

The Reason the Reagan Administration Overthrew the Sandinista Government

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This thesis titled
The Reason the Reagan Administration Overthrew the Sandinista Government

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ABSTRACT

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The purpose of my study is to understand why the United States intervened in Nicaragua in the early 1980s to overthrow the Sandinista government. I will be looking at declassified documents, radio transcripts, campaign papers, and presidential speeches to determine why officials in the Reagan administration believed that American involvement in Central America was crucial to U.S. national security. This thesis argues that the Reagan administration's decision to overthrow the Sandinista government was shaped by the preconceived notion of Ronald Reagan, the administration's inability to distinguish from perception and reality of the events occurring in Nicaragua, and to undermine the Nicaraguan revolution as a model for other guerrilla organizations in Central America that could have potentially challenged American hegemony in the region.

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CHAPTER ONE: INTRODUCTION

The purpose of my study is to understand why the United States intervened in Nicaragua in the early 1980s to overthrow the Sandinista government. I will be looking at declassified documents, radio transcripts, campaign papers, and presidential speeches to determine why officials in the Reagan administration believed that American involvement in Central America was crucial to U.S. national security. Before becoming president of the United States, Ronald Reagan viewed the Sandinistas as a communist organization that wanted to transform Nicaragua into a totalitarian state. This view did not change even though the Sandinistas cooperated with the United States. Officials who held similar views as Mr. Reagan were selected to serve in the Reagan administration. The Republican Party also targeted the Sandinista government as a communist regime.

While the Sandinista government implemented social and economic reforms that were not communist oriented, the Reagan administration failed to recognize this. This thesis argues that the Reagan administration's decision to overthrow the Sandinista government was shaped by the preconceived notion of Ronald Reagan, the administration's inability to distinguish from perception and reality of the events occurring in Nicaragua, and to undermine the Nicaraguan revolution as a model for other guerrilla organizations in Central America that could have potentially challenged American hegemony in the region.

II. Central America

Since Latin America falls under the sphere of influence of the United States, the U.S. government needed a foreign policy that would maintain it as the regional hegemon.

American officials argued that Latin America's social, economic, and political underdevelopment provided the necessary conditions for communist infiltration and, therefore, implemented strong anti-communist support in that region. The Americans believed that a strong regime in power, was preferable to a liberal and lenient government, susceptible to communism.¹

In 1980, the Committee of Santa Fe proposed a new policy to deal with Central America and, specifically, Nicaragua. According to the committee, the sphere of the Soviet Union and its surrogates was expanding and Soviet foreign policy was based on creating chaos and exploiting opportunities, and the U.S. power base in Latin America was not immune to Soviet expansion. The committee suggested that U.S. policy needed to be aimed at protecting its global position by protecting Latin American nations from Soviet expansion.²

In the summer of 1980, the Republican Party platform targeted the Sandinista government, stating that the party deplored the Marxist-Sandinista takeover of Nicaragua and promised to end all aid to the country. Reagan's campaign aides had advised him on the various techniques to remove the Sandinistas from power.³ On January 20, 1981, Ronald Reagan took office and ushered in a new era in American foreign policy. This policy, known as the Reagan Doctrine, was to contain and, over time reverse, Soviet

¹ Alan McPherson, *Intimate Ties, Bitter Struggles: The United States and Latin America Since 1945* (Washington, D.C.: Potomac Books, Inc.), 23-24.

² Lewis Tambs, *A New Inter-American Policy for the Eighties* (Washington, D.C.: The Council for Inter-American Security, 1980), 3-11.

³ Thomas W. Walker, *Nicaragua: Living in the Shadow of the Eagle* (Boulder: Westview Press, 2003), 46.

expansion by competing effectively on a sustained basis against the Soviets in every international arena.⁴

Central America would play a pivotal role in applying the Reagan Doctrine for several reasons. First, with the Sandinista regime in power and FMLN guerrillas challenging the Salvadoran state, there was an urgent necessity to address the situation. Second, the Reagan administration considered Central America to be of vital interest to U.S. national security. If the U.S. did not thwart communism in Central America, then the domino effect would quickly spread communism throughout the region and threaten American hegemony. Third, Reagan's advisors believed Central America would be a fairly easy victory. Thus, Central America presented the best region to demonstrate the renewed determination and strength of the United States.⁵

In Central America, the United States had developed a close relationship with the Somoza regime in Nicaragua, supporting the Somoza dictatorship from 1937 until 1979 when the Sandinistas came into power. Prior to 1933, the United States had occupied Nicaragua, but Augusto Cesar Sandino resisted the American occupation. Even though Somoza's National Guard assassinated Sandino in 1934, his legacy and tactics served as a model for the Sandinista Front of National Liberation in overthrowing the Somoza dictatorship in 1979.⁶

⁴ John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War* (Oxford: Oxford University Press, 2005), 249-256.

⁵ Christian Smith, *Resisting Reagan: The U.S. Central America Peace Movement* (Chicago: The University of Chicago Press, 1996), 23.

⁶ Walker, *Nicaragua: Living in the Shadow of the Eagle*, 20-26.

While some of the Sandinistas were Marxists or Marxist-Leninists in theory, the Nicaraguan government did not impose a Soviet-style or Socialist economic system. Moreover, the Sandinistas honored the foreign debt left by the Somoza regime in order to maintain the nation's credit worthiness. The Soviets made it clear that economic aid would not be forthcoming to Nicaragua nor would there be military support if the U.S. invaded. Although the United States criticized Nicaragua for its trade relationship with the Socialist bloc, the Nicaraguan government implemented several social programs, such as the Literacy Crusade in 1980. However, this did not deter the Reagan administration from launching its plan of destabilization against Nicaragua. In early 1981, the United States terminated all economic assistance and began to launch a covert war.⁷

The CIA laid the groundwork for clandestine assault against Nicaragua during the spring and summer of 1981. However, the operation was not launched until the end of 1981 when President Reagan approved National Security Decision Directive (NSDD) 17, authorizing the CIA to build a paramilitary army of Nicaraguan exiles. The operation and mission was to hinder the arms flow from Nicaragua into El Salvador, compel the Sandinistas to “look inward”, and pressure them to negotiate with the U.S.⁸

The paramilitary army of Nicaraguan exiles, labeled the “Contras”, terrorized the civilian population. Civilian personnel and infrastructure were the prime targets of the Contras because they wanted to make the citizens afraid to support the government. Foreigners who aided the government in development and reconstruction projects were

⁷ Ibid, 42-46.

⁸ William M. LeoGrande, *Our Own Backyard: The United States in Central America, 1977-1992* (Chapel Hill: The University of North Carolina Press, 1998), 125-146.

also targeted. The Contra war had a devastating effect on the nation. The death toll for the conflict between 1980 and 1989 was 30,865. After almost nine years of suffering and war, the nation had become demoralized.⁹

III. Literature Review

The literature on American intervention in Nicaragua is extensive. Among the scholars who examined the issue, William LeoGrande argues in *Our Own Backyard: The United States in Central America, 1977-1992* that American intervention in Nicaragua was caused by the failure in Vietnam and conflicting views on how to avoid repeating that history. For the Reagan administration, “another Vietnam” meant another outpost of the free world lost to Communism for lack of resolve in U.S. foreign policy.¹⁰ Walter LaFeber claims in *Inevitable Revolutions: The United States in Central America* that the U.S. opposed any radical change in Central America and Nicaragua because it feared revolutionary governments would be susceptible to outside influences. The U.S. sought to exclude all foreign influence other than its own from the region in order to protect the foreign investments made by U.S. corporations.¹¹ Thomas Walker argues in *Reagan Versus the Sandinistas: The Undeclared War on Nicaragua* that intervention was the result of the Cold War consensus view that any communist incursions into the Third

⁹ Harry E. Vanden and Thomas W. Walker, “The Reimposition of U.S. Hegemony over Nicaragua,” in *Understanding the Central American Crisis: Sources of Conflict, U.S. Policy, and Options for Peace*, eds. Kenneth M. Coleman and George C. Herring (Wilmington, Delaware: Scholarly Resources Inc., 1991), 156-166.

¹⁰ LeoGrande, *Our Own Backyard: The United States in Central America, 1977-1992*, 5-51.

¹¹ Walter LaFeber, *Inevitable Revolutions: The United States in Central America*, 2nd ed. (New York: W.W. Norton & Company, 1993), 5-18.

World, especially Latin America, should be eliminated.¹² William Robinson and Kent Norsworthy argue in *David and Goliath: The U.S. War Against Nicaragua* that intervention was a radical response to the long-term decline of U.S. imperialism in the face of successful wars of national liberation.¹³

IV. Methodology

It is not possible to observe and measure an individual's attitudes, values, and perceptions directly. Rather, they must be inferred from the available evidence from declassified documents, radio transcripts, campaign papers, and presidential speeches. The principal historical sources that I will use are U.S. and Latin American archives and U. S. declassified documents from 1978 and 1984. However, since U.S. classified documents were declassified a few years after this period, I will also be examining documents that were released after 1984.

V. Conclusion

The goal of this thesis is to examine American intervention in Nicaragua in order to create a better understanding of U.S. foreign relations with Central America. The results that I achieve will help substantiate the claim whether or not the Sandinista government was communist. Identifying whether the Sandinistas were Communists is important because it will undermine or support the claim made by individuals who said they were and that was why the United States intervened in Nicaragua. Once this is accomplished, the next step will be to understand what information the Reagan

¹² Thomas Walker, "Introduction," in *Reagan Versus the Sandinistas: the Undeclared War on Nicaragua*, ed. by Thomas Walker (Boulder: Westview Press, 1987), 12-14.

¹³ William I. Robinson and Kent Norsworthy, *David and Goliath: The U.S. War against Nicaragua* (New York: Monthly Review Press, 1987), 9-21.

administration was given about the Sandinistas that caused the decision to intervene in Nicaragua. Therefore, it is hoped that my findings will be useful for future decisions concerning U.S. intervention and, it is to be hoped help prevent unnecessary American intervention in Latin America.

In chapter two, I examine the literature covering on U.S. involvement in Nicaragua in order to understand the ideas and arguments that have been established regarding this subject. In chapter three, I provide the historical relationship between the United States and Nicaragua that led up to the overthrow of the Somoza regime in 1979. In chapter four, the evidence necessary to test the hypotheses will be presented. Chapter five will reiterate the findings from this study and discuss the implications.

CHAPTER 2: LITERATURE REVIEW

This chapter will review some of theory and literature that applies to this case study. First, a brief look at the insights that political psychology offers in explaining the Reagan administration's decision to overthrow the Sandinista government. A number of alternative frameworks have been developed to organize the explanations of foreign policy behavior. One of the most influential frameworks was the level of analysis that made the distinction between three different images of war in international politics: individual, national, and system.¹⁴

Psychological variables begin at the individual level of analysis but interact with causal variables at several other levels in examining foreign policy decisions and behavior. Psychological variables are valuable for the analysis of behavior at other levels of the dependent variable. They are essential to the explanation of individual beliefs, decisions, preferences, and to decision-making in small groups and organizations as well as states. By influencing foreign policy, psychological variables affect outcomes at the other levels.¹⁵

There are some limitations on the utility of political psychology for foreign policy analysis. Psychological variables cannot by themselves provide a complete explanation of foreign policy. They must be incorporated into a broader theory of foreign policy that integrates state-level causal variables and how the perceptions of key individual actors

¹⁴ Kenneth N. Waltz, *Man, The State, and War: A Theoretical Analysis* (New York: Columbia University Press, 1959), 16-159.

¹⁵ Jack S. Levy, "Political Psychology and Foreign Policy," in *Oxford Handbook of Political Psychology*, ed. David O. Sears, Leonie Huddy, and Robert Jervis (Oxford: Oxford University Press, 2003), 253.

get combined into a foreign policy decision for the state. In the same manner, since wars are the result of two or more states, psychological variables cannot offer a complete explanation for war or other international patterns. The goal for social scientists is not to explain all the links but to explain variations in outcomes, and to do so with a theory that abstracts from a complete description of reality and focuses on the key causal variables and relationships. The contribution of psychological variables to foreign policy analysis depends on their ability to explain significant additional variation to outcomes.¹⁶

The perception and misperception of threat take many forms and have many sources at all levels of causation. The impact of an individual's prior belief system on the interpretation of information can create a set of cognitive predispositions that shape the way new information is processed. The central proposition is that individuals have a strong tendency to see what they expect to see on the basis of their prior beliefs. They are systematically more receptive to information that is consistent with their prior beliefs than to information that is opposite to those beliefs.¹⁷ Even though there is no way to determine how open or closed-minded a person should be, actors are more apt to err if they are too wedded to an established view and too quick to reject discrepant information. Individuals often undergo premature cognitive closure and this is what occurred with the Reagan administration when it decided to overthrow the Sandinista government.¹⁸ The Sandinista government was complying to the demands of the Reagan administration on

¹⁶ Ibid, 254-255.

¹⁷ Ibid, 255-264.

¹⁸ Robert Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976), 187.

the alleged arms flow but that did prevent the United States from cutting off the economic aid and launching a covert war against Nicaragua.

I will now examine some of the literature covering U.S. involvement in Nicaragua. According to LeoGrande, American intervention in Nicaragua was caused by the failure in Vietnam and conflicting views on how to avoid repeating that history. For the Reagan administration, the Sandinistas were Marxist-Leninists. If they stayed in power, then Nicaragua would eventually have become a one-party Leninist dictatorship, become allies with the Soviet Union, and promoted insurgencies in their region. The only choice for the United States was to remove the Sandinistas from power or acquiesce in the creation of another “Cuba”.¹⁹

The review of U.S. policy toward Nicaragua fell to the inter-agency group on Latin America—a group of senior and midlevel officials representing each of the principal executive branch agencies dealing with Latin America policy. This group referred to itself as the Inter-Agency Core Group and, after 1983, as the Restricted Inter-Agency Group (RIG). Through the spring and early summer of 1981, two approaches to the Nicaragua problem were debated within the Core Group. The first option was “long-term rollback” by gradual economic destabilization. The second option was “short-term military rollback” to be accomplished by direct intervention. The long-term and short-term options had one practical element in common: Both envisioned a role for Nicaraguan exile forces.²⁰

¹⁹ LeoGrande, *Our Own Backyard: The United States in Central America, 1977-1992* 4-109.

²⁰ Ibid, 109-111.

The National Security Council met on November 16, 1981, to consider a 10-point plan developed by the Core Group to respond to the worsening situation in Central America. On November 23, President Reagan approved the plan to give covert financial support to internal opponents of the Sandinistas, as well as a C.I.A. paramilitary plan that included both the five hundred man Latin American force to be organized by the U.S. and support for the thousand-man Nicaraguan exile force being organized by Argentina. On December 1, the National Security Planning Group (NSPG) met to draft a presidential finding for Congress justifying the covert action program against Nicaragua, which President Reagan signed later that day. The decisions made at the November NSC meetings established a framework for U.S. policy toward Central America that remained essentially unchanged throughout President Reagan's two terms in office.²¹

According to LaFeber, the United States objected to any radical change in Central America and Nicaragua because it feared revolutionary governments would be vulnerable to outside influences. The United States had interest in creating and supporting democratic states in Central America that were free from outside interference. Strategically, the United States needed to prevent the proliferation of Cuba-modeled states that could provide platforms for subversion, compromise vital sea-lanes, and pose a direct military threat. The other concern for the administration was that there could potentially be a large influx of immigrants to the United States. Furthermore, the United States also had important business interests in Central America. For example, 67 of the top 100 corporations in the U.S. did business in Central America and there was an

²¹ Ibid, 141-146.

estimated \$5 billion of direct U.S. investments in the region. Central America became the most important place in the world for the United States.²²

The 1980 Republican platform vowed to protect these interests by reversing the decline in U.S.-Latin American relations. Richard Allen, soon to be President Reagan's National Security Advisor claimed that U.S. military power has always been the basis for the development of a humane foreign policy. The U.S. could restore its power and prestige in the region, if only North Americans thought positively, acted militarily, and rewrote history. Within a month after taking office, Secretary of State Haig stated that the mistakes that were made by the United States in the Vietnam War could not be repeated in Central America. The administration intended to go to the source of the problem, which meant the possibility of an attack on Cuba. The Reagan administration decided to become involved in Central America for two reasons. First, it wanted to destroy the Sandinistas and the Salvadoran guerrillas. Second, Central America appeared to be a perfect place to demonstrate that the new administration was not afraid to use force if necessary. Employing military force would reestablish U.S. credibility after the failure in the Vietnam War. From Haig in 1981 to Lt. Colonel Oliver North in 1984-1987, Vietnam veterans in the administration swore that their nightmares could now be eliminated in their strategy for Central America.²³

By 1982, President Reagan had secretly ordered the C.I.A. to undermine the Sandinistas and block the alleged flow of arms from Cuba and Nicaragua into El Salvador. C.I.A. Director William Casey devised and oversaw these operations. The

²² LaFeber, *Inevitable Revolutions: The United States in Central America*, 271-274.

²³ Ibid, 274-280.

C.I.A. plan NSDD 17 allocated \$19 million as a first payment for the Agency to create an anti-Sandinista, or Contra, force of about 500 men to oppose the Nicaraguan government and isolate the Salvadoran guerrillas. Since the 1890s, U.S. economic power and pressures for political stability at all costs had produced widespread revolution. The Reagan administration could have chosen negotiated settlements, international supervision, and multilateral shared responsibilities. It chose unilateral escalation of the C.I.A.-military effort to win supposed final victories. However, the policy only made Central America a blood-soaked battlefield that became more dependent on the United States.²⁴

According to Robinson and Norsworthy, U.S. involvement in Nicaragua was a radical response to the long-term decline of U.S. imperialism in the face of successful wars of national liberation. The United States had learned a key lesson from Vietnam in that military supremacy did not necessarily lead to victory. As a result, U.S. military doctrine experimented with a new doctrine: low-intensity warfare (LIW). The U.S. objective in Central America was the destruction of the Sandinista revolution. From the moment that the Sandinista revolution triumphed in Nicaragua, the forces of counterrevolution were set in motion. The Reagan administration immediately set out to restore U.S. hegemony in the world by any means available—political, economic, social, and military.²⁵

²⁴ Ibid, 280-323.

²⁵ Robinson and Norsworthy, *David and Goliath: The U.S. War against Nicaragua*, 16-20.

At the heart of the LIW strategy was the reconceptualization of wars against national liberation movements as political rather than military undertakings. This shift of emphasis, from military annihilation to political invalidation, entailed reducing the military to only one of many means for attaining the newly defined objective. The 1980 Republican platform established the goal of overthrowing the Sandinista government as the core of its strategy toward Nicaragua. Also, the Committee of Santa Fe was charged for drawing up the general contours of the Reagan administration's policy towards Latin America. The heritage foundation released a report that year which was considered as the original intellectual blueprint for the Reagan administration. The report argued that the Nicaraguan government could not be removed except through military action and that discontented Nicaraguans could be brought to support armed operations by former members of the National Guard.²⁶

On March 9, 1981, President Reagan supported C.I.A. Director William Casey's proposal for a destabilization program, which stated that the U.S. needed to expand its intelligence capacity in the region. C.I.A. agents soon notified ex-National Guard groups in Miami and Honduras that government funds would be forthcoming. Between March and November, some 150 paramilitary experts were rehired by the C.I.A. and sent to Central America to lay the logistical groundwork for the program. In the Panama Canal Zone, Green Berets trained three companies of former National Guardsmen in paratroop-airdrop techniques, guerrilla tactics, and the use of explosives.²⁷

²⁶ Ibid, 27-42.

²⁷ Ibid, 42.

On December 1, 1981, President Reagan authorized a 10-point plan of covert operations. At the core of the plan, according to press reports, was the formation of a 500 man, U.S. supervised force on the Honduran border, as well as covert U.S. assistance to a larger paramilitary force of ex-National Guardsmen. The rationale for the program was the need to end the arms allegedly flowing from Nicaragua to El Salvador. The C.I.A. increased its efforts to organize the Contra army. Most of the funding over the next months—distributed in strategic doses—was aimed principally at financing the regrouping of the numerous Somocista groups under the Nicaraguan Democratic Force (FDN) umbrella organization and turning them into a professional armed force.²⁸

According to Walker, U.S. involvement in Nicaragua was the result of the Cold War consensus view that any communist incursions into the Third World, especially Latin America, should be eliminated. When the Sandinistas came into power, the Carter administration offered economic aid with strings attached in order to manipulate them in a direction acceptable to the United States. During this period, the Sandinistas consolidated the revolution politically by promoting the growth of grass roots organizations, reorganizing the armed forces, and reequipping them with standardized military material. The Sandinistas obtained most of the military equipment from the Soviet bloc because the United States had earlier refused an arms purchase request.²⁹

In the summer of 1980, the Republican platform targeted the Sandinistas. Campaign aides to Reagan advised on him on using on Nicaragua the various techniques employed by the U.S. in the past to destroy Latin American governments that they did

²⁸ Ibid, 42-45.

²⁹ Walker, *Introduction*, 5-14.

not approve. Early in 1981, the U.S. terminated economic assistance to Nicaragua and the administration began to allow anti-Sandinista paramilitary training camps to operate openly in Florida, California, and the Southwest. Then in December 1981, President Reagan signed a directive authorizing the C.I.A. to spend \$19.8 million to create a paramilitary force in Honduras to undermine the Nicaraguan government.³⁰

In economic affairs, the Sandinistas honored Somoza's foreign debt in order to maintain Nicaraguan creditworthiness with Western financial institutions. After lengthy negotiations with the international banks, the Sandinistas received concessionary terms for repayment and foreign aid from a variety of countries. In accordance with the decision to preserve a large private sector, the Sandinistas created an interim government in which all groups and classes in society would be represented. The plural executive, known as the Junta of National Reconstruction, included wealthy conservatives on the board. The interim legislative body, known as the Council of State, gave corporative representation to most parties and organizations in Nicaragua.³¹

Nevertheless, the period was not without tension. Many in the minority-privileged classes were certain that totalitarian communism would eventually take over. Some of these individuals fled to Miami while others illegally decapitalized their industries and transferred their money abroad. Former Somoza military personnel and accomplices were subjected to legal investigation and trial rather than execution. The Sandinistas abolished the death penalty.³²

³⁰ Ibid, 6.

³¹ Ibid, 5.

³² Ibid, 5-6.

CHAPTER 3: U.S.-NICARAGUA RELATIONS

To understand why the Reagan administration viewed the Sandinista government as a threat, a study of the historical background from which the Sandinista government emerged is required. American foreign policy towards Latin America after World War II was rooted in the beginning of the Cold War. In 1946, the American diplomat, George Frost Kennan, argued that the Soviet Union needed to be contained. According to Kennan, the U.S.S.R perceived the United States as its enemy and would exert constant pressure to reduce American influence in the world. The Soviet Union would have to be restrained through various counter-measures in strategic and geopolitical points. Furthermore, the Soviet's system could be discredited internationally if Americans were willing to work diligently for the stability of the American way.³³

The United States foreign policy guidelines were established with the National Security Council document known as NSC-68. It claimed that the world was divided into two opposing camps: the United States and the Soviet Union. A conflict was imminent between the nations because the Soviet Union's objective was global domination. The only way the conflict could end would be with one side emerging as the victor. For American officials, Latin America was a strategic battleground because the Soviets could use it to propagate communist ideas. More importantly, Soviet intervention in Latin America would undermine American hegemony in the region and the global policy of containment.³⁴

³³ Walter LaFeber, *The American Age: United States Foreign Policy at Home and Abroad since 1750* (New York: W.W. Norton & Company, 1989), 449-451

³⁴ Richard H. Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin: University of Texas Press, 1982), 10-11.

As the Cold War escalated, the Truman administration feared that communism would become more appealing to the neighbors to the south. American officials argued that Latin America's social, economic, and political underdevelopment provided the necessary conditions for communist infiltration. Therefore, strong anti-communist support from the United States towards Latin America would be implemented. The American belief was that it was better to have a strong regime in power than a liberal and lenient government that could be penetrated by the communists.³⁵ In order to counter future communist threats, a mutual military alliance, known as the Rio Treaty of 1947, was formed between the United States and most Latin American governments.³⁶

In 1948, the Organization of American States (O.A.S.) was created to further American dominance in the region. The O.A.S. was established so that the states could coordinate and enhance pan-American policies; however, this was not the case in practice. The provisions of the O.A.S. permitted the United States intervene when necessary in Latin America in order to protect the peace. As a result, American imperialism in the region would operate under the guise of the O.A.S.³⁷

In 1951, few years after the formation of the Rio Treaty and the O.A.S., the U.S. Congress passed the Military Defense Assistance Act. According to the American government, since Latin American governments lacked the military capabilities to defend

³⁵ Alan McPherson, *Intimate Ties, Bitter Struggles: The United States and Latin America Since 1945* (Washington, D.C.: Potomac Books, Inc.), 23-24.

³⁶ David Yost, "U.S. Military Power and Alliance Relations," *Annals of the American Academy of Political and Social Science* 517, (1991): 82-83, JSTOR (19 Feb. 2009).

³⁷ Colin S. Cavell, *Exporting "Made-in-America" Democracy: The National Endowment for Democracy & U.S. Foreign Policy* (Lanham, Maryland: University Press of America, 2002), 76.

itself from a nuclear or conventional attack by the Soviets, the United States would undertake that responsibility. The act included \$38.5 million in weapons and training for Latin American counterinsurgency. Latin Americans would receive military training from U.S. officials at the School of the Americas in Panama. With this military aid and training, military regimes in Latin America would be able to repress local leftist insurgencies.³⁸

The Somoza Family

In 1936, General Anastasio Somoza took over the presidency and his family ruled Nicaragua as their private estate for forty-three years. His son Luis Somoza became president in 1957 and Luis's younger brother, Anastasio Jr., was in control of Nicaragua's National Guard. The purpose of the National Guard was to prevent and control future revolutions without having to commit the presence of U.S. troops in the country.³⁹ During 1961 and 1962, the National Sandinista Liberation Front (FSLN) was established. Founded in Nicaragua, it obtained its name from the Nicaraguan nationalist, Augusto César Sandino, who fought against the American occupation in the 1930s and was later killed by General Somoza.⁴⁰

Nicaragua's socioeconomic structure had created unsustainable conditions that caused the Nicaraguan population to overthrow the Somoza regime. Ever since Spanish colonization, the primary goal of the Spanish was to exploit Latin America's natural resources. Nicaragua's economy had been developed to be dependent on one or two

³⁸ McPherson, *Intimate Ties, Bitter Struggles: The United States and Latin America Since 1945*, 24-25.

³⁹ LaFeber, *Inevitable Revolutions: The United States in Central America*, 69-71

⁴⁰ Ibid, 162-166.

primary export crops. Extreme inequalities resulted from the landowning class controlling most of the lands and wealth while the rest of the population lived in dire circumstances. Nicaragua's prime agriculture lands were cultivated for either coffee or cotton, which displaced many local families. Food production for the local population stagnated and the standard of living for the working and rural classes declined. Furthermore, most Nicaraguans had limited access to basic social services and health conditions for the majority of the population were poor. Most of the nation's educational services were concentrated in the urban areas, which meant that illiteracy rates were significantly higher in the rural areas than the urban areas.⁴¹ Life expectancy for Nicaraguans under Somoza was 53 years and the infant mortality rate was significantly high, between 120 and 146 per 1,000 live births.⁴²

During their rule, the Somoza family used the National Guard and the political structure to control a disproportionate part of Nicaragua's wealth. The Somoza family controlled 50 percent of the nation's sugar mills, 65 percent of commercial fishing, 40 percent of commercial rice production.⁴³ The Somoza family also dominated the industrial, human services, and banking sectors. The family owned most of the textile plants, cement works, construction material companies, and transportation companies. The family's avarice had no bounds as was demonstrated during the 1972 earthquake.

⁴¹ Laura J. Enríquez, *Harvesting Change: Labor and Agrarian Reform in Nicaragua, 1979-1990* (Chapel Hill: University of North Carolina Press, 1991), 18-47.

⁴² Thomas J. Bossert, "Health Care in Revolutionary Nicaragua," in *Nicaragua in Revolution*, ed. Thomas W. Walker (New York: Praeger, 1982), 261.

⁴³ David Kaimowitz and Joseph R. Thome, "Nicaragua's Agrarian Reform: The First Year (1979-80)," in *Nicaragua in Revolution*, ed. Thomas W. Walker (New York: Praeger, 1982), 225.

The United States sent \$600 million in relief funds to Nicaragua to help the devastated nation. Anastasio Somoza Jr. seized this opportunity to make it into a profitable business venture. This unethical use of relief funds was the turning point in the relationship between the bourgeoisie and the Somoza family. The opposition movement expanded as members from the bourgeoisie withdrew their support from Somoza and supported the FSLN.⁴⁴

Somoza implemented some moderate agrarian reforms to forestall the revolution. These two reforms targeted the countryside in particular and were implemented through the *Instituto Agrario de Nicaragua* (IAN) and the *Instituto de Bienestar Campesino* (INVIERNO). IAN was established in 1963 and carried out land titling and land colonization programs. The land titling program was supposed to help rural workers by providing them easier access to credit, input, and technical assistance. However, this did not happen and by the late 1970s the program had aided only 16,500 families. The colonization program was also unsuccessful in raising the standard of living for rural families. Even though it established 63 colonies, only 2,652 families participated in the program.⁴⁵

INVIERNO was created in 1975 and a significant amount of its funding came from the U.S. Agency for International Development. The institute's purpose was to increase production levels in the coffee-growing regions by offering agriculture loans. Nevertheless, INVIERNO also failed because of the high interest rates on the loans and

⁴⁴ Enríquez, *Harvesting Change: Labor and Agrarian Reform in Nicaragua, 1979-1990*, 48-50.

⁴⁵ Ibid, 50-51.

because the requirements to acquire a loan prevented many rural families from qualifying. In the end, Somoza's reform programs failed because the entire socioeconomic structure was what needed to change and Somoza was not willing to make those reforms.⁴⁶

The FSLN

Since the beginning of the 20th century, the United States had been involved in Nicaraguan political affairs. For example, in 1927 the United States intervened in the presidential elections, keeping the conservative president Adolfo Diaz in power until 1928. This angered Augusto C. Sandino, the Nicaraguan leader, because the Liberals would have come into power and ousted Diaz. As a result, for the next five years, Sandino led an uprising against American occupation and Nicaraguan traitors.⁴⁷

The primary goal of the rebellion was to oust the American military forces from Nicaragua. During the American occupation, American marines trained Nicaraguan soldiers and formed the National Guard in order to eradicate the resistance. The National Guard became infamous for committing atrocities against civilians. As the war dragged on, Sandino was successful in garnering support from the peasantry. In 1933, American troops left Nicaragua. Shortly thereafter, Sandino was assassinated in 1934. The Somoza dictatorship would rule the nation for the next four decades.⁴⁸

⁴⁶ Ibid, 51-52.

⁴⁷ Michael J. Schroeder, "*The Sandino Rebellion Revisited: Civil War, Imperialism, Popular Nationalism, and State Formation Muddled Up Together in the Segovias of Nicaragua, 1926-1934*," in *Close Encounters of Empire: Writing the Cultural History of U.S.-Latin American Relations*, eds. Gilbert M. Joseph, Catherine C. LeGrand, and Ricardo D. Salvatore (Durham: Duke University Press, 1998), 210-214.

⁴⁸ Ibid, 214-247.

The FSLN formed from the anti-Somoza student movements of 1944-1948 and 1959-1961. The most influential figure of the FSLN was Carlos Fonseca Amador, a student activist from the Nicaraguan Socialist Party (PSN). In 1961, Carlos Fonseca, Tomás Borge, and Silvio Mayorga founded the Sandinista National Liberation Front. From the 1960s until the late 1970s, the FSLN encountered some major military setbacks and internal divisions. The turning point for the FSLN was the rapid escalation of popular opposition against the Somoza government in the late 1970s. Therefore, the FSLN drew back together—provisionally in December 1978, then to full formal unity in March 3, 1979. The reunited FSLN enhanced its ability to wage a coordinated national military and political campaign.⁴⁹

The FSLN drew much of its ideology from the ideas and example of Sandino. Sandino's anti-imperialism and his populist sympathy for the poor were more or less consistent with the thinking of the early Sandinistas. What was missing in Sandino, from the FSLN's viewpoint, was a systematic understanding of class conflict or the role of the revolutionary party. The Sandinistas treated Marxism as a body of insights that they adapted to their own needs and Nicaraguan conditions.⁵⁰ The Marxist-Leninist view predominated in the FSLN until the mid-1970s, when Nicaraguans with non-Marxists views joined the FSLN. The FSLN's ideology changed to attract many different groups victimized by Somoza. The FSLN's program appealed to peasants and factory workers

⁴⁹ John A. Booth, *The End and the Beginning: The Nicaraguan Revolution* (Boulder, Colorado: Westview Press, 1982), 138-144.

⁵⁰ Dennis Gilbert, *Sandinistas: The Party and the Revolution* (New York: Basil Blackwell, 1988), 22-27.

denied fair wages and unions, to victims of political repression, to the urban poor, to citizens without access to healthcare, and to many others.⁵¹

One major factor in the expansion of the FSLN was the mass mobilization of Christian activists. The origins of this mobilization began in the second Latin American Bishops' Conference in Medellín, Colombia in 1968. Following this conference, a number of bishops began to lambaste the structural inequalities in Latin American nations. The movement that arose from this conference demanded the improvement social and economic conditions of the poor. In Nicaragua, the clergy formed Christian Base Communities (CEBs) to aid the poor. The Somoza government used repressive measures against citizens who supported the FSLN or the CEBs. The result was that many young Catholics decided to cooperate with or join the FSLN. The downfall of Somoza in July 19, 1979, was the result of the joint efforts of these two progressive movements.⁵²

The Sandinistas wanted to create a new Nicaragua that eliminated Somoza's economic power base and the external linkages that supported it. The Sandinistas had several goals. First, the Sandinistas wanted to replace the previous political system with one that was more humane in its relationship with the population. Second, the FSLN wanted to reconstruct the economy that had been devastated by the war. Third, the Sandinistas wanted to reduce class inequalities and increase the economic influence of the lower classes. Fourth, the FSLN wanted to implement a philosophy of public honesty,

⁵¹ Booth, *The End and the Beginning: The Nicaraguan Revolution*, 145-146.

⁵² Walker, *Nicaragua: Living in the Shadow of the Eagle*, 40-41.

frugality, and service to the public. Fifth, the new government wanted to establish democracy that included a broader participation in political and economic arenas.⁵³

The Governing Junta of National Reconstruction was the chief executive council of Nicaragua. The first junta included major leaders from the broader rebel movement: Sergio Ramírez Mercado of the Group of Twelve; Violeta Barrios de Chamorro, widow of Pedro Joaquín Chamorro and a major stockholder of the newspaper *La Prensa*; Moisés Hassán Morales of the United People's Movement (MPU); Alfonso Robelo Callejas, a private sector leader and an industrialist; and Commandante Daniel Ortega Saavedra, a member of the FSLN National Directorate.⁵⁴

The junta elaborated public policy with the FSLN Joint National Directorate (DN) and executed that policy through the various government ministries. The DN set the general guidelines for the revolution and the junta worked out the details for their execution. The liaison between the DN and the junta was Daniel Ortega who met both and conveyed the FSLN's wishes to the junta. The DN was viewed as the vanguard of the revolution.⁵⁵

⁵³ Booth, *The End and the Beginning: The Nicaraguan Revolution*, 183-184.

⁵⁴ Ibid, 184.

⁵⁵ Ibid, 184-185.

CHAPTER 4: THE EVIDENCE

Ronald Reagan's View of the Sandinistas before 1980

Before becoming president of the United States, Ronald Reagan had an preconceived view of the Sandinistas as communists and terrorists. In November 29, 1977, on a radio program entitled "Nicaragua I", Mr. Reagan believed that the purpose of the FSLN was to spread communism. He offered an explanation of the political turmoil in Nicaragua, arguing that the Sandinistas were a terrorist organization with sinister motives and that they were closely aligned with the Cuban government. Furthermore, he explained that other groups participating in the international coalition to destabilize the Somoza government, such as the North American Congress on Latin America, were also supported by Cuba. He insisted that these groups used Nicaraguan President Somoza's recent heart attack, to increase their attacks. Mr. Reagan acknowledged the Nicaraguan government had been a valuable ally of the United States and was strongly anti-communist.⁵⁶

On February 20, 1978, in a radio program entitled "Cuba", Mr. Reagan discussed a recent trip to Cuba by Congressman Steve Symms of Idaho. Mr. Reagan explained how Congressman Symms's belief that Fidel Castro's goal was to spread Russian-style communism throughout the world, and especially in Latin America and the Caribbean. Mr. Reagan then argued that Congressman Symms would agree with him that the turmoil in Nicaragua was the work of the Cuban government. While there were Nicaraguans who had justified grievances against the Somoza regime, Mr. Reagan noted that the rebels had

⁵⁶ Ronald Reagan, radio program, Nicaragua I, 29 November 1977.

been trained and armed by the Cuban government and were dedicated to forming another communist country in the Western Hemisphere.⁵⁷

On March 3, 1979 in a radio program entitled “Human Rights”, Mr. Reagan criticized the Carter administration’s human rights policy. In regards to Nicaragua, the United States cut back on its economic aid and withdrew American personnel because President Somoza violated human rights. While Mr. Reagan could not verify the truth of administration’s claim, he asserted that rebels fighting against the Somoza government were Marxists for the most part and were supported by the Cuban government.⁵⁸

On October 25, 1979, in a radio program labeled “Cuba Overseas”, Mr. Reagan discussed the Cuban and Soviet relationship. In exchange for Soviet aid received by the Cuban government, Fidel Castro had served as a puppet for Russian interests throughout the world. The Soviet Union was not bothered by the fact that Fidel Castro presented himself as a revolutionary leader who supported revolutionary movements in the developing world because Cuba’s foreign policy coincided with that of the Soviet Union. Along with supporting the more radical elements of the Sandinistas, Castro acknowledged his intention to instigate rebel movements in El Salvador, Honduras, and Guatemala. Mr. Reagan argued that these activities posed a serious threat to U.S. interests. Economic and military aid to Cuban appeared to be a good investment for the Soviet Union because of Cuba’s ability to undermine governments friendly to the United States.⁵⁹

⁵⁷ Ronald Reagan, radio program, Cuba, 20 February 1978.

⁵⁸ Ronald Reagan, radio program, Human Rights, 3 March 1979.

⁵⁹ Ronald Reagan, radio program, Cuba Overseas, 25 October 1979.

During his presidential campaign in 1980, Mr. Reagan outlined his stance on the American role in Nicaragua. He lambasted the Carter administration for allowing the downfall of the Somoza government and for the postponement of the elections in Nicaragua. According to Mr. Reagan, this resulted in a totalitarian Marxist regime in Nicaragua. Furthermore, El Salvador was threatened by totalitarian forces supported by Cuba.⁶⁰ Mr. Reagan continued by stating that even though Cuba was bankrupt—economically, politically, socially, and morally—Fidel Castro presented himself as a leader of the Third World by sending aid and creating military outposts for the Soviet Union.⁶¹

The Carter Administration's relationship with Nicaragua

In late 1978, the Carter administration suspended military assistance to the Somoza government for its violation of human rights. The United States, under the Organization of American States (OAS), organized a mediation effort between President Somoza and Nicaragua's Broad Opposition Front (FAO), a broad-based coalition of political, business, and labor organizations. By January 1979, mediation efforts failed, and the United States cut its embassy staff in half, withdrew its military mission, and suspended economic aid projects—with the intention disassociating the United States from the Somoza government. While the feelings of some U.S. congressmen to the events unfolding in Nicaragua were mixed, everything changed on June 20, 1979, when an ABC News correspondent was killed by Somoza's National Guard. A newly appointed U.S. ambassador arrived in Nicaragua at the end of June, to urge Somoza to resign. On July

⁶⁰ Reagan Bush Committee, 1980.

⁶¹ Ibid.

17, 1979, Nicaraguan President Anastasio Somoza fled into exile to Miami, Florida. On July 19, the FSLN marched into Managua and on July 20, a Sandinista-led coalition of anti-Somoza groups formed a new national government.⁶²

In the beginning, the Carter administration worked to promote good relations between the United States and Nicaragua, deciding to help the new government through economic aid by reprogramming \$8.8 million in unused foreign assistance funds for Nicaragua's reconstruction efforts. Furthermore, President Carter also requested another \$75 million from Congress for aid for Nicaragua. The Administration explained that the assistance was needed to demonstrate support for Nicaragua and to strengthen moderates and pluralistic tendencies within the new government. It was argued that economic aid would improve the chances for an outcome favorable to the United States.⁶³

Members of congress opposed to the aid forced the postponement of floor action until 1980. Their concern was that the aid would be helping a pro-Cuban Marxist-dominated government. On May 19, 1980, seven months after President Carter's \$75 million request for Nicaragua, Congress reopened discussions regarding the aid. The legislation, H.R. 6081, was signed into law on May 31, 1980. The final provisions of the legislation included a number of restrictions and prohibitions on the use of the economic aid. The most important provision was an amendment which required, prior to release of funds, presidential determination that the Nicaraguan government was not cooperating with or harboring any international terrorist organization or supporting acts of violence or

⁶² Congressional Research Service Report for Congress, "Nicaragua: An Overview of U.S. Policy 1979-1986," October 13, 1987.

⁶³ Ibid, 3-4.

terrorism in other countries. The purpose of the amendment was to limit Cuban or other Communist-inspired rebellions in Central American nations.⁶⁴

Another provision required the Secretary of State to report every six months on the status in Nicaragua in respect for: human rights, political pluralism, freedom of the press and assembly, freedom of religion, and freedom of labor to organize and bargain collectively. The president could also terminate the aid if it was determined that Soviet, Cuban or other foreign combat military forces were stationed in Nicaragua and their presence constituted a threat to U.S. national security or that of any Latin American ally of the United States.⁶⁵

A year after the Sandinistas had taken power, none of the worst fears of the Carter administration had materialized. Despite conflicts between the FSLN and the private sector, private business and political pluralism continued. Finally, though there was evidence of arms flowing from Nicaragua to El Salvador in early 1980, the amounts were not substantial. President Carter overlooked these intelligence reports and accepted Nicaragua's assurances that any arms smuggling was being undertaken contrary to its policy.⁶⁶ On September 12, 1980, President Carter certified that Nicaragua was not cooperating with or harboring any international terrorist organization or aiding, abetting, or supporting any acts of violence or terrorism in other countries.⁶⁷

⁶⁴ Ibid, 4-5.

⁶⁵ Ibid, 5-6.

⁶⁶ William M. LeoGrande, "The United States and Nicaragua," in *Nicaragua: The First Five Years*, ed. Thomas W. Walker (New York: Praeger, 1985), 426-427.

⁶⁷ White house release, 1980.

In November and December of 1980, U.S. intelligence detected a major flow of arms into El Salvador from Nicaragua through the increased activities of the Salvadoran guerrillas. The Carter administration announced in January 1981, that based on evidence that Nicaragua was shipping arms to the Salvadoran guerrillas, it was suspending the \$15 million in economic aid not yet disbursed from the \$75 million aid package. By suspending the aid but not canceling it, the administration left an opportunity for the Nicaraguan government to improve its relations with the United States once they ceased transferring arms to Salvadoran guerrillas. The decision to restore ties with Nicaragua would fall to the Reagan administration.⁶⁸

The Reagan Administration

At the Republican National Convention in July 1980, the Republican Party platform stated the following regarding U.S. policy regarding Latin America:

Latin America is an area of primary interest for the United States. Yet, the Carter Administration's policies have encouraged a precipitous decline in United States relations with virtually every country in the region. The nations of South and Central America have been battered by the Carter Administration's economic and diplomatic sanctions linked to its undifferentiated charges of human rights violations. In the Caribbean and Central America, the Carter Administration stands by while Castro's totalitarian Cuba, financed, directed, and supplied by the Soviet Union, aggressively trains, arms, and supports forces of warfare and revolution throughout the Western hemisphere. Yet the Carter Administration has steadily denied these threats and in many cases has actively worked to undermine governments and parties opposed to the expansion of Soviet Power. This must end. We deplore the Marxist Sandinista takeover of Nicaragua and the Marxist attempts to destabilize El Salvador, Guatemala, and Honduras. We do not support United States assistance to any Marxist government in this hemisphere and we oppose the Carter Administration aid program for the government of Nicaragua. However, we will support the efforts of the Nicaraguan people to establish a free and independent government.⁶⁹

⁶⁸ LeoGrande, *The United States and Nicaragua*, 427-428.

⁶⁹ Republican Party Platform, *Official Report of the Proceedings of the Thirty-Second Republican National Convention held in Detroit, Michigan July 14-17, 1980* (Detroit: Dulany-Vernay, Inc., 1980), 312-313.

In the summer of 1980, another meeting was taking place by five Latin American specialists. Known as the Committee of Santa Fe, they published, *A New Inter-American Policy for the Eighties*, which proposed specific policies concerning hemispheric security, economic development, and human rights. This committee, comprised L. Francis Bouche, Roger Fontaine, David Jordan, Lt. General Gordon Sumner, and Lewis Tambs. Fontaine would become the National Security Council's Latin American specialist and Sumner would be the Special Advisor to the Assistant Secretary of State for Inter-American Affairs for the Reagan Administration. On July 3, 1980, the committee sent an advanced copy of their study to Michael Deaver, the deputy chairman to President Reagan's national headquarters in Los Angeles. The packet was received in mid-August, 1980, and enclosed; among other documents, was a letter from Lt. Gen. Gordon Sumner about the study and the growing concerns shared by the Reagan campaign headquarters.⁷⁰

The proposal argued that Latin American nations were being threatened by the Soviet Union and Cuba through internal and external subversion. In Nicaragua, the Sandinistas were a clear example of the communist commitment to overthrow the capitalist order. Therefore, U.S. foreign policy should apply the following measures against the growing Communist threat. First, the Rio Treaty of 1948 needed to be revitalized through the Inter-American Defense Board (IADB). This board was established by the Rio Treaty to advise the member governments on those measures necessary for the security of the Western hemisphere. The United States should assist the

⁷⁰ Tambs, *A New Inter-American Policy for the Eighties*, i; Lt. General Gordon Sumner, letter to Reagan National Headquarters, 3 July 1980.

IADB in the proper discharge of its function. Second, the United States should encourage and support regional security arrangements, which would strengthen security against external and internal threats. Third, military training and assistance to the armed forces of Latin American governments should be reactivated. America's global power projection had always rested upon a cooperative Caribbean and a supportive South America and the Committee of Santa Fe insisted that the United States could protect the nations of Latin America from Communist subversion.⁷¹

1981: U.S. Policy Towards Nicaragua

Shortly after taking office, the Reagan Administration began to look for evidence of Nicaragua providing arms to the Salvadoran guerrillas. In a memo for President Reagan, Secretary of State Alexander M. Haig explained that the administration was examining evidence of Nicaraguan involvement in El Salvador. Nicaraguan responsibility was seen as substantial but that there were a number of factors why the United States could not immediately decide to end or recall assistance through a determination that Nicaragua was supporting violence in other countries. Haig argued that in order for President Reagan to determine that Nicaragua was supporting violence in El Salvador, U.S. intelligence would increase its monitoring of Nicaragua to acquire evidence to present to Congress and the American public. Furthermore, aid to the Nicaraguan government would be terminated though some would still flow to the private sector.

⁷¹ Ibid, 12-53.

Secretary of State Haig emphasized that the United States wanted Nicaraguan support for the Salvadoran guerrillas to end and Cuba's ability to use Nicaraguan territory to stop.⁷²

On February 2, 1981 the American embassy in Managua, Nicaragua sent a message to Secretary of State Haig. American Ambassador Lawrence A. Pezzullo explained his meeting with Jaime Wheelock. Ambassador Pezzullo stated that he told Mr. Wheelock that the United States was looking for Nicaragua to demonstrate that they are cutting off supplies to the Salvadoran guerrillas. Mr. Wheelock asked why the United States believed that Nicaragua had provided massive assistance to the Salvadoran guerrillas when that had not been the case. Ambassador Pezzullo stated that the United States was not arguing that Nicaragua was supplying the Salvadoran guerrillas from its own limited supply, but that U.S. intelligence had substantial evidence that Cubans and high-ranking Nicaraguan officials were involved in transferring arms to El Salvador. Mr. Wheelock insisted that the evidence could not be substantial and that Nicaragua did not get along with the Soviets and preferred to deal with the Western world, their traditional markets and sources of supply.⁷³

On February 5, 1981, the National Security Council held a meeting on U.S. policy towards Nicaragua. The immediate objective of the United States was to persuade the Sandinistas to stop the arms flow through political and economic coercion. The measures recommended the United States: to isolate Nicaragua from the international community with evidence of Nicaraguan support for the Salvadoran guerrillas, embark on a

⁷² The Secretary of State, "Determination Concerning Nicaraguan Support for Acts of Violence in Other Countries," January 26, 1981.

⁷³ White House Situation Room, "Salvadoran Issue," February 2, 1981.

propaganda campaign against Nicaragua, try to block financial assistance from foreign governments and international lending institutions, persuade U.S. commercial banks to delay the resumption of short-term trade credits, encourage U.S. investors to liquidate their existing assets in Nicaragua, bar Nicaraguan export crops from U.S. markets and embargo selected U.S. exports. There are a few possibilities that the Nicaraguan government could take in response to these policies. First, the FSLN could levy economic sanctions against the Nicaraguan private sector, the group that the United States has been supporting. Second, the Nicaraguan government could nationalize U.S. investments without compensation and default on its foreign debt.⁷⁴

On February 6, 1981, President Reagan received a memo from National Security Advisor Richard V. Allen warning of the plans of the Nicaraguan government to ship 30,000 pounds of armaments to El Salvador early in the month on a reconditioned DC-6. The memo also discussed the recent efforts by Tomás Borge, the Nicaraguan interior minister, to mediate a political solution to El Salvador. NSC Advisor Richard Allen explained that Borge's offer was a calculated move among the Nicaraguan government, the Salvadoran leftists, and the Cuban government.⁷⁵

On February 8, 1981, the Department of State published a briefing paper on Central America, claiming that the United States had conclusive evidence that the Nicaraguan government was involved in shipping arms to Salvadoran guerrillas. The law required a determination of stopping and recalling certain assistance if the president found Nicaragua to be abetting violence. The objective for the United States was to

⁷⁴ National Security Council, "Nicaragua Talking Points," February 5, 1981.

⁷⁵ The White House, "Memorandum for the President," February 6, 1981.

stabilize El Salvador and prevent Nicaragua from falling entirely under Cuban-Soviet domination. The Nicaraguan government was facing social and economic hardships. For example, economic recovery had failed, workers were moving from government to independent labor unions, Nicaragua's relations with its Central American neighbors was strained, and popular support was failing. The United States believed that there were non-Marxists within the Nicaraguan government who wanted to preserve U.S. assistance. However, there was also a group of hardliners waiting for the United States to act against Nicaragua so they could build closer ties with the Soviets and Cubans. The United States needed to pressurize the Nicaraguan government so that the group who would best represent U.S. interests would dominate. The greatest concern was not the Nicaraguan role in El Salvador but the Cuban role in both countries. Cuba was the core of the problem in Central America. Therefore, creating a viable foreign policy towards Cuba and Central America was essential.⁷⁶

On February 10, 1981, National Security Advisor Richard V. Allen sent the minutes from the February 6, NSC meeting to President Reagan. In this meeting, Allen argued that if the president directed it, the United States could in four months develop a policy to deal with Cuba and Central America. While Nicaragua claimed that the arms transfer to El Salvador was a problem that arising from the lower levels of government, the evidence did not support that claim. Secretary of Defense Casper W. Weinberger suggested that with some covert aid, the United States could disrupt Cuban activities in Central America. President Reagan then argued that a rebel victory in El Salvador would

⁷⁶ Department of State, "The Nicaraguan Finding and Central American/Cuban Policy," February 9, 1981, 1-3.

set an example and that the United States could not afford a defeat. NSC Advisor Allen explained that a positive policy for the region that provided justification for U.S. actions was needed.⁷⁷

There was a clear disjuncture between reality and perception as intelligence confirmed that the alleged arms flow had ceased. Nevertheless, the Reagan administration remained committed to the view that arms were being shipped because they believed that the Sandinistas were trying to cause a communist insurrection in the region. On February 12, 1981, the State Department blocked approval of a \$9.6 million wheat sale to Nicaragua pending review of reports of arms trafficking to Salvadoran guerrillas through Nicaragua. The Nicaraguan government denied involvement in the arms smuggling, but if the United States confirmed the evidence, then the \$75 million economic aid program approved by Congress the previous year would be terminated. The Agency for International Development approved the contract demanding the delivery of 20,000 metric tons of American wheat to Nicaragua in December, but the State Department said the contract was still pending because of the mounting evidence that Russian and Czechoslovakian arms were being shipped to Salvadoran guerrillas from Cuba. Officials stated that there was no firm evidence that the arms, including American weapons captured by the Communists in Vietnam, were flowing through Nicaragua.⁷⁸

On February 14, 1981, Ambassador Pezzullo met with Nicaraguan officials Sergio Ramírez and Daniel Ortega. Ambassador Pezzullo explained that arms transfers to

⁷⁷ The White House, "Paper for NSC Meeting on February 11, 1981 and Minutes from NSC Meeting on February 6, 1981," February 10, 1981.

⁷⁸ United Press International, "Wheat Sale to Nicaragua Blocked," *The Washington Post*, ProQuest, 12 February 1981, sec. A 4.

El Salvador needed to be halted immediately. In response, Mr. Ortega claimed he was authorized by the FSLN Directorate to state that it was essential for Nicaragua to maintain good relations with the United States. Ortega also stated that Nicaragua would not risk its revolution for an uncertain victory in El Salvador. Ambassador Pezzullo argued that the United States needed more than promises to verify that Nicaragua was not transferring arms to El Salvador. When Pezzullo suggested strengthening border, airport, and seaport security, Ortega explained that those measure had already been implemented. Moreover, if the United States needed proof of the tightened security, then the United States should look at its own surveillance for proof. Ortega also suggested that the United States should monitor flights out of Panama, Costa Rica, and other nations to corroborate Nicaragua's claim. Pezzullo noted that this meeting, unlike some earlier ones with Nicaraguan officials, was all business and there were no attempts on the part of Nicaraguan officials to challenge their claims.⁷⁹

On February 18, 1981, Ambassador Pezzullo sent a message to Secretary of State Haig concerning his recent meeting with Sergio Ramírez. In this meeting, Ambassador Pezzullo had reported regarding Daniel Ortega's concern about the use of sanctuaries in Honduras to make attacks on Nicaraguan forces. The United States would do what it could to help in this situation, but its primary concern was the use of Nicaraguan territory in support of Salvadoran guerrillas. In assessing the meeting, Pezzullo explained that this meeting corroborated the claim that a split existed between radicals and pragmatists. The

⁷⁹ American Embassy in Managua, Nicaragua, "Secret," February 14, 1981.

Borge faction, which included Bayardo Arce, appeared to be isolated on the issue.⁸⁰ On February 19, 1981, Julio Santiago Romero Taladera, a former pilot for Nicaragua's national airline stated that had flown to El Salvador twice in January with arms for Salvadoran guerrillas, once in a Nicaraguan Air Force plane. He stated that Nicaragua's Interior Minister, Tomas Borge, helped plan the flights.⁸¹

On February 25, 1981, an 18-year-old Nicaraguan lieutenant, Orlando Tardencillac Espinosa Port, explained at a news conference in San Salvador, El Salvador, that he had been sent to El Salvador to train guerrillas. He stated that he helped coordinate arms shipments from a warehouse at a military facility in Managua. Lieutenant Tardencillac was captured on January 30 while waiting for a small plane near a clandestine airfield. The plane, supposed to be carrying 50 rifles, three rocket launchers and light machine guns, never arrived.⁸²

About a year after Tardencillac gave his testimony to the Salvadoran media, the Reagan Administration presented him to a small group of State Department reporters to prove the claim of Nicaragua's support for the Salvadoran guerrillas. Tardencillac stunned American officials during the briefing when he stated that he had not been trained in Cuba but had been coerced into the statement he had made a year ago because Salvadoran soldiers had tortured him. When he was captured in El Salvador, he was a volunteer trainer of guerrilla forces and had not received any orders from the Nicaraguan

⁸⁰ White House Situation Room, "Meeting(s) With GRN/FSLN Officials," February 18, 1981.

⁸¹ "Nicaraguan Says He Flew Arms to El Salvador Twice in January" *New York Times*, ProQuest, 20 February 1981, sec. A 4.

⁸² Edward Schumacher, "Nicaraguan Officer Tells of Aiding Salvador Rebels," *New York Times*, ProQuest, 26 February 1981, sec. A 7.

government. After more than a year in prison, Mr. Tardencillac told reporters that through psychological coercion, his captors tried to have him say certain things. He was told that they needed him to demonstrate the presence of Cubans in El Salvador.⁸³

On February 23, 1981, the State Department declared that the U.S. had been able to slow the flow of Soviet-bloc arms through Nicaragua to Salvadoran guerrillas. The State department further made public a special report accompanied by a separate volume of 19 documents to support its charges that Cuba, the Soviet Union, and other Communist nations had organized a plan to overthrow the Salvadoran government and replace it with a Communist regime. The report stated that nearly 200 tons of arms had been trafficked to El Salvador through a pipeline reaching from Vietnam, Ethiopia, Eastern Europe, Cuba, and Nicaragua. The arms were smuggled through Nicaragua by land, sea, and air. At a press briefing, John A. Bushnell, Acting Assistant Secretary of State for Inter-American Affairs, stated that there was evidence that the arms flow from Nicaragua may have stopped in the last couple of weeks. However, a longer period of observation would be necessary to determine whether this was temporary or permanent. The Soviet Union stated that it had not provided arms to Salvadoran guerrillas and the guerrillas also denied receiving arms from Soviet-bloc countries.⁸⁴

On March 17, 1981, Secretary of State Haig received a memo from U.S. intelligence, which stated it had prepared an evaluation to be used at the March 19 NSC meeting on Nicaraguan support for Salvadoran guerrillas. The principal findings were

⁸³ "Captured Nicaraguan Embarrasses Haig," *The Times of London*, InfoTrac, March 13, 1982, issue 61181, col. E.

⁸⁴ Juan De Onis, "State Dept. Says Salvador Rebels Get Fewer Arms," *New York Times*, ProQuest, 24 February 1981, sec. A1.

that direct shipments of arms from Nicaragua to El Salvador had stopped in early February, and land and sea shipments appeared to have been reduced significantly. Nicaraguan support for Salvadoran guerrillas in form of shelter and arms shipments, directly and indirectly, probably continued or would resume sporadically in the near future. This study concluded that the main concern for the Sandinistas was consolidation of their revolution. They would not risk their own revolution by all-out support for the guerrillas, especially if a military victory did not seem possible. The Sandinista leadership was divided on the issue of supporting the Salvadoran guerrillas. The hard-line Marxists endorsed a major effort of support while the pragmatists argued that Nicaragua had a vital interest in continued access to Western economic assistance.⁸⁵

Even as officials from the Sandinista government attempted to demonstrate that alleged arms flow and that they were willing to work with the United States, the Reagan administration failed to perceive the reality of the situation. Officials from the Reagan administration were committed to the idea that Sandinistas were communists and trafficking arms to Salvadoran guerrillas, even though that was not the case. On April 1, 1981, the United States terminated the remaining \$15 million in economic aid for Nicaragua because of the arms transfer to Salvadoran guerrillas. The administration could also have demanded immediate repayment of the \$60 million in loans already extended to Nicaragua from the \$75 million aid package but in order to maintain influence in Nicaragua and empower the moderates in the Nicaraguan government, those loans were not called in. The decision to terminate the remaining \$15 million in aid came as the State

⁸⁵ Department of State, "Intelligence Memorandum: Nicaraguan Support for Salvadoran Insurgents," March 17, 1981.

Department stated that in the last few weeks Nicaragua had virtually halted all arms flowing to Salvadoran guerrillas. Department spokesman, William J. Dyess, released a statement that Nicaragua's response to American demands to end support of the guerrillas had been positive and the United States had no hard evidence of arms flows from Nicaragua during the past few weeks. However, the administration remained concerned that arms trafficking could be continuing, along with political and logistical aid for the Salvadoran guerrillas. The administration wanted to continue supporting the moderate forces in Nicaragua.⁸⁶

On April 3, 1981, the American embassy in Managua sent the following message to the Secretary of State with Nicaragua's response to the termination of U.S. aid. Nicaraguans who called in to the local radio stations viewed the American decision to end the aid as an act of economic aggression and imperialism. The official statement by the Nicaraguan government was that the aid cut-off was an unjustifiable action that showed an aggressive attitude of sectors within the Reagan administration. The Sandinistas rejected the arms trafficking claim and denounced the lack of action by the administration to undermine those groups in the United States who were carrying out attacks against Nicaragua.⁸⁷

On April 14, President Ronald Reagan sent a memo to Secretary of State Haig that assistance to the Nicaraguan government be terminated. Section 533(f) of the Foreign Assistance Act of 1961 requires the president to end Economic Support Funds

⁸⁶ "U.S. Halts Economic Aid to Nicaragua; Part of a \$75 Million Program Concern Voiced on 'Other Support' *New York Times*, ProQuest 2 April 1981, sec. A3.

⁸⁷ American Embassy in Managua, Nicaragua, "Presidential Determination: SITREP 2," April 3, 1981.

(ESF) if the president determines that Nicaragua cooperated with or harbored any international terrorist organization or was abetting, aiding, or supporting acts of violence or terrorism in other nations. Evidence that Nicaragua was contributing to violence in El Salvador had begun to accumulate in November and December 1980. In January 1981, the administration increased its intelligence monitoring and the information gathered revealed that Nicaragua allowed the shipment of large quantities of arms to Salvadoran guerrillas at the end of 1980 and in early 1981. The administration began to stress with Nicaraguan officials that the arms flow needed to end. These diplomatic efforts were successful and there is no hard evidence of arms trafficking within the last few weeks. However, the administration concerns that the arms flow might be continuing through unknown routes or other types of support that contributed to violence in El Salvador continued.⁸⁸

On May 5, 1981, Colonel Jamie Abdul Gutierrez, Vice President of El Salvador, stated in Montevideo, Uruguay that the Salvadoran guerrillas had received over 600 tons of arms from Cuba, Vietnam, Romania, and Turkey. Col. Gutierrez explained that all these arms were coming from Cuba through Nicaragua. Moreover, he claimed that the only way to stop the Salvadoran guerrillas was to stop the flow of arms from Cuba.⁸⁹ On May 6, 1981, the Department of State received a memo from Tom Enders regarding the tensions between Honduras and Nicaragua. Firefights had recently erupted along the Honduran and Nicaraguan border. In the past months, border incidents between Honduras

⁸⁸ Presidential Determination no. 81-5, "Memorandum for the Secretary of State," April 14, 1981.

⁸⁹ Department of State, "Salvadoran Leader Reveal Guerrillas Arms Sources," May 28, 1981.

and Nicaragua had been caused by ex-Somocista guardsmen and from cattle-rustling activities in Honduras by groups of Nicaraguans. These clashes were accompanied by escalation of Nicaraguan troop reinforcements on the border and intelligence reports on arms flow. Raids by Honduran-based exiles receiving support from certain Honduran military sources caused Nicaragua to increase its military presence on the border.⁹⁰

In an attempt to justify their hostile policy towards Nicaragua, the Reagan administration alleged that tanks were going to be shipped to Nicaragua. Even though there was never any evidence to confirm the arrival of the tanks, the United States continued to present the Sandinistas as communists who were preparing to take over in the region. On May 18, 1981, NSC Advisor Richard V. Allen received a memo from Robert Schweitzer and Roger Fontaine stating that, Soviet tanks, artillery, APCs, and trucks had arrived in Nicaragua from Cuba. If tanks had arrived, the nature of the threat had changed drastically. The other Central American nations might feel more threatened.⁹¹ On June 1, 1981, a high-ranking State Department official stated that American intelligence sources continued to report the arrival of major Soviet military equipment in Nicaragua. James R. Cheek, until recently a Deputy Assistant Secretary of State for Inter-American Affairs, explained that American officials had for months seen a likelihood of deliveries of used equipment from the Soviet Union because Nicaragua lacked any military armor and had no air force. The tanks that Nicaragua had were probably four or five American Sherman tanks from the World War II period. Mr. Cheek

⁹⁰ The U.S. Department of State, "Background for your May, 8 10:45 meeting with Honduran Foreign Minister Cesar Elvir Sierra," May 6, 1981.

⁹¹ National Security Council, "Soviet Tanks, APCs, Trucks and Artillery in Nicaragua," May 18, 1981.

noted that the use of tanks in Central America was a ridiculous concept because one could not deploy armor in that rugged terrain and the tanks would be too heavy for most of the roads and bridges. It would be a miracle if Nicaragua could succeed in moving heavy Soviet tanks any great distance across the country.⁹²

On June 2, 1981, the State Department stated that it had received unverified reports that T-55 tanks might have been shipped from Cuba to Nicaragua. While there was no hard evidence supporting the arrival of the tanks, Secretary of State Haig was convinced that the reports were accurate. Haig claimed that the sophisticated armaments were being shipped to Nicaragua from the Soviet Union, Libya, and Cuba, while some officials believed that the tanks may have been under camouflage, which would prevent intelligence agencies from verifying the evidence. However, Cheek expressed skepticism over the State Department's claim because the intelligence agencies had reported this half a dozen times and should have been able to confirm the evidence by then. Latin American specialists at the State Department noted that Honduras was better armed and had recently received about 20 medium sized British tanks.⁹³

In an interview with the *Washington Post*, Daniel Ortega, head of Nicaragua's revolutionary junta, addressed the claim of MIG jets and tanks being shipped to Nicaragua. He explained that while Nicaragua had obtained defensive weapons from many nations, including the Soviet bloc, none were of such sophisticated, offensive

⁹² "Soviet Said to Ship Managua Arms," *New York Times*, ProQuest, 2 June 1981, sec. A 4.

⁹³ Judith Miller, "Soviet Said to Ship Tanks to Nicaragua," *New York Times*, ProQuest, 3 June 1981, sec. A15.

nature as the tanks, jet fighters, and heavy mortars that the U.S. said were being sought from the Soviets.⁹⁴

On June 6, 1981, NSC Advisor Richard V. Allen sent a memo to President Reagan on the recent arrival of arms in Nicaragua. Allen explained that Nicaragua had just received T-55 tanks from Algeria on an Algerian freighter from an Algerian port. He stated that the Soviet Union had in the past used third countries to ship arms to intended recipients, as in 1954 when Soviet arms were shipped to Guatemala via Polish freighters. While the United States did not seek a confrontation with the Soviet Union, Cuba, or any Central American nation, the U.S. could not allow the Soviet Union to provide arms to Central American nations that would change the balance and threaten neighbors.⁹⁵

On June 8, 1981, William L. Stearman and Roger Fontaine sent a memo to NSC Advisor Richard Allen with data of a Cuban and Soviet arms buildup in Nicaragua. The memo explained that the intelligence should be used to educate Congress and allies of the situation in Central America. Furthermore, both men believed that classified briefings would be more effective than another “white paper”. The intelligence sheet stated that the presence of Soviet T-54/55 tanks had not been confirmed.⁹⁶

On June 9, 1981, *The Washington Post* published an article arguing that the State Department’s white paper on El Salvador, published in February, contained factual errors, misleading statements, and unresolved ambiguities that raised questions about the administration’s interpretation of an arms flow into El Salvador. Based on a textual

⁹⁴ John M. Goshko, “Nicaraguans Said to Get Soviet Tanks,” *The Washington Post*, ProQuest, 2 June 1981, sec. A1

⁹⁵ The White House, “Nicaraguan Militarization Update,” June 6, 1981.

⁹⁶ National Security Council, “Military Build-Up in Nicaragua,” June 8, 1981.

analysis, the inquiry indicated that on several major points the captured documents did not support conclusions inferred by the administration in the white paper, that they were more ambiguous than the white paper suggested, and many of them contained no identifying markings. For example, there was no concrete evidence in the captured documents to support the administration's claim that 200 tons of weapons were delivered covertly to El Salvador, through Nicaragua and Cuba.⁹⁷

In another section, the captured documents noted the difficulties that Salvadoran guerrillas had in getting arms out of Nicaragua, and then only in small quantities, because they had been denied access by the Sandinistas. This section of the documents was not publicly released but was made available to reporters who asked to see more of the captured documents. The State Department selected for public release a section of a document listing large quantities of arms due to arrive in Nicaragua, based on a report from the man alleged to have arranged for the shipment. Thus, the administration's claim of the arrival of 200 tons of weapons to Salvadoran guerrillas was not supported anywhere in the documents and was implicitly refuted by many of them.⁹⁸

The individual behind the white paper on El Salvador was Jon D. Glassman, 37, a Foreign Service officer with a Ph.D. in Soviet studies and a member of the department's policy planning staff. In March, Glassman received unusual publicity for a Foreign Service officer when it was discovered that he had played a key role in finding and interpreting the captured documents that led to the white paper. He told reporters then

⁹⁷ Robert G. Kaiser, "White Paper on El Salvador is Faulty," *The Washington Post*, ProQuest, 9 June 1981, sec. A 1.

⁹⁸ Ibid, sec. A14.

that he had never before seen such compelling evidence of arms trafficking to El Salvador. He also stated that the documents not released with the original white paper only gave added credence to its conclusions. However, according to *The Wall Street Journal*, Mr. Glassman later modified his views. They attribute to Glassman statements that parts of the white paper might have been “misleading” and “over-embellished”. Moreover, the analysts who wrote the white paper made “mistakes” and engaged in “guessing”. The quantity of arms deliveries alleged in the white paper was an extrapolation and analysts had attributed at least two of the documents to people who did not write them. When *The Wall Street Journal* and *The Washington Post* tried to contact Glassman for an interview, he stated that he could not talk to the press about anything.⁹⁹

On June 18, 1981, the State Department released a rebuttal to criticisms of its February 23 white paper on El Salvador that were raised by the articles in *The Washington Post* and *The Wall Street Journal*. While the State Department addressed the criticisms as based on incorrect and inaccurate assumptions, they ignored many points raised in the newspaper articles and they declined to explain why several key documents were altered. Concerning the Salvadoran guerrillas’ difficulties in obtaining arms, those documents were from October 1980 and earlier, whereas documents dated from November 1980 and later revealed a dramatic change. However, one document cited by *The Washington Post* suggesting that the guerrillas had a low arms supply and that they were planning operations to bring in a small quantity of arms was dated November 18,

⁹⁹ Robert G. Kaiser, “The Man Behind the White Paper and the Unfolding of the Story,” *The Washington Post*, ProQuest, 9 June 1981, sec. A 14.

1980. Acknowledging several errors in the white paper, the Department of State argued that the errors in some of the documents did not undermine their validity.¹⁰⁰

On July 30, 1981, Secretary of State Haig sent the American Embassy in Managua an assessment of Nicaragua's political, economic, and social policies since 1979. He argued that the nine-man directorate of the FSLN controlled the three-man ruling junta, one of whose members is a non-Sandinista. While there was disagreement among the directorate, all nine were considered to be Marxist-Leninists. Nicaragua's, *La Prensa* newspaper continued to operate and was the only non-Sandinista newspaper but was shut down at times by the Sandinistas. A few independent radio stations and two independent labor unions still function effectively. The church, aided by Managua's popular Bishop Obando y Bravo remained a strong and prestigious institution. Five political parties continued to operate in Nicaragua.¹⁰¹

The Nicaraguan economy had declined significantly with the GDP dropping to about 80% of the 1977 level. Export levels for 1981 declined approximately by \$575 million. However, financial assistance from Libya, Venezuela, and Mexico helped the Nicaraguan economy stay afloat. The Nicaraguan private sector continued to operate, having accounted for 60% of the GNP in 1980. It was an important part of the Nicaraguan economy and was, at that time, 80% of agriculture, and 75% of

¹⁰⁰ Robert G. Kaiser, "State Department Issues Rebuttal To Salvadoran White Paper Critics," *The Washington Post*, ProQuest, 19 June 1981, sec. A 29.

¹⁰¹ The U.S. Department of State, "Assessment of Nicaraguan Situation," July 30, 1981.

manufacturing. Of 840,000 employed Nicaraguans, 265,000 were self-employed. Also, 90% of planting was controlled by the private sector.¹⁰²

Recent measures announced by the government on July 19 may affected the private sector. The FSLN announced that 15 private firms would be expropriated and a law on decapitalization, which would facilitate government takeovers of private businesses, was passed. An agrarian reform law was also passed but would mostly affect unused land and absentee landlords. It remained to be seen how the Nicaraguans would choose to implement the law. The U.S. had provided \$120 million in aid to Nicaragua since 1979 but it was terminated after Nicaraguan arms trafficking to Salvadoran guerrillas were detected. The opportunity for U.S. aid remained open to Nicaragua but it appeared that Nicaragua did not want to fulfill its pledges.¹⁰³

From August 11-12, Assistant Secretary of State Enders met with Nicaraguan government officials, opposition leaders, and church leaders. This visit helped ease the tension between the United States and Nicaragua. During his meeting, Nicaraguan government officials expressed their concern over their relations with the U.S., the cutoff of U.S. economic aid, and the training camps by former members of Somoza's National Guard in the United States. For the United States, the two main concerns were the increased arms trafficking from Nicaragua to Salvadoran guerrillas and the buildup of Nicaragua's armed forces, though the Nicaraguan government denied that the arms traffic to El Salvador. The recent growth of the Nicaraguan army to 22,000 with plans to reach 50,000 was justified as in order to defend the nation from hostile conservative regimes to

¹⁰² Ibid.

¹⁰³ Ibid.

the north and even from the United States. Private sector leaders told Enders that, despite the panic following the decrees announced on July 19, 1981, Nicaragua was not lost and a U.S. presence was important culturally and financially. Even though the aggressive policies by the Reagan Administration had hurt all Nicaraguans, the United States should not allow this situation to be used by the Sandinista government as a scapegoat for their own difficulties.¹⁰⁴

On August 22, 1981, Secretary of State Haig sent out a message to all American diplomats concerning U.S.-Nicaragua relations. After meeting with Nicaraguan officials on August 11-12, Assistant Secretary of State Enders indicated that three issues had to be addressed in order to improve relations between both parties: Nicaraguan arms trafficking and other support to Salvadoran guerrillas, the arms race and the rapid build-up of the Nicaraguan army, and Nicaraguan fears of suspected U.S. covert operations. The State Department was preparing specific proposals to submit to the Nicaraguan government. The next eight to ten weeks would be crucial for assessing the Nicaraguan government's willingness and ability to respond positively to the U.S. approach. Therefore, instructions were given that the U.S. government lower its tone on Nicaraguan action, refrain from rhetoric, and make no public statements about current U.S. efforts.¹⁰⁵

On September 3, 1981, the Nicaraguan government announced the arrest of 12 men accused of plotting a counter-revolution, all members of the "Southern Front", once

¹⁰⁴ Christopher Dickey, "Blunt Talks With U.S. Aid Ease Tension in Managua," *The Washington Post*, ProQuest, 14 August 1981, sec. A 25.

¹⁰⁵ The U.S. Department of State, "Nicaraguan Relations," August 22, 1981.

commanded by Eden Pastora. The Nicaraguan government provided no further details.¹⁰⁶

On September 9, 1981, Fontaine sent NSC advisor Richard Allen a memo on the recent capture of coup-plotters against the Nicaraguan government. He explained that initial skepticism about reports of Nicaraguan coup-plotting appeared to be justified to a certain degree.

On October 13, 1981, NSC Advisor Richard Allen sent a memo to President Reagan concerning the security of the U.S. embassy in Managua. He explained that Philip Agee's visit to Nicaragua coincided with a scheduled mass rally of organizations, unions, and militia to protest U.S. joint military exercises with Honduras (HALCON VISTA). The embassy was concerned about Agee's thinly veiled calls for attacks against the U.S. embassy and its personnel stated at a press conference the previous day. Furthermore, if Agee were to reveal the names of so called "CIA agents" during the rally, the security threat against the mission could rise significantly. In order not to overreact, the embassy needed to take precautionary measures such as instructing personnel to leave on a moment's notice, alerting the U.S. unified command in the area (SOUTHCOM) about the possibility of an evacuation, requesting extra local police protection, and classified traffic has been destroyed.¹⁰⁷

On October 19, 1981, the State Department announced that several hundred Cuban troops were reported to have flown to Nicaragua without any clear indication if they were ultimately heading to El Salvador. Intelligence reports of the troop movements,

¹⁰⁶ National Security Council, "Nicaragua Coup Plotting: A Follow-Up," September 9, 1981.

¹⁰⁷ The White House, "Security Situation in Managua, Nicaragua," October 13, 1981.

which still had not been verified, were to be closely held within a small group of officials until publicized by columnists Rowland Evans and Robert Novak. According to Evans and Novak, the arrival of 500 to 600 Cuban special forces troops might be aimed at setting up a Marxist government in eastern El Salvador. The columnists suggested that the recent destruction of an important bridge over the Lempa River in El Salvador was the work of the Cuban troops. U.S. officials dealing with Central American affairs, could assume that the Cuban troops' mission was more likely to deal with the deepening dissention within Nicaragua.¹⁰⁸

On October 23, 1981, Deputy Assistant for National Security Affairs James W. Nance sent a memo to Admiral Bobby Inman, Deputy Director of Central Intelligence, on the reports of the Cuban Special Forces Unit in Nicaragua. Nance explained that reports were needed to verify the presence of Cuban combat troops in Nicaragua and, especially, the unit's capabilities and intentions. The intelligence community was expected to place this issue on high priority.¹⁰⁹

The Cuban and Nicaraguan governments denied allegations made by the U.S. about the presence Cuban troops. On November 11, 1981, Cuban President Fidel Castro wrote a letter to *The Washington Post* arguing that the accusations made by United States were aimed at setting the stage for aggressive U.S. actions against Cuba. Furthermore, Castro stated that the United States had failed to provide evidence to support its claim. The State Department had repeatedly avoided denying it had evidence of the Cuban troop

¹⁰⁸ Don Oberdorfer, "Cubans Reported in Nicaragua," *The Washington Post*, ProQuest, 20 October 1981, sec. A 24.

¹⁰⁹ The White House, "Cuban Special Forces in Nicaragua," October 23, 1981.

movement. At a news conference, President Reagan twice stated that the United States had no plans for military intervention in Central America.¹¹⁰

On November 10, 1981, NSC Advisor Richard Allen sent a memo to President Reagan on the alleged capture of 13 CIA agents in Nicaragua. The pro-government newspaper *El Nuevo Diario* published the story and provided a list at a press conference in San Jose. The NSC advisor noted that the incident appeared to be the work of Philip Agee.¹¹¹

On November 22, 1981, Secretary of State Haig announced that it was only a matter of time before Nicaragua became a totalitarian state like Cuba. He refused to rule out any military action in the region when nations were not cooperating with U.S. foreign policy. Furthermore, he claimed that in August Nicaragua rejected a U.S. offer by Assistant Secretary of State for Inter-American Affairs Ender to remain a pluralistic, democratic society in order to be eligible for U.S. economic aid. The closing of the newspaper *La Prensa* for a few days, the closing of opposition radio broadcasts, the arrest of leading figures in the private sector, the suppression of the free labor movement and the right to strike were cited as examples of Nicaragua's intolerance. White House Counselor Edwin Meese III stated on "Face the Nation" on CBS News that a naval blockade or some joint action outside of Nicaragua was a possibility. For many weeks, there had been debate within the administration on what should be done concerning the

¹¹⁰ "Castro Denounces Reports He Sent Force to Nicaragua," *The Washington Post*, ProQuest, 11 November 1981, sec. A 37.

¹¹¹ The White House, "Nicaraguan Newspaper Names "CIA Agents" in Nicaragua," November 10, 1981.

large amounts of Soviet bloc military equipment imported through Cuba by Nicaragua and the steadily suppressed voices of opposition.¹¹²

Negotiations proposed in August by Enders to improve U.S.-Nicaraguan relations disintegrated for several reasons. The security proposal demanded that the alleged flow of arms to El Salvador be halted, the size of the Nicaraguan forces be reduced to 15,000 to 17,000 and eventually to 8,000, and an international body be permitted to verify that arms smuggling had ceased in Nicaragua. This proposal was unacceptable to the Nicaraguan government because the goal of the revolution had been to end U.S. influence over Nicaraguan domestic affairs. Moreover, the Reagan administration's decision to cancel \$7 million in aid during a crucial period was inconsistent with the initial dialogue. The administration sent a draft on what actions the United States would pursue against paramilitary groups training in the United States, but from the Sandinista point of view, the draft was a disappointment, because it only restricted what the United States should have been doing since receipt of the first complaints on the subject. Reports of repression of the Nicaraguan opposition, the flow of arms to Salvadoran guerrillas, and a statement by a high-ranking Nicaraguan official on the importance of Marxism-Leninism in the Nicaraguan revolution caused the United States to believe that Nicaragua had failed to keep its promises.¹¹³

¹¹² Bernard Gwertzman, "Haig Warns Time is Growing Short on Nicaragua," *New York Times*, ProQuest, 23 November 1981, sec. A15.

¹¹³ Don Oberdorfer, "U.S., in Secret Dialogue, Sought Rapprochement With Nicaragua," *The Washington Post*, ProQuest, 10 December 1981, sec. A 1.

The Covert War Against Nicaragua

On December 1, 1981, President Reagan signed a finding, pursuant to section 662 of the Foreign Assistance Act of 1961, that authorized a C.I.A. covert action program to support and conduct paramilitary operations against Nicaragua.¹¹⁴ Then on January 4, 1982, Reagan signed National Security Decision Directive 17 (NSDD 17), which stipulated U.S. policy towards Cuba and Central America. The stated purpose of this policy in was to defeat the insurgency in El Salvador, and to oppose actions by Cuba, Nicaragua, or others who were shipping heavy weapons, military supplies, troops or subversives to Central America.¹¹⁵

Based on a discussion made on November 16, 1981, the President decided to create a public information task force to notify Congress and the public of the situation in the area. He would also provide economic support of some \$250 to \$300 million to Caribbean and Central American nations. He would further increase military assistance to El Salvador and Honduras from the \$50 million of section 506; provide military training for indigenous units and leaders both in and out of the country; maintain credit and trade with the Nicaraguan government as long as it allowed the private sector to operate effectively, and expedite measures to tighten economic sanctions against Cuba. He intended to support cooperative efforts to defeat externally supported insurgency by

¹¹⁴ Peter Kornbluh and Malcolm Byrne, *The Iran-Contra Scandal: The Declassified History* (New York: The New Press, 1993), 11.

¹¹⁵ National Security Decision Directive Number 17, "National Security Decision Directive on Cuba and Central America," January 4, 1982.

pursuing a multilateral approach and, finally, to support democratic forces in Nicaragua.¹¹⁶

William Casey, the Director of Central Intelligence for the United States, informed the committees that they would organize, train, and arm a force of 500 Nicaraguan exiles. This counter-revolutionary army, known as the Contras, subsequently became the most controversial issue between the U.S. executive and legislative branches during the Reagan era. In the fall of 1981, the Contras consisted of various groups of some 250 men who had sought refuge in Honduras and Guatemala. Most of them had served in Somoza's National Guard. Under C.I.A direction, these groups were united into one organization—the Nicaraguan Democratic Force (FDN)—and were transformed into a paramilitary army operating out of Honduras, equipped with trucks, planes, automatic weapons, and artillery. Later in 1982, the C.I.A. recruited former Sandinista war hero Edén Pastora and his followers in Costa Rica, and began to funnel funds and arms into what became known as the southern front.¹¹⁷

Marxism and Marxism-Leninism

When the negotiations failed between the United States and Nicaragua, a high-ranking Latin diplomatic observer argued that what had been at stake was whether the Sandinistas turned out to be Marxist-Leninists with heavy Soviet support or Marxists of an independent stripe. Furthermore, the administration wanted to determine whether Nicaragua was a revolutionary state waging war on U.S. policy, or a revolutionary state

¹¹⁶ Ibid. There were a total of 11 listed measures but three were blacked out.

¹¹⁷ Roy Gutman, *Banana Diplomacy: The Making of American Policy in Nicaragua 1981-1987* (New York: Simon & Schuster, 1988), 85-86; Kornbluh and Byrne, *The Iran-Contra Scandal: The Declassified History*, 1.

living within the limits of that policy.¹¹⁸ In order to understand the allegations and fears of the Reagan administration toward the Sandinista government, I will examine the rise of Marxism-Leninism and how it was applied in the Soviet Union and later in Nicaragua. I will then, analyze whether the Sandinistas' social and economic policies from July 19, 1979 to December 1, 1981 could be constituted communist.

According to Karl Marx, the unequal distribution of wealth under capitalism would cause its collapse. The social alienation caused by inequalities would eventually produce a revolution. Moreover, the working class, also defined as the proletariat, would overthrow the bourgeois class. The proletariat would replace capitalism with communism, which would organize society such that there would be common ownership of the means of production.¹¹⁹

There are four main principles of Lenin's interpretation of Marx. First, Lenin believed that the proletariat, left to itself, would inevitably adopt bourgeois ideology. Since the goal of the political party was to lead all exploited classes in a democratic revolution, the party should be composed of professional revolutionaries. They would be professional in two ways: They would devote themselves full time to party work and they would be fully trained.¹²⁰ The party had to be the vanguard and organizer of the workers'

¹¹⁸ Oberdorfer, "U.S., in Secret Dialogue, Sought Rapprochement with Nicaragua," sec. A 12.

¹¹⁹ Karl Marx, "Manifesto of the Communist Party," in *The Marx-Engels Reader*, 2nd ed., ed. Robert C. Tucker (New York: W.W. Norton & Company, 1978), 473-500.

¹²⁰ David McLellan, *Marxism After Marx*, 4th ed. (Basingstoke, New York: Palgrave Macmillan, 2007), 93.

movement and, therefore, had to be a small, centralized, disciplined organization.¹²¹

Second, Lenin's ideas on revolution articulated that Russia was basically capitalist in its economic structure and that the proletariat would have to lead the struggle for democracy.

Lenin believed that liberals were totally unreliable allies in any revolutionary struggle and proposed a revolutionary democratic dictatorship of the proletariat and the peasantry.

Third, the phenomenon of imperialism was the result of the growth of monopoly capitalism.¹²²

Monopoly capitalism is the form of capitalism that exported capital and was dominated by large banks. Over the long term, the rate of profit on capital tends to decline, which causes the investors to export capital to areas where it can yield a higher profit than is available at home. A portion of the working class is bribed with the surplus of the profits generated from abroad and deflected from the path of revolution. However, the inequalities generated by monopoly capitalism will cause wars and the possibilities for revolution.¹²³

The fourth principle of Lenin's interpretation was his view of the state. He saw the state as an organization of violence for the suppression of some classes so the responsibility of the revolution was to eradicate the state.¹²⁴ The movement from capitalism to full communism would include a period of transition, referred to as socialism or the first phase of communism. The organization that would assume control

¹²¹ Leszek Kolakowski, *The Main Currents of Marxism: The Founders, The Golden Age, The Breakdown*, trans. P.S. Falla (New York: W.W. Norton Company, 2005), 665.

¹²² McLellan, *Marxism After Marx*, 93-101.

¹²³ James W. Roberts, "Lenin's Theory of Imperialism in Soviet Usage," *Soviet Studies* 29, no. 3 (1977): 355-356, JSTOR.

¹²⁴ McLellan, *Marxism After Marx*, 101-104.

of the state during this phase would be the dictatorship of the proletariat. The purpose of this dictatorship would be the suppression of resistance by the bourgeoisie, construction of a new system of economic organization, and supervision of the operation of economy.¹²⁵

The Bolshevik Party created modern communism with the assumption of power in Russia. The overthrow of Tsar Nicholas II in 1917, created a power vacuum in Russia in which Lenin led the Bolshevik Party to seize power with the support of the workers' councils. According to Marx's theory, Russia should not have been the location of the first Marxist-inspired revolution because the peasantry formed the majority of the population and serfdom had only recently been abolished, in 1861. Marx emphasized that the revolution should first occur in an advanced capitalist nation. The Bolshevik Party changed their name to the Communist Party and began to take control of all positions of power. It suspended the Constituent Assembly, began to repress the practice of religion, and created a secret police known as the Cheka. Thousands of people died and the Cheka operated almost unconditionally.¹²⁶ For the Communist Party, the enemies of the revolution had to be purged and eventually society would enter its final stage, communism.¹²⁷

¹²⁵ Alfred B. Evans, "Rereading Lenin's State and Revolution," *Slavic Review* 46, no.1 (1987): 9-10, JSTOR.

¹²⁶ Michael Newman, *Socialism: A Very Short Introduction* (Oxford: Oxford University Press, 2005), 34-37.

¹²⁷ John Lewis Gaddis, *The Cold War: A New History* (New York: The Penguin Press, 2005), 86-88.

Nicaragua's Social and Economic Policies

The philosophy of the revolution was based upon three main principles: political pluralism, a mixed economy, and nonalignment. For the transformation of Nicaragua to be achieved, the Sandinistas believed that Nicaraguans from all sectors of society needed to work together. Even though members of the FSLN had been influenced by Marxism-Leninism, Nicaragua would not follow the Soviet Union, Cuban, or Chinese model.¹²⁸ As explained by, Jaime Wheelock, one of the designers of the economic policy, the Sandinista models of social transformation and economy policies were based on the idea that it was not possible to socialize all the means of production in an underdeveloped economy. Rather, the cooperation of private enterprise with other interest groups was necessary in order to develop the nation's economy.¹²⁹

Economic Policy

The Sandinista government made progress during the six months after taking power in alleviating the economic situation. Houses and roads were reconstructed at a remarkable speed. Foreign aid was essential for these reconstruction efforts so Nicaragua needed its lines of credit to be refilled by the Latin American central banks. The Sandinistas were able to achieve this and used the capital to reestablish basic hospital services, buy new buses for public transportation, and restore communications. With the support of the Mexican government, the Sandinistas negotiated with their foreign creditors on the large external debt that had accumulated under the Somoza family. The

¹²⁸ Gary Prevost, "The FSLN as Ruling Party," in *Revolution and Counterrevolution in Nicaragua*, ed. Thomas W. Walker (Boulder, Colorado: Westview Press, 1991), 102-103.

¹²⁹ Jaime Wheelock, *El gran desafío* (Managua, Nicaragua: Editorial Nueva Nicaragua, 1983), 101.

agreement would be based on five years' grace and an interest rate of less than seven percent. By the end of 1979, Nicaragua had secured \$490 million in loans for relief efforts.¹³⁰

In 1980, the *Programa de Reactivación Económica en Beneficio del Pueblo*, also known as Plan 80, was an important document that stated the economic policies the Sandinistas were attempting. The government wanted to achieve four main objectives: (1) reactivate the economy by focusing on food production; (2) reorganize the operating structure of the state through administrative reform, financial control, and popular participation; (3) integrate all the different groups of workers, businessman, peasants, and professionals in order to unite the country; and (4) to restore the production levels that had declined during the civil war. The main targets of production were mostly met because agriculture reached 76% of its 1978 level when the goal was to reach 80%. The state was able to achieve this through the cooperation of the peasant farmers, medium manufacturers, and cooperatives. The GDP reached 83% of its 1978 level in 1980, which was slightly less than the expected 91%. This discrepancy in the GDP outcome was because the construction sector had been unable to keep up with the public works program and a decision was made to restrain government expenditure in order to maintain the macroeconomic balance.¹³¹

Agrarian Policy

¹³⁰ E.V.K. Fitzgerald, "The Economics of Revolution," in *Nicaragua in Revolution*, ed. Thomas W. Walker (New York: Praeger, 1982), 211-212.

¹³¹ Ibid, 212-217.

Agrarian reform was a primary concern for the FSLN but also one of the most difficult policies to manage. The civil war had devastated the country and reconstruction efforts needed to address the situation. The Sandinista government needed to devise an agrarian policy that addressed the demand of land redistribution in the rural areas and still provided a sustainable production of agricultural products for the domestic and foreign markets. Diversification of export products was a long-term policy goal of the FSLN but it was delayed because demand for the primary exports that sustained the economy had significantly decreased during the war. As a result, the Sandinista government focused on increasing the production levels of coffee and cotton.¹³²

Once in power, the FSLN immediately began to redistribute the wealth from the lands they had confiscated from the Somoza family and members of the National Guard. This confiscation of lands was responsible for 56% of the reformed land area. The government enacted an agrarian reform law that took possession of land that was being inadequately used or not being cultivated at all. This law, protected large farms that were essential in the reconstruction efforts.¹³³

Of the lands seized by the Sandinista government, approximately 23% of cultivable lands were redistributed to the population. The Sandinistas expropriated about 1,500 estates that had been used for large commercial operations to export agricultural products. Most of these estates were reorganized into state farms, collectively known as

¹³² Charles D. Brockett, *Land, Power, and Poverty: Agrarian Transformation and Political Conflict in Central America*, 2nd ed. (Boulder, Colorado: Westview Press, 1998), 160.

¹³³ Eduardo Baumeister, "Agrarian Reform," in *Revolution and Counterrevolution in Nicaragua*, ed. Thomas W. Walker (Boulder, Colorado: Westview Press, 1991), 237.

the area of people's property (APP). Many of these state farms had been taken over by the workers after 1979 and the Sandinista government decided to maintain them under state control because of their ideological commitment and to meet the demands of the foreign market. The willingness of landless rural workers to work on these state farms demonstrated the popular support for the FSLN.¹³⁴

The agrarian policy was gradually beginning to improve the nation's economic situation. In order to continue raising the production levels of agricultural exports, the Sandinista government maintained its commitment to free enterprise by allowing private medium and large farms to operate. The medium and large farms, which ranged from 86 to 850 acres, played a significant role in the nation's reconstruction efforts since they produced from 42 to 46.3% of the export products. The agrarian policy also encouraged rural workers to expand food production and increasing the price of food crops allowed the government to raise the wages for these workers. By increasing production, the domestic population would be less dependent on imported food and could sell the surplus on the foreign market. Basic crops, such as rice, corn, and beans, increased significantly between 1979 and 1981.¹³⁵

The production of corn and beans by small farmers also contributed to the reconstruction efforts. Even though the small farms used only about 14% of the farmland, they produced approximately 60% of the corn and beans, the basis of the national diet. The Sandinistas provided credit to small farmers at low interest rates and by 1980 small

¹³⁴ Brockett, *Land, Power, and Poverty: Agrarian Transformation and Political Conflict in Central America*, 160.

¹³⁵ Ibid, 161.

farmers had received seven times more credit than they had in 1978. Credit was given to small farmers for several reasons. First, this would allow them to produce enough food to sustain themselves. Second, the Sandinistas wanted to demonstrate their commitment to the principles of the revolution by aiding those who needed it the most, such as the small farmers. Third, the government wanted to compensate the farmers for the harvests that were affected or lost during the war. Fourth, the Sandinistas hoped that accessibility of credit would encourage these farmers to form cooperatives or credit associations. From the government's point of view, it was easier to control the disbursement of funds working with cooperatives rather than with many individuals.¹³⁶

The Church and the State

After taking power, the FSLN asked several prominent Nicaraguan priests to accept important positions in the new government. The priests had not only been pivotal in during the insurrection, but they also had skills that were in short supply in Nicaragua. Father Ernesto Cardenal was Minister of Culture and Miguel D' Escoto, a Maryknoll Missioner, was Foreign Minister. The decision to accept these positions caused tension between the state and the Catholic hierarchy over the commitments and participation of the Catholic faithful in the CEBs and other popular programs. As the FSLN began to consolidate the revolution, the Catholic hierarchy tried to restrict the participation of the church clergy in the process because it wanted to preserve the integrity of the institutional

¹³⁶ Joseph Collins and Paul Rice, *What Difference Could A Revolution Make? Food and Farming in the New Nicaragua*, 3rd ed. (New York: Food First, 1986), 50-52.

church as the bishops understood it. The fear of the clergy in the Catholic Church was over how and to what degree Christians should support the Nicaraguan Revolution.¹³⁷

Education Policy

The next area of reform for the Sandinista government was education. The Nicaraguan Government of National Reconstruction launched the Great National Literacy Crusade—Heroes and Martyrs of the Revolution—on March 23, 1980, which was considered the most important project since the revolution. The primary goal of the campaign was to eradicate illiteracy through a collective effort between the government and its citizens. Lack of access to education and illiteracy were prevalent in Nicaragua, especially in the countryside. In order to transform society, the government needed to begin with a literacy campaign that would reach everyone.¹³⁸

Extending education to all Nicaraguans represented a fundamental part of the government's efforts for integrating the nation for a better future. While those critical of the literacy campaign feared the socialist model, in reality, the educational program was nationalist, populist, and pluralist. The National Coordinator of the literacy campaign was Father Fernando Cardenal. The government's objective in the educational campaign was to instill a new set of values based on egalitarian social relations, cooperative forms of

¹³⁷ Michael Dodson, "Religion and Revolution," in *Revolution and Counterrevolution in Nicaragua* ed. Thomas W. Walker (Boulder, Colorado: Westview Press, 1991), 170-171. Michael Dodson and T.S. Montgomery, "The Churches in the Nicaraguan Revolution," in *Nicaragua in Revolution*, ed. Thomas W. Walker (New York: Praeger, 1982), 174.

¹³⁸ Ministerio de Educación de Nicaragua, *Educación en el primer año de la revolución popular sandinista*. (Managua, Nicaragua: Gobierno de Reconstrucción Nacional, Ministerio de Educación de Nicaragua, 1980), 15-28.

labor, worker participation in decision-making, and international solidarity with the struggles of peoples around the world.¹³⁹

In order for the literacy campaign to succeed, the Sandinistas almost quadrupled the education budget, from \$18 million to \$50 million, representing an increase from 1.4% to 5% of the GNP. The government established a new program to train the teachers and administrators, believing that the key to success depended on the manner in which the material was delivered to the students. The Educational Training, Program, and Evaluation Workshops (TEPCEs) brought these individuals together every two months evaluate their work during the previous two months, the development of plans and programs for the weeks to come, and methodological orientation. The government also focused on vocational training and occupational orientation. By being exposed to various career options, students would have a better understanding of what careers they might want to follow in for future. From the increased funding in education, more libraries were built and a supplementary nutrition program materialized in selected regions of the country.¹⁴⁰

The literacy campaign required the efforts and support of a wide spectrum of Nicaraguans. To reduce the illiteracy rate from 50 to 15% within a period of nine months meant that those who were literate had to teach those who were not. In the countryside, literacy workers numbered some 55,000 volunteers, mostly high school students, who lived in the rural areas. In the cities, approximately 26,000 volunteers worked as literacy

¹³⁹ Robert F. Arnove, *Education and Revolution in Nicaragua* (New York: Praeger, 1986), 14-18.

¹⁴⁰ Deborah Barndt, "Popular Education," in *Nicaragua: The First Five Years*, ed. Thomas W. Walker (New York: Praeger, 1985), 332-333.

teachers. The group comprised factory and office workers, professionals, housewives, and high school and university students. The teachers in the cities taught either after work or during their spare time. Classes were held Monday through Friday, for two or three hours per day. While no one was coerced to participate as a literacy teacher, schools were required to be involved, and students who did not participate put themselves at risk of losing credit for the academic year.¹⁴¹

Class size ranged from 5 to 20 students because of the shortage of teachers. Due to the different levels of aptitude in reading and writing, classes were taught on a semi-individual basis. An important part of the curriculum was political discussions that increased support of the revolutionary principles. These discussions began with a picture of a rural worker. Since the students came from a lower economic background, these discussions allowed the teachers and students to engage in meaningful dialogue as demonstrated in the case of Maria Elena, a 17-year-old from the city of Estelí:

I taught literacy in Nueva Segovia. At first it was very difficult. The people seemed to have a certain fear of us because there were rumors circulating that we were communists; if the people we were going to teach had chickens or pigs, that we would eat them, and such nonsense. It was clear that the peasants were afraid of us: they were reticent to talk to us; they would cross to the other side of the road to avoid us; they were afraid to let us sleep in their houses. This was a serious problem. In time we were able to engage them in conversation; we helped them with small tasks; and we helped bathe their children. My mother sent us food—bread, candy and cookies—but rather than eating them we gave them to the people. We received rice, beans, and other food which we also passed on: “Here is something which my mother sent; the food is yours.” We gained their confidence little by little as they realized that we had not come with bad intentions, that our intentions were that they learn to read. We came to live as a family. They considered us as their children and we considered them as parents, so when I have a holiday I visit them, although it is plenty difficult to get there.¹⁴²

¹⁴¹ Arno, *Education and Revolution in Nicaragua*, 18-20.

¹⁴² Jan L. Flora, John McFadden, and Ruth Warner, “The Growth of Class Struggle: The

The Sandinistas had set a goal of reducing illiteracy from 50.35% of the population over the age of ten to approximately 23% in five months. Government officials argued that the illiteracy rate had been reduced to 12.96%. For clarification, the reason the government came up with such a low figure was that it had removed from its target population an estimated 130,000 individuals who were impaired from learning because of blindness, debilitating illnesses, advanced age, or senility. In any case, the effort to reduce illiteracy in a short period of time was remarkable. Between March 23 and August 23, 1980, a total of 406,056 Nicaraguans had achieved literacy. In recognition for their achievements, the United Nations Educational, Scientific, and Cultural Organization awarded Nicaragua with the Nadezhda K. Krupskaya Award in September 1980.¹⁴³

Health Care Policy

Nicaragua's health care system was another issue of concern for the Sandinista government. The first initiative was to unite the health organizations under the authority of the Ministry of Health, giving the ministry direct control over the hospitals and the two Social Assistance systems. With the funding they had received from West Germany, Sweden, and Switzerland, the ministry began to rebuild the hospitals that had been damaged during the civil war. A national vaccination campaign against polio, measles, and other diseases was carried out. The government also distributed 4,200 latrines, twice the number the Somoza regime had provided in all of 1978. The United Nations Children

Impact of the Nicaraguan Literacy Crusade on the Political Consciousness of Young Literacy Workers," *Latin American Perspectives* 10, no. 1(1983): 50-52. JSTOR.

¹⁴³ Arnove, *Education and Revolution in Nicaragua*, 27-28.

Fund provided Nicaragua with material to establish 250 centers for the treatment of diarrhea. With the participation and support of such mass organizations as the Sandinista Defense Committees (CDS), the Association of Farm Workers (ATC), and the Nicaraguan Women's Association (AMNLAE), the ministry was better able to serve the population.¹⁴⁴

Nicaragua's relationship with the Soviet Union

In early April 1980, a high-level Nicaraguan delegation visited Eastern Europe in search of economic aid and establishment of friendly ties. Press reports from Prague stated that Czechoslovakia had provided a \$20 million loan and East Germany aid would total \$30 million. The Nicaraguan government signed joint communiqués with the Soviet Union and East Germany on most international issues. The Soviet Union promised to aid the fishing industry. With the \$75 million loan from the United States being stalled, finding new sources of aid was important goal for Nicaraguan officials. Junta members Sergio Ramírez and Bayardo Arce visited Western Europe and received pledges of about \$55 million from Belgium, the Netherlands, West Germany, Sweden, Austria, and the special fund of the Organization of Petroleum Exporting Countries based in Vienna.¹⁴⁵

The Soviet Union recognized the Nicaraguan government on July 20, 1979 and by the end of 1979, had established formal diplomatic relations. The Soviet Union had been cautious in promising economic aid. Prior to 1981, Soviet-Nicaraguan economic and trade relations consisted almost entirely of studies of Nicaraguan conditions by teams of

¹⁴⁴ Thomas J. Bossert, "Health Care in Revolutionary Nicaragua," in *Nicaragua in Revolution*, ed. Thomas W. Walker (New York: Praeger, 1982), 264-266.

¹⁴⁵ Terri Shaw, "Tour by Nicaraguans Strengthens Ties With Soviet Bloc," *The Washington Post*, ProQuest, 13 April 1980, sec. A 25.

Soviet specialists in hydropower, engineering, agriculture, geology, non-ferrous metallurgy, forestry, fisheries, and education. The only trade deal reported was in January 1980 for the sale of Nicaraguan coffee in exchange for unspecified Soviet technical assistance. Soviet humanitarian assistance before April 1981 had consisted of two shipments of medical supplies and children's food in August 1979 and March 1981.¹⁴⁶

After the cutoff of U.S. economic aid, which included wheat, the Soviet Union and Bulgaria decided to donate the wheat to Nicaragua. Soon after, the most important aid received by Nicaragua from the Soviet Union was an emergency fund for the purchase of machinery, industrial equipment, agriculture supplies, the use of a Soviet repair shop to service the Atlantic Coast fishing fleet, and several million doses of various vaccines. There has been no clear indication of direct military aid to Nicaragua. There have been reports that arms had been transported by Soviet aircraft and ships. Most of the equipment—particularly those flowing to other guerrillas—is of Western manufacture. The Nicaraguan armed forces have received Soviet-made hardware; however, since late January 1981, the transshipment of military weapons and equipment through third countries has declined significantly.¹⁴⁷

¹⁴⁶ Bureau of Intelligence and Research, Department of State, "Developing Soviet-Nicaraguan Relations," June 24, 1981, 1-4.

¹⁴⁷ Ibid, 4-7.

CHAPTER FIVE: CONCLUSION

The findings from this study indicate that Mr. Reagan had an ideological bias against the Sandinistas before being elected president. As was expressed on several radio broadcasts, Mr. Reagan alleged that the FSLN was a threat to the region. From the beginning, the Sandinistas were unjustly targeted by the Committee of Santa Fe and the Republican Party. Once Ronald Reagan was elected president, it was clear that the Sandinistas needed to be removed by any means necessary. President Reagan's cognitive bias towards the Sandinistas significantly affected his decision making towards Nicaragua. Even though the Sandinista government attempted to negotiate with the Reagan administration and evidence demonstrated that the alleged arms flow had ceased, the administration did not change their position or view of the Sandinistas but continued embedded to their preconceived image. As a result, the Reagan administration's policy toward Nicaragua reflected this embedded view.

Mr. Reagan selected individuals with similar views of the Sandinistas to serve in his administration. Further research to determine what the other high-ranking officials in administration thought about the Sandinistas should be investigated. The manner in which like-minded individuals were able to come into power during the Reagan administration remains a mystery.

The Reagan administration believed that Central America would soon fall to communism because of the Cuban presence. The administration wanted to prevent Central American forces from coming into power that were independent of U.S. hegemony. The United States decided to cut off economic aid to Nicaragua after the

intelligence had confirmed that arms trafficking had virtually ceased. The Reagan administration had an ulterior motive in its relationship with the FSLN because it was irrational to cut the aid after the evidence had been gathered that the alleged arms flow had ended. The quantity of arms trafficking that the United States alleged were flowing into El Salvador was never corroborated. The administration's claim was a pretext so that they could overthrow the Nicaraguan government.

In examining the Sandinistas' social and economic policies, it was clear that they were not a communist state as claimed by the Reagan administration. The devastation from the civil war and years of underdevelopment had left Nicaragua in ruins. The country needed a government that would actually try to alleviate the social and economic hardships that Nicaraguans lived in. While the Sandinistas had been influenced by Marxism-Leninism in interpreting history and in forming their party, the policies and the programs they pursued were aimed at serving the population.

The first major problem that the FSLN encountered was the suspension of economic aid from the Carter administration. Then with the Reagan administration in power, it was only a matter of time before the aid was terminated. While it can be argued that the FSLN was responsible for the mismanagement of the Nicaraguan economy, the argument can also be made that the end of U.S. economic aid played a significant factor in that outcome. Without the financial support of the United States, it will be difficult for any developing country to improve the standard of living of its population. The second problem for the Nicaraguan government was dealing with the Contra forces. The

devastation brought about by the Contra forces hindered the economic and social progress made after the overthrow of Somoza in 1979.

This study represented how U.S. foreign policy towards Nicaragua formed during the Reagan administration and offered insight into the perception of an American presidential administration during the Cold War. Understanding the role that cognitive biases play in decision-making is useful to making better and more informed decisions.

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