CHAPTER III

UNITED STATES’ POLICY TOWARDS NICARAGUA:
A REVIEW OF THE PRE-1980 PERIOD

Nicaragua is the largest and most populous country in the Central American region, stretching from the Atlantic to the Pacific across the narrow neck of the isthmus which joins North America and South America. Nicaragua has a strategically and geographically important position in Central America. Until the second half of the nineteenth century Nicaragua, however, just like Panama, had been a transit route for American gold diggers who were travelling from the east coast to California. The discovery of gold in California in 1848 increased the strategic importance of Nicaragua for the United States.

Nicaragua is extremely vulnerable to the vicissitudes of the international capitalist economy. It depends on the revenue of two or three agricultural exports sold to a few countries. It also depends on foreign loans to meet the shortfall between income earned on these exports and expenditure on imports.1 Nicaragua is and always has been a land of considerable potential. It has considerable potential for geothermal and hydroelectric energy, significant lumber and mineral resources, and rivers and lakes positioned in such a manner as to make it an ideal site for an interoceanic waterway.2

In the nineteen seventies its per capita income was higher than that of any of the other

neighbouring countries, but was very unevenly distributed. Most of the urban and rural poor actually lived on the verge of starvation. Half of the children died before the age of five, with gastrointestinal diseases accounting for 90 percent of these deaths. This was also the leading cause of death overall, killing almost a quarter of all Nicaraguans. The second leading cause of death was homicide and manslaughter, and Nicaragua along with El Salvador, claimed one of the highest murder rates in the world.3

Nicaragua’s people are relatively homogeneous and culturally integrated. Practically all Nicaraguans are Mestizo – a mixture of Caucasian and Indian – and share a Hispanic culture. The racial composition of Nicaragua is very much like that of Honduras, with Mestizos being dominant, although there are a large number of blacks and mulattos in the province of Zelaya, which makes up Nicaragua’s share of the almost inaccessible Mosquito coast.4

**Spanish Colonialism**

When Spaniards under the command of Gil Gonzalez first arrived in western Nicaragua in 1522, they encountered a fairly advanced agrarian society. Approximately one million native inhabitants of the region – descendants of immigrants and refugees from Maya and Aztec civilizations to the north, lived in numerous cities and villages ranging in populations from a few hundred to tens of thousands. Although society was organized along feudal lines, land was held communally, with each family having access to a designated plot. The Spanish conquest appears to have had an immediate and

4. ibid.
devastating impact on the Indian civilization of the area. After some initial resistance led by Chiefs Diriangen and Nicarao, the conquerors were eventually able to consolidate Spanish control over the region. Superimposing themselves on the existing structure, they demanded tribute in gold and when that was depleted, Indian slaves. Both “commodities” were exported — gold to Spain and the slaves to other colonies where they normally perished within a few months or years. After the gold and slave “booms” of the early colonial period had subsided, Nicaragua became a sleepy backwater of Spain’s colonial empire.

In the early nineteenth century, Nicaragua achieved her independence from Spain in three stages, first as part of the Mexican Empire of Augustin de Iturbide in 1821, then as a member of the Central American Federation when it broke from Mexico in 1823 and finally as a technically sovereign state in 1838. Since independence in 1821, Nicaraguans have rarely experienced a long period without the presence of U.S. troops and mercenaries. From the middle of the nineteenth century to the end of the cold war, Nicaragua played a significant role in the history of the United States. It was seen as a prime location for a transoceanic canal, and its revolutionary politics raised security and economic concerns during times of international conflict. Until Theodore Roosevelt arranged for the separation of Panama from Colombia in 1903, Nicaragua was the likely spot for an isthmian canal.

U.S. Involvement in Nicaragua

From the nineteenth century onwards the United States called for an open door policy vis à vis the underdeveloped regions of the world and used its growing economic might to penetrate such regions. It was in the Caribbean and Central American region that the United States first consolidated its informal empire. The American government resorted to military force to ensure its informal political control. Thus, from the mid nineteenth century onwards the United States followed an aggressive policy in Nicaragua and the political history of Nicaragua was the history of the United States interventions. The discovery of gold in California attracted the attention of both American capitalists and diplomats to Nicaragua. It was also the period when the U.S. government weighed the pros and cons of building a transoceanic canal across Nicaragua. The Nicaraguan canal had been one of the great American dreams in the nineteenth century. Cornelius Vanderbilt established a railway line in Nicaragua in 1851 to transport passengers travelling from the east coast to California. A year earlier the United States and England had negotiated the Clayton-Bulwer Treaty, binding both nations’ neutrality and joint control over any construction of a canal in Central America or Panama. The treaty contained four essential points. Both parties promised not to obtain or maintain any exclusive control of the proposed canal, or unequal advantage in its use. Secondly, it guaranteed the neutralization of the canal. Thirdly, the parties agreed “to extend their protection by treaty stipulation to any other practicable

communications, whether by canal or railway, across the isthmus which connects North and South America. Finally, it stipulated that neither signatory would ever “occupy, fortify, colonize, assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast or any part of Central America,” nor make use of any protectorate or alliance, present or future, to such ends. The United States policy was to prevent the powerful British expansion of her dominions in British Honduras and along the Mosquito Coast. The United States in turn obtained status equal to that of Britain in all of Central America. In fact, the possibility of making such a canal was the magnet that drew North American attention that would make the west coast of Latin America more accessible to the industrialists of North America.

U.S. political domination has been far more blatant in Nicaragua than anywhere else in Central America. In 1855, with direct U.S. support, the American adventurer William Walker joined with revolutionary forces in Nicaragua and led a rebellion that resulted in the establishment of the American Republic of Central America. The country was actually taken by Walker and funded by the industrialist Cornelius Vanderbilt, who hoped to build a canal through the country, or at least establish monopoly on overland ocean to transport through the isthmus. Walker proclaimed himself as president of

Nicaragua and his government reinstituted slavery, and declared English as the official language. The then U.S. president Franklin Pierce (1853–57) maintained from the very beginning a very tolerant attitude towards Walker and was quick in recognizing him as legitimate president of Nicaragua.\footnote{Angelo Collineoni, *U.S. Intervention: A Brief History* (New Delhi: Sterling, 1984) p.104.}

In 1863, conservatives led by Thomas Martinez seized power in Nicaragua and held it for the next thirty years. During that period many U.S. companies and businessmen established themselves in the country. In 1894, the conservative regime in Nicaragua was defeated by the Liberal Jose Santos Zelaya who led the country for the next seventeen years. President Zelaya also gave preferential treatment to U.S. interests. When Washington decided to take over the construction of the canal in Panama rather than to build it across Nicaragua, President Zelaya turned to France and opened negotiations on a railway line.\footnote{David Folkman, *The Nicaraguan Route* (Salt Lake City: University of Utah Press, 1972) p.19.} This led to the displeasure of the United States towards the Zelaya government.

By the turn of the century, the Republican President Theodore Roosevelt set the tone for U.S. relations with Central America. For Roosevelt and his advisors, there was no question whether a canal was needed to span the isthmus. The only questions that remained to be answered were where to build the canal – in Panama or Nicaragua – and how to nullify the Clayton- Bulwer Treaty of 1850 that called for the British to be included in any canal construction project. But by now the British had conceded to
U.S. strategic superiority in the western hemisphere and agreed to replace the Clayton-Bulwer Treaty in 1901 by giving the United States sole authority to proceed with a canal.

In the whole shameful history of U.S. imperialism in Latin America there is no more inglorious chapter than that of Nicaragua. Until the triumph of the Sandinista revolution in 1979, Nicaragua was in all but name, a colony of the United States. Its economy was dominated by U.S. monopolies, its political system a bloody dictatorship imposed and maintained by the U.S. government. By the turn of the century, a massive penetration of Nicaragua by U.S. companies was well under way. Its economy was dominated by U.S. monopolies and its political system maintained by the U.S. government. In 1909, President Zelaya decided to liquidate Nicaragua’s public debt which would detrimentally affect American private banking interests. However, the main reason for the displeasure of the United States were the obstacles raised by the Nicaraguan government to prevent the plunder of the country’s mineral and forest resources by the US companies. In November 1909 President Zelaya ordered the shooting of two US adventurers who led a rebellion. This led to the U.S. marine intervention in Nicaragua in 1909.

The intervention in Nicaragua in 1909 was one of the major aggressive actions of American imperialism. President William Howard Taft declared that the foreign

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policy of his administration was “made to include active intervention to secure for our merchandise and our capitalists opportunity for profitable investment abroad.”\textsuperscript{16} The intervention was closely linked with the military–strategic aims of the United States which had for long aspired to monopolizing the inter–ocean route cutting through Central America. In 1909, a U.S. navigation company owned and operated a transportation monopoly on the rivers running through the banana country west of Bluefields. North of that town another U.S. company grew bananas on a vast tract of governmental land near Las Perlas. On the east coast an American lumber company was exploiting timber rights on eight thousand square miles of pine land. Some of the U.S. companies had extensive mineral rights in various parts of the country and were engaged in mining gold, while some others owned all the port facilities at Corinto on the Pacific. Thus by 1909 the production of coffee, gold, lumber and bananas – the principle sources of Nicaragua’s foreign exchange were to a large extent in U.S hands.\textsuperscript{17}

The history of U.S. involvement in Nicaragua thus stretches back to the era of gunboat and dollar diplomacy, when Washington sought to make Central America and the Caribbean safe for the United States. The U.S. interventions were motivated by a desire to ensure that the emerging world of the United States would be economically and militarily unchallenged in its own backyard.\textsuperscript{18} After the resignation of President Zelaya the United States Department of State continued its plotting until the victory of the rebels. In August 1910 the rebels seized power in Nicaragua under the presidency

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  \item \textsuperscript{17} ibid.
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of Adolfo Diaz. In June 1911, U.S. Secretary of State, Philander C. Knox signed an accord with Nicaragua that would turn the latter into a protectorate of the United States. Under the terms of the Knox-Castrillo Convention, the United States refunded the Nicaraguan debt with an American loan.\(^\text{19}\) The United States exercised direct control of Nicaragua’s customs, railway and national bank. While the country’s mines, plantations and forest resources were owned by the U.S. companies, the government, the military barracks and all communications were under the control of the Marines.

On 9 February 1913, George Weitzel, the American envoy and Chamorro, the Foreign Minister of Nicaragua signed the notorious Chamorro–Weitzel Treaty. In accordance with that treaty, Nicaragua turned over to the United States the exclusive rights for the construction and maintenance of a maritime canal on the territory of Nicaragua. In order to ensure the security of that non-existent canal, the United States was to render assistance to the Nicaraguan government. The latter leased to the United States the Corn Island in the Caribbean as well as the territory in the Fonseca Gulf on the Pacific Cost for a naval base which was to be held by the United States for ninety nine years. The treaty gave the United States a perpetual control of the Nicaraguan coast. For this concession Nicaragua received only three million dollars which it could use only with U.S. consent.\(^\text{20}\) Ramon Rojas Corrales, a Costa Rican historian wrote that “under the treaty the sovereignty of Nicaragua was sold for three million


dollars and the independence of the whole of Central America was imperilled.” 21 Under the pressure of public opinion the Chamorro-Weitzel Treaty was ultimately turned down by the U.S. Senate. 22 On 15 August 1914, Chamorro and the U.S. Secretary of State William Bryan signed the treaty (ratified in 1916) and in accordance with it the United States practically retained all the privileges which had been envisaged by the Chamorro-Weitzel Treaty. The treaty offered the United States a monopoly over the isthmian transit and would virtually ensure U.S. strategic and economic dominance in the hemisphere.

For most of the period from 1912 to 1933, Nicaragua was physically occupied by U.S troops, (U.S. Marines occupied Nicaragua continuously for a period of 22 years) in an apparent effort to achieve some sort of pro-U.S. stability. From 1912 to 1925 the United States ran Nicaraguan affairs through a series of conservative presidents. In 1916, Adolfo Diaz was replaced by Emiliano Chamorro whose government obediently carried out the will of the U.S State Department and opened a fiscal office for the receivership of customs duties, which was staffed by U.S. officials. In 1923, in an effort to bring an end to the conflict between liberals and conservatives, the United States supported Nicaragua in a popular election. In the following year a coalition government was elected with Carlos Solorzano, a conservative as president. The new government was recognized by the United States and in 1925 the US Marines in Managua were withdrawn. With strong protest from the United States, President

21. ibid.
Solorzano was replaced by Adolfo Diaz on 17 November 1926. President Diaz soon informed the United States that Mexican interference rendered it impossible for his government to protect the lives and interests of American citizens in Nicaragua. This announcement coupled with a formal request for the protection of other European citizens resident in Nicaragua persuaded the U.S. to once again intervene in 1927.\(^23\)

In a message to Congress, President Coolidge stated that it was his duty to use powers committed to him “to insure adequate protection of all American interests in Nicaragua, whether they be endangered by internal strife or by outside interference in the affairs of that Republic.”\(^24\)

The return of the Marines resulted in a backlash and the creation of a nationalist revolutionary movement in Nicaragua, under the leadership of Augusto Cesar Sandino. He led a guerrilla uprising to drive the United States out of Nicaragua. The number of US troops in the country increased from 1200 in 1927 to 5400 in 1928 to combat Sandino’s guerrillas\(^25\). However, there was increasing pressure in the U.S. Congress to force the President to withdraw the Marines from Nicaragua. The cry to bring home the troops, led the US government to create a trained native ‘National Guard’ designed to act, according to US officials, in mediating future crises.\(^26\)

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23. For an excellent account of the United States involvement in Nicaragua see, Mauricio Solaun, *United States Intervention and Regime Change in Nicaragua* (Lincoln: University of Nebraska Press, 2005)


26. ibid.
States appointed Anastasio Somoza Garcia as the Commander of the National Guard. The creation of a national constabulary to maintain ‘pro-American’ stability had been a dream of U.S. officials. During the second occupation of Nicaragua, the threat by the “bandit” Augusto Ceser Sandino gave the project additional urgency. The development of a strong and powerful National Guard would, it was hoped, “Nicaraguanise” a war which had become unpopular in the United States.

**Somoza’s Dictatorship**

In 1933, the United States was able to withdraw the Marines from Nicaragua because its puppet Somoza, backed by the National Guard was firmly entrenched. In 1934, Augusto Sandino was murdered by the National Guard. From 1909 to 1979, the United States either directly through Marines or indirectly through Somoza and the National Guard was the main power in Nicaragua. In 1936, Anastasio Somoza declared himself as the president of Nicaragua and ruled Nicaragua until his assassination in 1956. Power then passed to his sons Luis Somoza Debayle (1956-1967) and Anastasio Somoza Debayle (1967–1979). Anastasio Somoza Garcia was the perfect representative of the neocolonial system created in Central America by U.S. diplomacy. He and his family during a period of almost half a century, cornered all resources, authority and power in Nicaragua. Anastasio Somoza Garcia was a typical dictator of the period and his economic attitudes were “neopositivist,” with the state encouraging the individual entrepreneur to exploit the wealth of the country and its labour as well. He was typical of his age and he had a warm admiration for Hitler and

Mussolini, until he discovered the benefits of co-operation with the United States.\textsuperscript{28} During the Second World War the Somoza regime supported the Allied Powers and nationalized the German and Italian owned properties in Nicaragua.

The Somoza family was able to build one of the greatest economic empires recorded in any Latin American country. Enormous portions of Nicaraguan farmland, uncountable industrial enterprises, airlines, international shipping lines, commercial trading firms, bank and insurance firms contributed to this empire. No other dictator in the history of Nicaragua was ever able to control comparable resources. This dictator could not have dominated Nicaragua all the time without the guidance and protection of the United States. To run things in its own way without losing control of the mechanisms of power, the United States created the National Guards, to whom it entrusted the apparent task of re-establishing peace in the country. Thus the dictator enjoyed Washington’s protection from 1936 until the downfall of the last of his sons on 19 July 1979.\textsuperscript{29}

The Somoza political reign was based on two important aspects. The first was to appease and co-opt “important” domestic power contenders and secondly to cultivate the friendship of the United States.\textsuperscript{30} In the very unequal society of pre-revolutionary

\textsuperscript{28} Thomas P. Anderson, n.3, p.151.


\textsuperscript{30} Thomas W. Walker, n.2, p.16.
Nicaragua, the major domestic power contenders were the church; the agricultural, industrial, and commercial elites; the leadership of the traditional parties; and the military. Though originally identified with the Conservatives, the Church hierarchy switched its allegiance to the Somozas during the presidency of the first Somoza and continued to support the dynasty until the 1970s. The elites benefited from the family’s laissez-faire, income concentrating economic philosophy, and from the nearly total absence of governmental interest in protecting the rights of urban and rural workers. On the other hand the rapid economic transformation in Nicaragua under the Somozas was rapidly eroding the living standards of working class Nicaraguans.31 With regard to the military, the Somoza family employed two tactics in maintaining its loyalty. First, they made sure that the top command of the Guard remained at all times in the hands of a family member. Equally important, they consciously worked to isolate the military psychologically from the Nicaraguan people by allowing it to become a sort of mafia in uniform which controlled the rackets and took kickbacks and bribes for a variety of activities, legal and illegal.

The second major aspect of the Somozas was the careful cultivation of the United States. This was accomplished through personal as well as political means. On the personal level, all of the Somazas were educated in the United States, spoke fluent English, could turn on U.S. mannerisms at will, and were skilled at manipulating Americans. At the same time, in the realm of international politics, the Somozas were

always “pro-American”. The enemies of the United States were automatically their enemies, be they the Axis Powers during the Second World War or the Communists thereafter. Of particular satisfaction to the United States was the provision in the Nicaraguan Constitution of 1939 that outlawed all communist and fascist parties as well as those with international connections. Accordingly, Nicaraguan territory was used by the United States for military bases during the Second World War and for the training of Central Intelligence Agency (CIA) surrogate invasions in the region.

The US support for the Somozas was reciprocated with implications for Central American politics. The Somoza government provided support for the 1954 CIA overthrow of the Jacob Arbenz government in Guatemala. U.S. pilots also made extensive use of the Happy Valley Air Base of Puerto Cabezas on Nicaragua’s Caribbean coast as a training centre for Cuban counterrevolutionaries during the Bay Pigs invasion in 1961. Even though the Kennedy administration publicly would keep away from the Somoza regime, the CIA would make use of all assistance from the regime. The Somoza regime also supported the U.S. intervention in the Dominican Republic in 1965. The United States supported the Somoza regime and any effort to topple family dictatorship would probably have led to US intervention. During this time, the relationship between Somoza and U.S. Ambassador Thomas Whelan was so close and cordial that critics labelled the period “the era of Tommy and Tacho.”

33. William H. Blanchard, n.27, p.60.
Throughout their reign, the Somozas did little to alleviate the tremendous poverty of one of the hemisphere’s poorest countries. On the other hand they proved adept at personal enrichment. Anastasio Somoza Debayle, for instance, controlled an economic empire estimated to be worth nearly a billion dollars, including one-third of the nation’s arable land and many of the major industries. So complete was his economic control that foreign investors avoided Nicaragua for want of any reasonable investment opportunities. During the first three decades of the post-war period, opposition to the dynasty was weak and divided. The moderates in the traditional opposition parties were paralyzed by the Somoza’s close ties with the United States and by their own fear of the more radical opposition, which was contained by ferocious repression. James Mahoney is of the opinion that the Somoza regime became repressive only when a broad based opposition began demanding political change.35

Throughout their tenure in power the Somozas sought to promote the image of their identification with the United States both in Nicaragua and in Washington. In the latter case a variety of tactics were used. U.S. positions in the United Nations and Organisation of American States were virtually always supportive. Anastasio Somoza Debayle even offered to send a token contingent of the National Guard to fight in Vietnam. U.S. investments were encouraged, and official visitors were always given a red-carpet treatment. Richard M. Nixon reportedly retained fond memories of Nicaragua as one of the few nations where there were no hostile demonstrations against

his 1958 Latin American tour.\textsuperscript{36}

Equal effort was expended within Nicaragua on maintaining this image of close identification with the United States. On the other hand the United States also made it clear that regimes depended on the support of the United States. In the words of former U.S. Under Secretary of State Robert Olds, “governments which we recognize and support stay in power, while those we do not recognize and support fall.”\textsuperscript{37} In these terms the long survival of the Somoza dynasty was, in and of itself, proof of U.S. support. The Somozas took every opportunity to reinforce this perception. Trips by government leaders to Washington, or visits by U.S. officials to Nicaragua were given maximum publicity. Economic and military ties were also subject of a constant publicity barrage. Most of the National Guard received at least some training in the United States or in the Panama Canal Zone and most uniforms and equipment came from the United States. Training and assistance programmes gave the US administration access to the top brass in the military.\textsuperscript{38}

Renowned for its corruption, the Somoza regime became increasingly greedy after a 1972 earthquake levelled the centre of the capital city, Managua. Financial aid for reconstruction poured into the country from the United States and elsewhere, but most of it was pocketed by the Somozas. The earthquake was a turning point. Increased

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\item \textsuperscript{37} Manzar Foroohar, \textit{The Catholic Church and Social Change in Nicaragua} (Albany: State University of New York Press, 1989) p.15.
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frustration among the masses, coupled with the growing alienation of Nicaragua’s middle class, business people and professionals, began to erode the legitimacy and effectiveness of Somoza’s government. Somoza was suspected of not only embezzling a lion’s share of the relief assistance but also of profiting from the post earthquake reconstruction.39  Dissatisfaction with Somoza did not turn immediately into support for the revolution advocated by such groups as the Sandinista Front for National Liberation (FSLN), fighting in the name of the 1920s rebel Augusto Cesar Sandino. But by 1977 Somoza’s power began to wane. Pressure from the Carter administration for human rights compliance raised doubts about U.S. commitment to the dictator.

Although U.S.-Nicaraguan relations appeared to be mutually beneficial, the United States exhibited discomfort from time to time. Somoza’s reputation as a dictator tarnished the image of the United States as a free-world leader and undermined its moral authority. Not only did the Somoza regime deny Nicaraguans their political freedom, but Somoza and his heirs also treated Nicaragua as a private estate and amassed one of the world’s largest fortunes. By sharing this corruption with selected political and business leaders and with the chiefs of the National Guard, the Somozas created an uneconomic system that relied upon their exclusive political control. The United States helped to keep the system going by providing Nicaragua with economic and military assistance.40


The Carter Administration and the End of the Somozas

By the end of 1977, the support system for the Somoza dynasty maintained over several decades had begun to collapse due to the growing political and military strength of the Sandinista National Liberation Front (FSLN). After Jimmy Carter became the President, the United States turned against Somoza by emphasizing the promotion of human rights. One of the most prominent regimes that was to fall victim to the new policy was that of Nicaragua. 41 The administration realized that the Somoza dynasty was a nonviable one and began to look for some sort of moderate successor to the regime. The Carter administration reluctantly came to a policy of promoting what many termed “Somozaism without Somoza”, which would have jettisoned the old client-dictator but preserved the old class relationships and political structures such as Somoza’s praetorian army, the National Guard and Liberal Party while excluding mass based organizations such as the FSLN. The Carter administration was initially sympathetic to change in Nicaragua, even if it meant Somoza’s departure, but it was not prepared to deal with a total revolution.42

As the Carter administration came to office with its declared policy to respect human rights, expectations for a change in U.S. foreign policy vis-à-vis Nicaragua were heightened almost immediately. On 24 March 1977, the Assistant Secretary of State for Security Assistance, Lucy Benson, testified before the Senate Foreign

Relations Committee that a cut in military aid to the Nicaraguan government would not pose a risk to the security interests of the United States. Less than a month later, Charles Bray, Deputy Assistant Secretary of State for Inter American Affairs, pledged to a congressional subcommittee that the Carter administration would not sign a security aid pact with the Somoza regime unless it improved the human rights situation in Nicaragua. Charles Bray’s pledge, however, did not carry much weight.43 On 28 July, Somoza was stricken with a heart attack. The Carter administration helped to arrange for his treatment at the Miami Heart Institute in Florida. While Somoza was undergoing treatment in Miami, the new U.S. Ambassador to Nicaragua, Mauricio Solaun, arrived in Managua. Solaun quickly made contacts with Nicaraguans across most of the political and economic spectrum. The new ambassador, however, had not arrived with orders to help bring to an end the Somoza dynasty.44

Within two weeks after assuming office, the Carter administration suspended arms transfers to Nicaragua, pending a review of its human rights performance. In April 1977 the administration created an Interagency Committee on Human Rights and Foreign Assistance, chaired by Deputy Secretary of State Warren Christopher and made up of senior officials of the departments of agriculture, commerce, defence and treasury and Agency for International Development (AID), among others. The so-called Christopher Committee was charged with ensuring “consideration of human rights aspects in the conduct and administration of United States foreign assistance

44. Mauricio Solaun, n.23, p.93.
policy.” Congress also acted when the House Appropriations Committee voted in May 1977 to remove Nicaragua from the list of countries eligible to receive U.S. military assistance in Financial Year 1978. However, the Nicaraguan lobby in the United States, with Representative Charles Wilson as spokesman, managed to restore Nicaragua to the list of recipients when the full House acted upon the measures. In reviewing the relations between the Carter administration and Nicaragua, it led to the conclusion that Congress frequently tied the hands of the executive and made it very difficult to maintain an effective and consistent policy.

Shortly before the Carter administration came into power, Nicaragua’s Catholic bishops, led by Archbishop Obando y Bravo, issued a pastoral letter condemning the reign of terror which the National Guard had been conducting in the countryside. However, the administration, which had supported Somoza to the end, was fundamentally hostile to the Sandinistas. On 10 January 1978 Pedro Joaquin Chamorro, the editor of La Prensa and leader of the moderate opposition, was assassinated after two weeks of spontaneous rioting in the capital, followed by a general strike organized by the business community. Somoza’s National Guard tried to restore order with their usual brutality, and the United States responded by once again freezing military assistance. The U.S adopted an essentially neutral position and urged Somoza to enter into a dialogue with his opponents.

45. Charles D. Ameringer, n.34, p.149.
46. ibid.
47. Manzar Foroohar, n.37, p.159.
The Department of State’s efforts to retain human rights pressure on Somoza was opposed by the National Security Council (NSC) staff, which favoured a prohibition on interventionism in the hemisphere. The NSC conceded that the removal of Somoza would probably be in the interest of the United States, but it felt that it was not appropriate for the United States to effect that change. It was worried that the sight of the United States overthrowing a government, whether of the right or left, would bring back memories of past U.S interventions in Latin America. The White House strongly felt that the age of unilateralism, in which military and political instruments could be employed, was a thing of the past. The Carter administration constrained itself by its belief that it was inappropriate for the United States to overthrow governments in the future, because it had been so useful in past. On the other hand, the administration felt that assistance, whether economic or military, bilateral or multilateral, was an appropriate instrument to influence developments.

The issue of national security, which seemed so peripheral in 1977, took centre stage after the political violence of January and February 1978. Within the administration, it was argued forcefully that the United States could ill afford to further undermine Somoza’s position by continuing human rights criticism. Thus, during the spring and summer of 1978, the administration became increasingly reluctant to use any instruments to pressure him. The embassy in Managua, for example, told opposition leaders that the United States would neither intervene to sustain the regime nor put pressure on Somoza to step down.\textsuperscript{49} From this moment on, the political initiative

slipped inexorably from the moderates to the FSLN, as the administration appeared to be leaning to open support for Somoza.

Fearing that the growing popularity of the Sandinistas would lead them to military victory, the administration began to restore aid to Somoza against the violent opposition. In May 1978, the Department of State released $1,60,000 in unexpended military credit to buy equipment for a Nicaraguan military hospital and $1,50,000 for military training. The administration also approved two new loans to Nicaragua; $3 million for education and $7.5 million for nutrition. The administration however, attempted to claim that these new loans did not indicate renewed support for Somoza. Carter issued the following statement to clarify his position. “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.” Moreover, the administration turned a blind eye to Israeli military sales to Nicaragua, which, according to the Stockholm International Peace Research Institute (SIPRI), provided 98 percent of Somoza’s arms imports from 1975 to 1979.50

In August 1978, Nicaraguans were stunned by the disclosure of a “secret” letter from Carter to Somoza congratulating the latter for his promise to improve the human rights situation in Nicaragua.51 This was the worst policy error made by the United States during the entire Nicaraguan crisis. Both Somoza and his opponents interpreted the letter as an endorsement of Somoza’s rule. In United States, the policymakers

50. ibid.
51. William M. Leo Grande, n.18, p.66.
were deeply divided over how to proceed in Nicaragua. One camp argued for greater pressure to force Somoza’s resignation because of his abysmal human rights record and because his departure was the only way to engineer a moderate succession. Others argued that the human rights policy was largely responsible for Somoza’s difficulties and that the United States ought to reassert support for him, both because he was a loyal ally and because he constituted the most reliable force against the FSLN. The United States at first followed a ‘soft line’, hiding its hostile policy under the pretext that it was only interested in the welfare of the Nicaraguan people and their human and democratic rights. The objective of U.S policy was to prevent FSLN from gaining a predominant position in a post Somoza situation.

The administration anticipated the crisis in Nicaragua, and between September 1978 and July 1979 the National Security Council met twenty five times to develop a strategy to deal with a country struggling to rid itself of the oppressive Somoza dynasty. No consensus would have existed if the United States did nothing. Somoza would try to repress the popular movement against him, the country would have polarized even further, and the Sandinista National Liberation Front (FSLN) would eventually win a military victory. The administration recognized that the Sandinistas had broadened their base of support, it viewed the key leaders as Marxist-Leninists who saw Cuba and the Soviet Unions as allies and the United States as an enemy. Caught between a dictator and a guerrilla movement, the administration tried to facilitate a democratic transition

in Nicaragua, subject to two conditions.\textsuperscript{54} First, Carter would not ask a sitting President to step down, nor would he try to overthrow him. Second, the President insisted that U.S. policy should not be unilateral. A solution would have to emerge from a cooperative effort involving the United States and democratic governments in Latin America. The Organisation of American States (OAS) dispatched a team to mediate a transition agreement between the opposition and the Somoza government. The group recommended a plebiscite on Somoza’s tenure, but Somoza rejected the conditions that would have permitted it to be fair.

By mid 1978 the United States decided that Somoza should leave power and actively sought, along with Nicaragua’s Catholic Church hierarchy, to arrange for a civil opposition coalition—without the Sandinistas to assume power.\textsuperscript{55} Somoza refused to cooperate, and his National Guard waged a bloody campaign against the growing insurrection in Nicaragua’s cities. When the mediation effort collapsed in early 1979, the once divided FSLN reunited and rallied the civil opposition. Within the Carter administration, which badly underestimated the escalating strength of the Sandinistas, a debate raged over whether to employ U.S. force to oust Somoza or merely wait for events to overtake him. In early 1979 there was an abortive U.S. effort to persuade the Organization of American States (OAS) to intervene militarily to force Somoza out. While U.S. diplomats sought ineffectually to have the OAS remove Somoza and to negotiate some sort of post-Somoza government without the FSLN; the Sandinistas,

\textsuperscript{54} ibid.

benefiting from widespread popular support, rapidly prepared, launched and successfully prosecuted their final offensive. The National Guard effectively collapsed and the Sandinista led rebel junta assumed power on 19 July 1979. Anatasio Somoza Debayle went into exile to Miami. With him went the entire senior command of the National Guard, as well as its morale. Members of the National Guard fled to the neighbouring countries and it ceased to exist.\(^56\)

Having failed to prevent the Sandinistas from taking power, the Carter administration sought to moderate the government while encouraging centrist and moderate reformers to take progressive changes in policy elsewhere in Central America. Testifying before Congress, Undersecretary of State for Central American Affairs, Viron Vaky stated that the United States task therefore was how to work with its friends to guide and influence change, and how to use its influence to promote justice, freedom and equity to mutual benefits and therefore avoid insurgency and communism. The FSLN quickly consolidated its hold on the revolutionary government and forged close ties to Soviet ally Cuba. The U.S. effort to moderate the Sandinistas, though partly successful, proved unsatisfactory to many inside and outside Washington. Outside the White House, critics and many of the Somoza’s former supporters in Congress, strongly attacked Carter for “losing” Nicaragua and Iran where another revolution was underway.\(^57\)

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57. John A. Booth, n.55, p.194.
A major multinational relief effort to aid the war-ravaged country began immediately after the fall of Somoza in which U.S participation was substantial. In the two and a half months between 17 July and 30 September 1979, the Carter administration delivered $26.3 million in quick-disbursing aid, primarily in food ($13.3 million) and medical supplies.\textsuperscript{58} Other gestures of friendship quickly followed. On 24 September, three members of the Nicaraguan government, Daniel Ortega, Sergio Ramfrez and Alfonso Robelo had breakfast at the White House with President Carter and then lunched with members of the Senate Foreign Relations Committee. In November, Representative Dante Fascell, a key moderate on issues involving Latin America, led a group of members of Congress to Nicaragua. His favourable report provided substantial support for the Carter request for a special authorization of $140 million in economic and military aid to Latin America, $75 million of which was economic aid earmarked for Nicaragua.\textsuperscript{59} Aid opponent and arch conservative Jesse Helms told his Senate colleagues that “what we are going to decide today is whether the U.S taxpayers’ money is going to be used to support a Communist regime. We would see U.S aid going for Marxist Central Planning, confiscation of agricultural land and industrial plants and ensconcing a whole cadre of loyal Communists in high paying government jobs.”\textsuperscript{60}


\textsuperscript{59} ibid.

\textsuperscript{60} ibid. pp.46-47.
The authorization had attached to it a series of restrictive provisions unprecedented in the history of the U.S. aid programme. The most important provision focused upon Sandinista support of guerrillas in El Salvador; the president was required to certify that the Nicaraguan government was not cooperating with, harbouring, or otherwise aiding “terrorist organizations.” Additional Congressional stipulations included 1) a requirement that the Secretary of State produce a semi-annual report on the status of human rights, political pluralism, freedom of the press, freedom of assembly, freedom of religion, and freedom of labour to organize and bargain collectively in Nicaragua, 2) a requirement that the President encourage free elections in Nicaragua, 3) a requirement that aid be terminated in the event of gross violation of internationally recognized human rights, 4) a requirement that aid be terminated in the event the government violated the right to organize and operate labour unions free from political oppression, 5) a requirement that aid be terminated in the event the government engaged in systematic violations of free speech and press, 6) a requirement that aid be terminated if Soviet, Cuban or other foreign combat forces were stationed in Nicaragua, 7) a prohibition on aid to any Nicaraguan educational institution that housed, employed or was made available to Cuban personnel, 8) a requirement that at least 60 percent of the aid be used to assist the private sector, 9) a requirement that loan money spent abroad be spent in the United States, and 10) a requirement that 1 percent of the aid money be used to publicize the fact that the United State was providing aid.61

Despite its desperate efforts to prevent seizure of power by the FSLN, the Carter administration, in accordance with its general Third World policy, declared its

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61. ibid, p.47.
willingness to come to terms with the new rulers after their seizure of power.62 Hoping to promote a pluralistic development within Nicaragua and to prevent the export of revolution from Nicaragua to the rest of Central America, the United States, as well as other industrial nations, all employed to help the war torn country back upon its feet.63 Behind this was also the fear that isolation of the FSLN, which obviously enjoyed wide popularity, would only provide the conditions for the creations of a “Second Cuba.” On the other hand, it was hoped that social reforms and extensive foreign aid could, perhaps, make a “Second Costa Rica” out of Nicaragua. However, only a year after the revolution, the United States discovered that it had completely underestimated the natural dynamics of revolutionary developments in Central America.64

The Nicaraguan revolution confronted the United States once more with the problem of how to come to terms with revolutionary change in the region. The administration reasoned that a “Second Cuba” might be avoided by not repeating the mistakes made first with Cuba.65 It was felt that, given the strength of the FSLN and its control over the armed forces, a policy of hostility would only serve to further radicalize the international political dynamics and drive the FSLN to look to Cuba or the Soviet Union for security assistance. To avoid this outcome, the administration


63. ibid.


65. Dario Moreno, n.49, p.61.
embarked on a policy of cooperation and accommodation with the new government. However, this policy of accommodation was quickly jeopardized by claims that the Sandinistas were turning Nicaragua into a Marxist-Leninist state. The administration pointed to three disturbing factors which showed that the Sandinista revolution was being captured by the Soviets and Cuba: the Sandinistas’ relations with Fidel Castro, their hegemony in Nicaraguan politics, and their support for revolutionary movements in El Salvador and Guatemala. These developments ultimately contributed to the replacement of the evolutionary strategy with a more hard-line approach.66

For two decades, the hemispheric policy of the United States had been haunted by the spectre of “another Cuba”. The fear that Cuba’s revolutionary upheaval might be repeated elsewhere energized the Alliance for Progress and the same fear justified providing counterinsurgency assistance to a region increasingly dominated by military dictatorships. The collapse of the Somoza dynasty in Nicaragua had made this fear more palpable than ever. The United States laboured mightily to prevent the accession of a Sandinista government in Nicaragua, but in the end was reduced to reluctantly arranging the terms of transition from Somoza to a provisional government which in its view was associating with guerrillas. Preoccupied with isolating the Sandinistas, Washington policymakers consistently underestimated their strength and exaggerated that of Somoza.67

U.S policy since January 1978 had sought to avoid a complete Sandinista military victory. When U.S policy became fully geared to preventing an FSLN victory, the latter

66. ibid., p.63.
was by no means the dominant element in the anti-Somoza opposition. As events unfolded in Nicaragua, the United States consistently tried to fit a square peg of policy into the round hole of reality. By failing to assess accurately the dynamics of Somoza’s decline, the United States produced proposals which were outdated. When the political initiative lay with the moderate opposition, the United States acted as if it still lay with the Somoza. When the initiative shifted to the radicals, the United States acted as if it lay with the moderates. However, such misperception was not merely the result of an intelligence failure. It was a large part of the problem of the selective perception of policy makers who seemed to believe or hope that Somoza could restore order long after that became impossible, that the moderates were strong enough to form a post-Somoza regime excluding the radicals. Finally, it was also the hope that the radicals could be induced to surrender their leadership of the opposition on the very threshold of victory. The source of these misperceptions was the fear of “another Cuba”, and the questionable conviction that the radical opposition was intent on creating one.

The task of the Carter administration was to keep the revolution within reasonable bounds, preventing its radicalization that would eliminate the private sector and vestige of political pluralism. When the dynasty collapsed in July 1979, U.S. policy shifted from an attitude of outright hostility towards the FSLN, to cautious cordiality. Washington had no illusion that it could block a close relationship between Cuba and Nicaragua but it hoped to minimize it, particularly in the military field. The Sandinista victory in Nicaragua forced the United States to reassess its policy toward the entire Central American region. The immediate issue was how Washington should react to
the new Nicaraguan government – a government the U.S. had tried mightily to keep out of power.  

The aid provided by the Administration to Nicaragua was not extended in the interest of helping the revolution, but of controlling it. The House Foreign Affairs Committee approved the aid after attaching a condition requiring Carter to cut off aid if Cuba or Soviet combat troops were found in Nicaragua.  

By the end of 1980 as evidence of Nicaragua’s complicity in arms smuggling became unequivocal, the pressure to “decertify” became intense. The Carter administration announced that it was suspending the $ 15 million in economic aid not yet disbursed from the $ 75 million package on the ground that Nicaragua was shipping arms to the revolutionaries in El Salvador.

In December 1980, on the eve of the Reagan administration, it was not yet clear exactly what the United States could or would do in Nicaragua, but there were some indications. First, it seemed relatively clear that the Reagan administration would not continue US government aid to Nicaragua. Secondly, as the Republican platform stated, the new administration would “support the efforts of the Nicaraguan people to establish


a free and independent government.”71 This clearly illustrated the Reagan administration’s interest to overthrow the Sandinista government. From the moment the Sandinista government announced that it would hold elections, President Reagan was convinced that the major political formulation opposed to the Sandinistas should abstain from the elections. The objective was to show that elections were not fair and free.

In the whole history of US imperialism in Latin America, there was no more inglorious chapter than that of Nicaragua. Theoretically, Nicaragua was an independent country. In practice it was dominated completely both economically and politically by the United States. Until the triumph of the Sandinista Revolution in 1979 Nicaragua was in all but name a colony of the United States. Its economy was dominated by U.S. monopolies and its political system a bloody dictatorship imposed and maintained by the United States.

71. Susanne Jonas, n.69, p.386.