining support within Nicaragua. And as the conflict in Nicaragua worsened, human rights became a less effective tool for protecting U.S. interests in Nicaragua. As a result, the United States began focusing on a Nicaragua without Somoza.

The United States spent the fall months of 1978 debating what direction its policy should take in Nicaragua. Four options were discussed: neutrality; disassociation from Somoza; support for Somoza; or mediation. Mediation won, and the United States spent the next year playing either a leading or supporting role in mediation geared to removing Somoza and to installing a democratic government. However, Somoza looked at mediation as an opportunity to buy time while he strengthen his National Guard. At the same time Sandinista leadership looked at mediation as an effort by Yankee imperialists to steal the revolution from the Nicaraguan people. Thus mediation, which had included the governments of Guatemala and the Dominican Republic, made no headway. To put additional pressure on Somoza, the United States announced the following steps.
- the U.S. military group would be withdrawn and the military assistance program, which had been suspended, would be terminated;
- no new aid programs would be considered and two loan projects would be held up, but those programs that were 'well advanced' and aimed at 'the basic human needs of the poor' would continue;
- all Peace Corps volunteers would be withdrawn; and
- the size of the U.S. Embassy would be reduced by more than half.26

These sanctions appeared to have had an impact on Somoza, but they did not persuade him to step down. Three events, however, did convince him that it was time to leave.

During the summer of 1979 (when U.S. leadership was giving priority to signing the SALT Treaty, and to state visits to Japan and South Korea) the foreign ministers of Venezuela, Colombia, Ecuador, Peru, and Bolivia were meeting to discuss Nicaragua. The Andean Pact, as it was called, declared the Sandinistas legitimate combatants in a state of belligerency. In Costa Rica, a five member Junta was named that would serve as the head of the Provisional Government. Finally, the Sandinistas launched a major offensive into Nicaragua from Costa Rica. The United States played almost no role in influencing these events. Somoza resigned July 17, 1979.

The Somoza dynasty ended much as it had begun, with the United States watching. Unfortunately the United States had
been branded pro-Somoza, a tag it didn't want and couldn't
snake.
Enanotes

1 Robert A. Pastor, Condemned to Repetition. The United States and Nicaragua, p. 25.

2 ibid., p. 27.

3 ibid.

4 ibid., p. 28.

5 ibid.

6 ibid., p. 31.

7 ibid.

8 ibid., p. 35.

9 ibid., p. 37.

10 ibid., p. 329.

11 ibid., p. 36.

12 ibid.

13 ibid., p. 37.

14 ibid., p. 38.

15 ibid., p. 39.

16 ibid., p. 44.

17 ibid., p. 50.

18 ibid.

19 ibid., p. 57.

20 ibid.


22 Pastor, p. 66.
23 ibid., p. 69.
24 ibid., p. 84.
25 ibid., p. 110.
26 ibid., p. 119.
CHAPTER III

CARTER ADMINISTRATION - POST Somoza

As the Sandinistas came to power in Nicaragua, the Carter Administration geared itself to avoid another Cuba. There was consensus on U.S.-Nicaraguan objectives:

Internal: to assist the revolution to fulfill its stated promises of political pluralism, elections and a vigorous private sector, and conversely, to reduce the chances that revolution would become communist;

Strategic: to deny the Sandinistas an enemy and thus a reason for relying on Cuban and Soviet military assistance; and

Regional: to make clear that a good relationship with the U.S. was contingent on Nicaraguan non-interference in the internal affairs of its neighbors.1

The plan for achieving these objectives appears designed to avoid confrontation. The U.S. plan called for...

... rapidly seeking to establish good relations with the regime; providing emergency food and relief supplies; developing a long-term aid program; working with friendly democratic governments in the area and Europe, encouraging them to help as well; and finding ways to help the moderates in and outside the government, who were more likely to favor a democratic Nicaragua.2

The moderates in government mentioned in the plan were part of a five-member Junta which was to head the Government
of National Reconstruction. Although the Junta was the executive branch, it shared legislative responsibility with the 33-member Council of State. The Council of State limited FSLN membership to no more than twelve. So there was reason for the United States to be optimistic about a democratic process beginning in Nicaragua.

In the fall of 1979, the State Department described the Nicaraguan political situation as being in flux. Some of the Sandinista leadership wanted to lead Nicaragua toward a Marxist model, drawing on Cuban advice and support. Others wanted to restructure their country in an independent, pluralistic fashion. In an effort to influence the process and help the people of war torn Nicaragua, the Sandinista government for its first eighteen months of existence received more U.S. foreign assistance than did any other government. The only condition to receiving the aid was that the Sandinistas would not engage in terrorism or efforts to overthrow governments in neighboring states. While the U.S. was using its economic instrument of power, the Sandinistas were offering a socio-psychological response.

Here are two examples of how Nicaragua responded to U.S. efforts.

Shortly after the Nicaraguan Red Cross identified the United States as the largest donor of food and medical supplies to Nicaragua, the revolutionary government's minister of social...
we. are tallied even to mention the United States when identifying the donors of emergency aid.\(^5\)

under the new regime, Nicaraguan school children were taught to sing the FSLN Anthem which included the line: 'We shall fight against the Yankee, for he is the enemy of humanity.'\(^6\)

by the time Carter was about to leave office, it was accepted that the FSLN was heavily influenced by Marx and Castro. There was also evidence that large amounts of weapons destined for the guerrillas in El Salvador were transiting Nicaragua. Thus Carter suspended aid to Nicaragua.\(^7\) despite this, the Sandinistas responded positively to Carter's human rights objectives and even outlawed the death penalty. The FSLN was also successful in cultivating good relations with Latin America and Europe.
Endnotes

1 Pastor, p. 194.

2 Icra, p. 195.

3 Viron P. Vaky, Statement by Assistant Secretary of State for Inter-American Affairs before the House Committee on Foreign Affairs, p. 9.


5 Bolig. p. 10.

6 Bolig.

7 John A. Busnell, Statement by Acting Assistant Secretary for Inter-American Affairs before the House Foreign Affairs Committee, p. 2.
CHAPTER IV

THE REAGAN YEARS - A MILITARY SOLUTION

While the Carter Administration offered aid as a first step toward a new, respectful relationship with the FSLN, Ronald Reagan chose a more confrontational approach. His campaign platform had even called for the termination of aid to Nicaragua. Alexander Haig, Reagan's Secretary of State, said when the administration took office they had two foreign policy messages: first, a warning to the Soviets that their time of unresisted adventuring in the Third World was over; and second, that U.S. relations would be evaluated not by a government's respect for human rights but by its friendship with the U.S. government. Reagan, much like Eisenhower and Nixon before him, tended to have a single ideological view of the world - communist and non-communist.

Meanwhile in Nicaragua the Sandinista revolution was beginning to look just like an exchange of one set of autocratic rulers for another. Before the Sandinistas came to power, they had promised free elections, political pluralism, and nonalignment. What actually happened was that the Sandinistas moved to squeeze the democrats out of the governing Junta and officially declared Marxism-Leninism as their guide. They restricted political opposition.
placed limits on the press and restrictions on the church. Even the Nicaraguan economy which had received unprecedented levels of economic assistance was in real decline.  

Ronald Reagan’s approach to the Sandinistas clearly emphasized the military instrument of power from the beginning. He saw Cuba and Nicaragua as security threats and wanted them stopped. In March 1981, he authorized the CIA to undertake covert actions in Central America to interdict arms trafficking to Marxist guerrillas attempting to overthrow the government in El Salvador. By early 1985, Reagan had updated his foreign policy objective to include replacing or substantially altering the Sandinista regime. When asked if that meant overthrow the Sandinistas, he responded:

> Not if the present government would turn around and say uncle . . . . We’re saying we’re trying to give those who fought a revolution to escape a dictatorship, to have democracy, and then had it taken away from them by some of their fellow revolutionaries . . . . We want them to have a chance to have that democracy that they fought for. I don’t think the Sandinistas have a decent leg to stand on. What they have done is totalitarian. It is brutal and cruel. And they have no argument against what the rest of the people in Nicaragua want.  

The means by which the CIA hoped to accomplish their objectives was a group called the Contras who initially
numbered five hundred and eventually grew to over eighteen thousand.

The Contras were and still are today made up of former members of Somoza's National Guard, teamed with unhappy farmers and other small counterrevolutionary groups including some of the original anti-Somoza revolutionaries. President Reagan chose to call them freedom fighters. To supplement the Contras and attempt to intimidate Nicaragua, the United States took additional action. The United States financed a moderate buildup of the Honduran armed forces, built runways and bases in Honduras capable of handling U.S. forces and began joint U.S.-Honduran military maneuvers. The U.S. Navy also began a series of exercises off the Central American coast. All of these exercises were part of an ongoing strategy aimed at pressuring the Nicaraguan government and keeping real the threat of a U.S. sponsored direct invasion. At home senior Defense Department and CIA leaders kept the threat of U.S. invasion alive with comments like "Nicaragua is not immune to invasion." The Sandinistas and Contras have been fighting since late 1981, with most of the fighting occurring between 1982-87. The author came to view the Contras as representing a foreign policy ends-means mismatch. The Contras may have stood a chance of stopping arms flow to the El Salvadorian guerrillas, but once the objective was enlarged - publicly - to include removing the Sandinistas.
from power. The means were insufficient for the task. Any increase in the means would have most likely involved U.S. troops. The U.S. Congress was always reluctant to support the Contras and, in the author's opinion, would never have supported committing U.S. troops for offensive operations unless the FSLN did something really stupid.

There were strong arguments in support of the Contra effort which said that a long war of attrition would weaken the regime, provoke increased repression, and win sufficient support from Nicaragua's discontented population; and that sooner or later, the regime would be overthrown or self-destruct. Likewise, the argument against the use of a military force against the Sandinistas had credibility. By establishing a pole of opposition outside Nicaragua, the Contras weakened and delegitimized opposition forces inside the country. As a result, much of the disaffection and opposition was drawn outward rather than allowed to ferment domestically.

The policy of using the Contras to achieve U.S. objectives had two opponents -- the Sandinistas and the United States Congress. The Sandinistas built the largest military force in Central America. It included over 120,000 men backed by 3,000 Cuban advisors and quality equipment from the Soviet Union. The Nicaraguans justified the buildup as preparation for an U.S. invasion. They only had to look at their history, the U.S. invasion of Grenada.
the build-up in Honduras, or listen to senior U.S. officials
to find justification for a large military force. 8

The U.S. Congress was an equally tough opponent for the
Contrás in spite of the tough battle Ronald Reagan fought
in support of them. President Reagan's approach was socio-
psychological. His tool was an information blitz. Reagan
used every opportunity, to include prime time television
broadcasts, to talk about the communists in Nicaragua and
Cuba. (Many of these broadcasts were carried on Nicaraguan
television.) He engaged in a verbal war with phrases like:
"the Communist threat," his own personal promise to "fight
to the end," and gave warnings that if the Contras failed,
there would be Soviet bases on continental soil. He also
said that the Soviet Union might be "... the dominant
power in Central America." Meanwhile, Secretary of State
George Schultz was accusing the Sandinistas of having links
with terrorists in the Middle East and of dealing with drug
merchants in Latin America; he even called the Sandinistas
"... a cancer that must be removed." 9 Additionally,
Reagan was lobbying Congress for support. These were high
risk approaches for Reagan, as he was turning the removal of
the Sandinistas into a personal objective. He sought to
influence a variety of audiences for a variety of reasons:
he hoped, of course, Congress would fund Contra operations;
he pushed Central America to alienate Nicaragua; he wanted
to motivate the Contras; and finally, he wanted to let the
Sandinistas know now he felt about them. Overall his verbal war was successful. However, Congress never fully supported the Contras and many restrictions were placed on their fundings.10 For the past two years Contra funding has been for humanitarian, not military objectives.

The Contras did not achieve the military victories necessary to defeat the Sandinistas. They had, however, been successful in spreading Sandinista troops more thinly over more territory. They had become proficient in sabotage actions, especially against the country’s power supply. They had forced the Sandinistas to continue a most unpopular draft. And they had severely strained an already crippled Nicaraguan economy.11 These successes were not insignificant when joined with economic and diplomatic efforts occurring during the same period.

Economic Pressures

While the military instrument of power clearly had the lead in U.S. Nicaraguan foreign policy, the economic instrument played an important supporting role. Economic pressure on the Sandinistas fell into two categories, credit and trade. Soon after taking office, Reagan cut off U.S. credit and grants to Nicaragua and persuaded many private and multilateral leaders to follow suit. For example, the
World Bank suspended credit to Nicaragua in 1982, and the InterAmerican Development Bank did the same in 1983.

This credit boycott had a near term effect on the economic future of the Sandinistas. It forced them to turn to the socialist block for aid. It raised the cost of credit by forcing Nicaragua to replace low interest multinational loans with higher interest bilateral loans. And finally, it retarded the Sandinista's ability to invest in development projects.12

In 1985, the U.S. compounded Nicaragua's economic problem by imposing a trade boycott. This was significant, because a substantial part of Nicaragua's machinery is of U.S. manufacture. The most immediate impact was seen in the unavailability of spare parts.13 All U.S. ports were closed and a ban was placed on technological imports. These credit and trade boycotts also had an impact on Nicaraguan's bilateral arrangements for fuel. For example, both Venezuela and Mexico cut off Nicaragua's credit when the Sandinistas defaulted on obligations of $30 million and $500 million respectively. The result was higher priced fuel from the Soviet Union and Cuba.14

In general, it was true that the combination of U.S. sanctions, poor economic policies by the Sandinista, and the Contra war produced a severe economic crisis. The Sandinistas had one of the world's highest external debts (it exceeded six billion) on a per capita basis, and in 1988
they had a rate of inflation estimated at 16,000%.15 The
combined effect of the Contras and a declining economy gave
Nicaragua cause to seek a diplomatic solution to repair
their relationship with the United States.

The Diplomatic Approach

The Reagan Administration's objective was to get rid of
the Sandinista government. It, therefore, had little
interest in negotiating with Nicaragua unless negotiations
could lead to the disappearance of the Sandinistas.
Assistant Secretary of State for InterAmerican Affairs
Elliot Abrams explained negotiations with Nicaragua this
way: "The Sandinistas are communists... such agreements
are lies." He added, "It is preposterous to think we can
sign a deal with the Sandinistas to meet our foreign policy
concerns and expect it to be kept."16 These comments
reflected, in this author's opinion, the Reagan approach to
a diplomatic solution in Nicaragua.

There were, in fact, bilateral and multilateral
negotiation efforts. Nine bilateral meetings took place in
Manzanillo, Mexico in 1984. But that was followed by almost
three years without bilateral talks. There were also
multilateral discussions, led by the Contadora countries of
Colombia, Mexico, Panama, and Venezuela, and later joined by Argentina, Brazil, Peru, and Uruguay. Each of the Contadora initiatives stressed democracy in Nicaragua. However, issues that centered around the U.S. unwillingness to halt the Contra war and the Sandinistas' unwillingness to negotiate directly with the Contras prohibited the success of the Contadora effort. The multilateral approach did not lend itself well to the ultimate goal of the United States—the removal of the Sandinistas. By the 1987 timeframe the Sandinistas, with their economy on the verge of collapse, were ready to negotiate. A peace plan offered by Costa Rica's President Roberto Arias, and signed by the five presidents of the Central American region, opened the door for a solution to Nicaragua's problems. For the remainder of Ronald Reagan's presidency, the Arias Peace Plan formed the foundation for U.S.-Nicaraguan relations. The two countries were talking, if not directly, at least through President Arias.

During much of 1988, Ronald Reagan kept the Contras and Nicaragua out of the limelight. This was done in part in response to requests from George Bush's presidential campaign managers who did not want Nicaragua to become a campaign issue. George Bush did, however, support the foreign policy of Reagan and the Contras. By the time Reagan left office, Congressional support for military actions by the Contras was gone and the bulk of
the twelve thousand plus Contras fighters had withdrawn to base camps in Honduras.
Enanotes

1Pastor, pp. 231-232.

2Ibid., p. 509.


13Ibid.


Richard L. Millett, "Nicaragua: A Glimmer of Hope?" 
George Bush came to office with straightforward objectives on Nicaragua and Central America. Simply stated, these objectives were to help form a democratic government, to end subversion of neighbors, and to end Soviet-bloc military ties that threaten U.S. regional security. The tool for achieving these objectives has been the Arias Peace Plan or the Esquipulas II Agreement, as it was also called. In other words, Bush supported a Central American solution to a Central American problem.1

Esquipulas II called for establishing a lasting regional peace through democratization, national reconciliation, amnesty, cease-fires, free elections, cessation of assistance to irregular forces, and the denial of territory for aggression against one another’s countries. There were a number of reasons for the Bush Administration to be optimistic: elections were held on February 25 of this year; the Soviet Union appeared more interested in improving its own economy than exporting revolution; and the Central American leaders appeared serious about giving peace a chance. In fact, to keep the peace process alive the leaders of Nicaragua, El Salvador, Honduras, Guatemala, and Costa Rica held three summits in 1989. These were vital as
they pin-pointed objectives and put teeth into the peace concept.

An outgrowth of these summits was the establishment of the international Commission for Assistance and Verification (CIAV) and the United Nations Organization for Central America (ONUCA). The CIAV consists of small groups from the UN and OAS who are working directly with the Contras and the RNIN to facilitate demobilization and repatriation.

The ONUCA came to life in November 1989 when the UN voted to send a 625 man peace keeping force to Central America with headquarters in Honduras. The force is to prevent rebel infiltration as well as United States, Nicaraguan or any other foreign aid to guerrillas in Nicaragua, El Salvador, or elsewhere. The group will include 260 soldiers and observers from Canada, West Germany, Spain and Latin America, along with 360 technicians. The force's six-month, renewable mandate included monitoring Contra bases in Honduras to ensure they were not used to launch attacks on Nicaragua. The fact that the United States voted in favor of this force was another signal that Bush was willing to accept a multilateral approach to peace in Nicaragua.2

Of the two instruments of power used most effectively by Reagan (military and economic) and inherited by Bush, only the economic sanctions were maintained to date; all funding for the Contras expired 25 February 1990.
Endnotes


In the United States, the executive branch is responsible for establishing foreign policy, and the legislative branch funds the execution of foreign policy. An excellent example of this process is the U.S.-Nicaraguan relationship of the 1980's. During the 1980's Ronald Reagan was twice elected President. He campaigned on a conservative, anti-communist, strong defense platform. He saw the Marxist government in Nicaragua as a security threat to the United States and even went on prime time television to spread the word to all Americans. He clearly showed a tie between the Soviet Union, Cuba, and Nicaragua. To stop the activities of the communists in Nicaragua, he decided to support a group of freedom fighters - the Contras - with training, organization, and money. For this popular President, the Contras were the best answer to topple the Sandinista government.

The majority of the legislative branch did not see the solution to Nicaragua in the same way as did the President. Throughout the period 1981-1988, the Congress limited and/or restricted Contra funding. Said another way, the Congress told the President that his policy did not represent the will of the people. The citizens of the United States did
not view the Nicaraguan threat as seriously as the President. This denial of support for the President, whether right or wrong, is a unique feature in our democracy.

while the above example demonstrates one of the realities of democracy, it also leaves an unanswered question. Why did the Americans vote for a President who said he wanted to stop communism and then not support him when he tried? The author does not have the answer but believes it falls in one of the following categories: a lack of interest in Latin America in general, to include the presence of communism; a focus on the idea that the only important issues are East/West issues; a lack of interest in foreign policy period; or perhaps, Americans did not feel the element of power Reagan chose to be the correct one. Increased emphasis on the political-diplomatic instrument of power may well have received more support.

A Look-Back at the 1980’s

In reflecting on U.S.-Nicaraguan relations in the 1980’s several thoughts come to mind. First, the U.S. relationship with the Somoza family, which was actually more fear of the alternative than pro-Somoza, inevitably gave the Sandinista revolution an anti-imperialist, anti-U.S. thrust.
Logic says that once in power the Sandinistas would lose much of their revolutionary support if they warmed to the United States. So from a foreign policy perspective, it seems that the only win-win solution would be a multilateral approach. To choose a bilateral relationship would make the Sandinistas appear pro-United States, or the United States appear pro-Marxist.

A second observation reference the Contras needs to be addressed. The U.S. initiative of ensuring that Nicaragua did not infect its neighbors through the export of subversion and violence was a good objective. While the author believes a multilateral effort headed by the organization of American States would have been the best approach to stopping cross-border activities, the Contras were a reasonable alternative. The Congress generally supported the anti-arms flow objective. Only when removing the Sandinistas clearly became the main focus did the Congress begin seeing a commitment larger than they could support. The combination of economic sanctions and frozen borders would have significantly isolated Nicaragua.

Even with only partial support, this strategy had some success. Here two points should be made. First, the author believes that once the Contras started offensive operations they did indeed hurt the in-country, unarmed political opposition. The Contra war was a ready made excuse for emergency measures. Secondly, the stopping of arms flow to
guerrillas trying to overthrow an established government is seen as a good all-American, anti-communist activity, especially, if the OAS or UN would show concern. But once the Contras accepted the objective of helping to remove the Sandinistas - the vision shifted from a good one in line with United States values to imperialism.

Finally, a discussion of bilateral and multilateral relationships is needed to complete this paper. As stated earlier, the bilateral approach was a no-win approach. It was favored, however, because it meant fewer voices recommending compromise. It was unreasonable to expect the Sandinistas to self-destruct just because the United States didn't like them. A multilateral approach to diplomacy would not have achieved the ultimate goal - removal of the Sandinistas - but would have placed great pressure on Nicaragua for change. Change may have been possible without the appearance of bowing to the United States directly.

The recent elections in Nicaragua can only be read one way. The people in Nicaragua are ready for a change. They want peace and want a better quality of life. Violeta Chamorro and the National Opposition Union will assume power from Daniel Ortega and the Sandinistas in late April 1990.
Recommendations for the Future

The center of gravity in Nicaragua is its economy. For the Chamorro government, political stability will be tied to economic growth. The United States can and will help Nicaragua, but the United States must be cautious in its approach. The election and stoppage of arms shipments were not the result of bilateral U.S.-Nicaraguan negotiations. They were the result of a multilateral effort - the Arias Plan. The United States will find the UN, OAS, and Contadora Group the best facilitators for future change in Central America, including Nicaragua.

The Bush administration can bilaterally help the Chamorro government merely by lifting the trade and credit sanctions imposed in 1985. Likewise, an initial aid package or "seed money" is appropriate to start the economic recovery process. Future humanitarian and economic assistance efforts, however, should be managed via the OAS and the Inter-American Development Bank. It must be realized that direct U.S. financial assistance, bilateral or multilateral, will be limited due to budget constraints within the United States and the growth of new democracies worldwide that will compete for U.S. aid. The United States must use its influence to gain European, Japanese, and other foreign support for OAS economic initiatives as well as
Investment in Central America. Final responsibility for economic recovery in Nicaragua, however, does not belong to the United States or the OAS; it belongs to the Chamorro government and the people of Nicaragua.

Two other near term actions are needed in Nicaragua. The external debt and standing military must both be reduced in cost and size. To reduce its external debt, which exceeds $6 billion, Nicaragua should follow the lead of Costa Rica and Mexico which recently restructured their debts by working directly with commercial banks under the vision of the Brady Plan.

The Nicaragua army, largest in Central America, should be reduced to a moderate defensive force. To make this possible the Contras should disband immediately, thus eliminating Sandinista concerns of renewed violence. ONUCA should oversee security in the region. As the Nicaraguan armed forces diminishes, trade schools should be established to retrain these human resources into a foundation for economic reform. Aid alone will not rebuild Nicaragua's economy; the artisans, professionals, and managers, who fled during the Sandinista regime must be replaced. "Human capital" is essential to economic recovery.

Finally, the United States should expand diplomatic relations with Nicaragua. Diplomatically, the United States should look for areas of mutual benefit. Human rights should be non-negotiable. The 1990's are going to be very
difficult in Nicaragua. However, after almost a century of oppression, the pre-1980's Sandinista promise of pluralism, nonalignment, and a mixed economy appear to be at last on the horizon.
BIBLIOGRAPHY


