
CHAPTER 2



The Dragons' Teeth of War

Perhaps it was inevitable that Americans would have to finish the debate over Vietnam in Latin America, where the United States had long been the predominant power. Vietnam was 12,000 miles away, but Latin America was our own backyard. El Salvador was closer to Miami than Miami was to Washington, D.C., as Ronald Reagan regularly reminded us. Harlingen, Texas, was just a few days drive from Managua, Nicaragua.¹ If Washington's commitment in Vietnam was a mistake because it was too far away, because the culture was too alien for Americans to understand, or because the interests at stake did not justify the sacrifice, none of these reasons applied in Central America.

The isthmus of Central America stretches from Mexico's southern border to Panama, encompassing five former Spanish colonies—Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica. Nicaragua, the largest, is about the size of Michigan; El Salvador, the smallest, is the size of Massachusetts. Only about 23 million people live in the entire region, whose average gross national product per capita in the 1980s was well below \$1,000.

Central America has always been among the most underdeveloped regions in Latin America. Even during the colonial period, it was a sparsely settled backwater. Unlike the colonial centers in Mexico and Peru, Central America had few precious minerals to attract the Spanish and, except in Guatemala,

there were too few indigenous people to work the mines or the large landed estates. Central America's subsistence economies were not fully integrated into the world market until the late nineteenth century, when the coffee and banana booms spurred a rapid expansion of export agriculture.²

Contemporary Central American society was built on coffee and bananas. Most of the banana plantations were owned by U.S. businessmen, but coffee was locally controlled. Successful entrepreneurs joined with the traditional landed aristocracy to form powerful "coffee oligarchies" that dominated society and politics in Guatemala, El Salvador, and Nicaragua. They built their plantations by forcing small peasant farmers off the land, and they built modern armies to suppress the resulting unrest.

Despite stark inequities, these societies survived virtually intact into the second half of the twentieth century, held together by repressive force. By the mid-1970s, however, the oligarchic regimes had begun to decay. In Nicaragua and El Salvador, the established order broke down in the face of popular revolution, confronting the United States with brushfire wars in its own backyard.

Nicaragua: Autumn of the Patriarch

The history of U.S. involvement in Nicaragua stretches back to the California Gold Rush in the middle of the nineteenth century. In 1848, as a result of the war with Mexico, the United States acquired the western territories of New Mexico, Arizona, Nevada, Utah, Colorado, and California, thereby fulfilling its "Manifest Destiny" to control all the territory between the Atlantic and Pacific Oceans. To reach the West, however, required months of perilous journey across the plains and the Rocky Mountains, so the prospect of establishing a passage across the isthmus of Central America began to attract serious interest. The Gold Rush of 1848 set off a stampede of people into the western territories and gave new urgency to the idea of a Central American canal.

Like Panama, Nicaragua was always regarded as a logical site for a canal. By traveling up the San Juan river and across Lake Nicaragua, a shallow-draft boat could get within twelve miles of the Pacific coast. In 1853, Cornelius Vanderbilt established a lucrative business transporting travelers across Nicaragua by building a decent road over that twelve-mile finger of land.

With U.S. business came the gunboats of the U.S. government, intent upon preserving the honor and interests of its citizens. The first of eleven U.S. interventions in Nicaragua came in 1853 when a contingent of Marines landed on the Atlantic coast to settle a dispute between Vanderbilt's transit company and local Nicaraguan authorities. They resolved it in Vanderbilt's favor, of course. A year later, a U.S. diplomat was grazed by a bottle thrown from an angry crowd during a fracas with the mayor of San Juan del Norte, a small

Atlantic coast port. In retribution, a U.S. naval gunship bombarded the town until hardly a building remained standing. A landing party of Marines then looted the ruins and put them to the torch.³

All this was mere prelude, however, to one of the most amazing and, for Nicaraguans, most galling episodes in the history of relations with the United States. In 1854, the Nicaraguan Liberal and Conservative Parties were engaged in a civil war. The Liberals appealed to a North American named William Walker to raise a contingent of “filibusters”—mercenaries—to bolster their forces. Walker’s troops managed to capture the Conservative capital of Granada and, by holding hostage the wealthy families of the Conservative leaders, Walker forced them to surrender. Calling himself “the Grey-Eyed Man of Destiny,” Walker then took control of the Nicaraguan government, had himself elected president, made English an official language, and legalized slavery.

The occupation of Nicaragua by Walker and his filibusters had one salutary effect: it led the states of Central America, who were engaged more often than not in fratricidal conflicts with one another, to set aside their differences and unite to oust this Yankee interloper. In 1856, the combined armies of Central America drove Walker out of Nicaragua. When he tried to return in 1860 to resume the war, he was captured in Honduras and shot.⁴

The first two decades of the twentieth century were no less traumatic for U.S. relations with Central America. These were the years of gunboat and dollar diplomacy. Behind this interventionist impulse was the rapid expansion of U.S. interests, both economic and strategic. The closing of the U.S. frontier marked the fulfillment of Manifest Destiny, but not its satiation. As U.S. economic power grew, entrepreneurs began to seek profitable investment opportunities beyond the bounds of North America. They were drawn to the regions lying on the geographic periphery of the continental United States—Mexico, Cuba, Central America, and the Caribbean. As the economic interests of U.S. business extended into these regions, so too did their stake in political stability. When that stability appeared tenuous and investments were in jeopardy, the U.S. government was not hesitant to deploy gunboats and Marines to protect them.

The turn of the century also marked the emergence of the United States as a world power. At the same time, the Great Powers of Europe were busy carving up the Third World into colonial domains. Latin America was safe from European depredations by virtue of the 1823 Monroe Doctrine, in which the United States declared its willingness to fight to prevent European recolonization of the New World. But as the United States itself entered the ranks of the Great Powers, the Western Hemisphere seemed its logical domain. To justify the subordination of Latin America to the United States, the doctrine of Manifest

Destiny was resurrected in a new form: it was the natural right of the United States to expand its influence throughout the hemisphere, just as it had been its natural right to span the continent. The Roosevelt Corollary to the Monroe Doctrine, articulated in 1904, declared Washington's right to exercise "an international police power" to maintain order and stability when Latin American governments exhibited "chronic wrong-doing."⁵

Nicaragua was among the countries most often victimized by the new Manifest Destiny.⁶ In 1912, Nicaragua became a virtual protectorate of the United States when three thousand U.S. troops landed, ostensibly to protect American lives and property during a period of civil strife. A contingent of Marines stayed for thirteen years to guarantee the survival of the Conservative Party government. Asked in 1922 what prospects Conservative president Adolfo Díaz would have if the Marines left, W. Bundy Cole, a New York banker who managed the National Bank of Nicaragua, answered, "I think the present government would last until the last coach of Marines left Managua station, and I think President Díaz would be on that last coach."⁷

In 1925, the Marines did leave briefly, and Cole's prediction was proved right. The Liberals immediately took up arms against the Conservatives, and in 1927, six thousand Marines returned to restore order. But the United States never quite succeeded in pacifying Nicaragua during the second occupation. Augusto César Sandino, a Liberal Party leader, refused to accept Washington's imposition of a Conservative president. Leading a rag-tag "Army for the Defense of Nicaraguan National Sovereignty," Sandino fought a six-year guerrilla war against the U.S. Marines, achieving international stature as a nationalist and anti-imperialist.⁸

The U.S. war against Sandino left a bitter legacy. "Today we are hated and despised," wrote an American coffee planter in Nicaragua in 1931. "This feeling has been created by employing the American Marines to hunt down and kill Nicaraguans in their own country."⁹ Despite President Calvin Coolidge's warning that Sandino was an agent of Bolshevik Mexico and that Mexico was intent on extending Soviet-style Communism to all of Central America, opposition to the futile war rose in the United States. Entertainer Will Rogers began asking in his act, "Why are we in Nicaragua, and what the hell are we doing there?"¹⁰ In 1932, Congress refused to finance any additional troop deployments.

When Washington finally withdrew in 1933, it left the task of ensuring Nicaraguan stability to a U.S.-trained constabulary, the National Guard. The Guard was commanded by Anastasio Somoza García, who had been the liaison between the U.S. Marine commander and the Nicaraguan government. One of Somoza's first achievements was to lure the legendary Sandino to Managua on

the pretext of arranging peace, only to have him assassinated. In 1936, Somoza forced the civilian president from office, arranged his own election, and thus initiated the family dynasty that ruled Nicaragua for the next forty-two years.¹¹

The Somoza dynasty rested upon two pillars: the National Guard, transformed by patronage into the Somozas' personal gendarme; and the support of the United States, ensured by the Somozas' anti-Communism and their ability to maintain order. Occasionally, Washington pressured the Somozas to be more tolerant of their political opponents and move toward democratic rule, but it was never willing to risk destabilizing such a reliable ally by pushing too hard. President Franklin D. Roosevelt's apocryphal but oft-repeated description of Somoza captured the flavor of Washington's attitude: "Somoza may be a son of a bitch, but he's our son of a bitch."¹² When the United States took on the task of training Latin American military officers after World War II, more soldiers from Nicaragua's National Guard were trained than from any other Latin American army.¹³

The elder Somoza was succeeded by his sons, Luis and then Anastasio Somoza Debayle, the latter a West Point graduate who spoke better English than Spanish and who always seemed a bit anachronistic; he peppered his conversation with English slang that had disappeared in the 1950s. His enemies called him "the last Marine."

Though their reign did little to alleviate the tremendous poverty of Nicaragua, one of the hemisphere's poorest countries, the Somozas proved adept at personal enrichment. At the end, Anastasio Somoza Debayle controlled an economic empire worth nearly \$1 billion, including one-third of the nation's arable land, the meat-packing industry, the construction industry, the fishing industry, the national airlines, the only television station, radio stations, banks, and more. So complete was his economic control that foreign investors avoided Nicaragua for want of reasonable investment opportunities.¹⁴

During the first three decades after World War II, opposition to the Somoza dynasty was weak and divided. The middle-class and upper-class moderates of the traditional opposition political parties were paralyzed by the Somozas' close ties with the United States. Time after time, Somoza lured them into unequal "alliances" with the government—alliances that gave them little real power, but branded them as opportunists and collaborators in the eyes of the public. The slang expression for such politicians was *zancudos*—blood-sucking mosquitoes. Radical opposition in the lower classes, on the other hand, was controlled by ferocious repression. Thus the future of the dynasty seemed secure when, on December 23, 1972, the earth began to move, changing not only the physical geography of Nicaragua, but its political geography as well.

The political aftershocks of the earthquake that destroyed the capital city of

Managua in December 1972 fatally weakened the structure of Somoza's rule. Turning adversity to advantage, Somoza and his cronies enriched themselves shamelessly by stealing international aid intended for earthquake victims. With Somoza in charge of reconstruction, Managua was rebuilt on Somoza's land, by Somoza's construction companies, with money funneled through Somoza's banks.

The corruption, together with the expansion of Somoza's economic empire after the earthquake, alienated both the middle and upper classes. Among Nicaragua's lower classes, the economic adversity caused by the earthquake stimulated radical opposition, manifested in a wave of strikes, demonstrations, and land seizures that swept the country in 1972–73.¹⁵ The moderate opposition coalesced around the leadership of Pedro Joaquín Chamorro, a reformist member of the Conservative Party and editor of the opposition newspaper, *La Prensa*. The radical opposition was led by the Sandinista National Liberation Front (Frente Sandinista de Liberación Nacional, FSLN), named for nationalist hero Augusto Sandino.

Founded in 1961, the FSLN was one of the many guerrilla organizations spawned in Latin America by the example of the Cuban Revolution. It had scant success during its first decade; it was routed by the National Guard in its only two serious military ventures.¹⁶ Throughout the 1960s, the FSLN received arms and training from Cuba, though the amount of Cuban assistance was circumscribed by the FSLN's small size—fewer than fifty members—and its inability to establish a guerrilla base against the well-trained and well-equipped National Guard.¹⁷

One of the Sandinistas' most dramatic actions took place on December 27, 1974, when a band of guerrillas invaded a Managua Christmas party and captured a dozen of Nicaragua's most prominent business and political leaders. The guerrillas exchanged their hostages for fourteen political prisoners, \$1 million in ransom, and safe passage to Cuba. The boldness of the operation brought the Sandinistas national recognition.

Somoza's embarrassment over the Christmas raid led him to embark upon a war of extermination against the FSLN. He declared a state of siege, created an elite counterinsurgency force within the National Guard, and secured an 80 percent increase in U.S. military aid. The National Guard then proceeded to conduct a reign of terror in the northern provinces of Matagalpa, Jinotega, Estelí, Zelaya, and Nueva Segovia, where the FSLN had been most active. "We want to be sure no new guerrilla focal point will rise in those hills," a National Guard officer told journalist Bernard Diederich. "We want to eliminate the contaminated peasants."¹⁸ For two years, people in the northern provinces were subjected to a systematic campaign of torture, murder, and forced reloca-

tion. Such gross violations of human rights appalled Nicaragua's moderates and earned the Somoza government well-deserved international opprobrium. When the Carter administration unveiled its new human rights policy in 1977, Nicaragua became one of its principal targets.

A Policy as Good and Decent as the American People

Jimmy Carter made a conscious effort to break with the traditional habit of U.S. policymakers to view Third World conflicts through the prism of the Cold War. With the East-West conflict dampened by detente, he sought a policy more sensitive to North-South issues and more cognizant of the regional forces shaping the Third World independently of superpower machinations. In a major foreign policy address at Notre Dame University just a few months after taking office, Carter promised that the "inordinate fear of Communism" that had been the hallmark of past policy would be replaced by a tolerance for ideological diversity and a heightened concern for human rights.¹⁹

From the outset, Carter presented his human rights policy in moral terms: it was an approach to the world "as good and honest and decent" as the American people themselves. In the international arena, Carter sought to repair the damage done to the image of the United States by the ferocity of the war in Vietnam, while simultaneously posing a sharp moral contrast between the United States and the Soviet Union. At home, Carter hoped to reconstruct bipartisan domestic support for foreign policy by grounding it in principles to which no one could easily object.²⁰

Yet the Carter administration never saw its human rights policy in exclusively moral terms. It was also intended to distance the United States from the brutal excesses of decaying autocracies. Right-wing dictatorships bent on preserving anachronistic social orders were regarded as bad security risks. The more they relied upon force to sustain themselves, the more rapidly they mobilized and radicalized their opponents, hastening their own demise. For the United States to enlist in support of such regimes would endanger national security, for ultimately they would collapse and an angry populace would not soon forget that the United States had sided with the tyrants.²¹

Though global in scope, Carter's human rights policy found its most consistent expression in Latin America. In 1977, there appeared to be no immediate security threats in the hemisphere, so the policy was not diluted by fears of political instability, as it was in Iran and South Korea. The few guerrilla movements still active in Central America appeared to be little more than feeble remnants from the 1960s, incapable of posing a serious challenge to existing regimes.

Carter's human rights policy was applied full force in Central America,

where the four nations of the northern tier—Nicaragua, El Salvador, Guatemala, and Honduras—were all ruled by military dictatorships, most of them notorious for their systematic and brutal repression. Rather than submit to U.S. scrutiny on human rights, Guatemala and El Salvador preempted Washington in 1977 by refusing to accept further military assistance.²²

Nicaragua constituted a near-perfect showcase for Carter's human rights policy. The long history of Somoza's ties to the United States suggested that he might prove especially malleable to U.S. influence. In addition, Nicaragua appeared to be a relatively safe laboratory in which to experiment since repression had apparently eliminated the Sandinistas.²³

During Gerald Ford's brief tenure in the White House, the United States had already begun to gently distance itself from Somoza, partly as an antidote to Richard Nixon's close embrace of the dictator and the sycophancy of his ambassador, Turner Shelton.²⁴ But no real sanctions were imposed against Somoza until the advent of Jimmy Carter. Carter withheld economic and military aid on human rights grounds, and although the material effect was insignificant, the symbolic impact was enormous. Historically, Somoza's moderate opponents had been paralyzed by the unflagging U.S. support he enjoyed. With the power of Washington behind him, Somoza seemed unassailable, and he was a clever enough politician to actively foster this perception. By suspending aid, the Carter administration galvanized the moderates into active opposition by suggesting that Somoza's support in Washington was no longer secure.²⁵

The Nicaraguan situation became more complicated for U.S. policymakers in October 1977, when the supposedly defunct FSLN launched a series of small-scale attacks on National Guard garrisons in five cities. Although the attackers were easily driven off, the assaults shattered the myth of Somoza's invulnerability. Coincident with the attacks, twelve prominent Nicaraguan professionals in exile (el Grupo de Los Doce) praised the Sandinistas' "political maturity" and asserted that the FSLN would have to play a role in any permanent solution to Nicaragua's problems.²⁶

The willingness of moderate progressive forces to open a dialogue with the Sandinistas was due both to their exasperation over the ineffectiveness of electoral opposition and to a significant shift in strategy by the FSLN. Ideological differences emerged within the guerrilla movement in 1975. After the FSLN's founder, Carlos Fonseca Amador, was killed in combat in 1976, the Sandinistas split into three factions. The traditional strategy of rural-based guerrilla warfare was upheld by the Prolonged People's War Tendency (Guerra Popular Prolongada), while the Proletarian Tendency (Tendencia Proletaria) advocated a shift to political work among the urban proletariat. Both groups agreed,

however, that the time was not ripe for major military actions, and both rejected extensive cooperation with “bourgeois elements.”

A third group, the Insurreccional Tendencia (Tendencia Insurreccional, known popularly as the Terceristas), shared neither of these views. Believing that opposition to Somoza had become nearly universal, they favored exemplary military action to spark popular insurrection. Most significant, they also advocated the unity of all opposition forces around a program of social reform and democracy.²⁷ It was the Terceristas who carried out the October 1977 attacks, and it was they who set about building links to the moderate opposition through Los Doce. Still, as 1978 began, the Sandinistas had neither the political nor the military strength to offer a serious challenge to the Somoza regime.

Sandino's Revenge: The Revolution in Nicaragua

On January 10, 1978, Pedro Joaquín Chamorro, the popular opposition leader and editor of *La Prensa*, was assassinated in Managua. The city erupted in a paroxysm of outrage and spontaneous violence. After several weeks of riots, Nicaragua's business leaders called a general strike with a single demand—Somoza's resignation. The two-week strike was 90 percent effective. Midway through it, the Terceristas added their endorsement and launched military attacks in several cities. The insurrection against Somoza had begun.²⁸

For the next twelve months, the country was rocked by sporadic violence—strikes, demonstrations, and street fighting—most of it uncoordinated, organized by a widely disparate array of opposition groups. During this crucial period, the political initiative slipped inexorably from Somoza's moderate opponents to the guerrillas. The Sandinistas spent those months gathering their forces, stockpiling arms, and organizing the urban and rural poor.²⁹ The moderates waited for the United States to push Somoza out of power. Paralyzed by their inability to bring down Somoza by themselves and by their fear of the Sandinistas' radicalism, the moderates expected the United States to act for them. They were encouraged in this belief by the Carter administration's earlier condemnation of Somoza's human rights record and by the shared interest in avoiding a Sandinista victory. Yet Washington, too, seemed paralyzed during those crucial months. Its ambivalent response dashed the moderate's hopes and drained their political strength, leaving them to play second fiddle to the FSLN's military might.³⁰

As Nicaragua's stability slipped away, U.S. policy was caught in the pull of opposing imperatives. The assassination laid bare the fragility of Somoza's rule. Faced with the specter of political chaos, the administration's desire to promote human rights was forced to compete with resurgent concerns about national security. Should the United States stand by its advocacy of human

rights and democratic reform in the face of Somoza's deteriorating political position? Or should human rights be relegated to second place behind political stability, long provided by a brutal but reliable U.S. ally?

Within the administration, conflicting evaluations of the situation reflected both bureaucratic divisions and differences in outlook between career professionals and political appointees. In the State Department's Latin American Bureau, Assistant Secretary Terence Todman and his staff of foreign service officers were skeptical that much good could come of Carter's human rights policy. Todman argued that it was largely responsible for Somoza's difficulties and that the United States could ill afford to further undermine him. This view was echoed in the Pentagon, where the uniformed military was chagrined that Carter's preferred punishment for human rights violators was to withdraw military aid.³¹ To these traditionalists, Somoza was a loyal ally and the most reliable bulwark against the Marxist guerrillas.

Carter's political appointees, on the other hand, resisted any backsliding on the policy of distancing the United States from Somoza. At the State Department's Bureau of Human Rights and Humanitarian Affairs, Assistant Secretary Patricia Derian regarded the Latin American Bureau's warnings about Nicaragua as little more than an excuse to abandon a human rights policy that the bureau had never really liked. Anthony Lake (the State Department's director of policy planning), Richard Feinberg (Lake's specialist on Latin America), and Robert Pastor (National Security Council staff specialist on Latin America) all opposed an active U.S. role in the growing Nicaraguan crisis. One reason was President Carter's expressed commitment to nonintervention. They saw Nicaragua as a test of whether Washington could resist the traditional temptation to take charge whenever events in Latin America began to go awry. The other reason was more practical. If the administration became deeply involved in trying to resolve the Nicaraguan conflict and failed, Carter would be blamed for the resulting bloodshed or, worse yet, a Sandinista triumph.³²

The administration was unable to reconcile its conflicting priorities into a clear, coherent policy. It could not bring itself to jettison such an old and reliable ally by breaking completely with Somoza, but neither was it willing to become an accomplice in Somoza's repression by resuming military aid to the National Guard. So Washington equivocated.

While the administration wrestled with this dilemma, it was also buffeted by powerful congressional factions: liberals urging a complete break with the decaying regime, conservatives demanding that Carter come to the aid of a loyal ally. The "Nicaragua Lobby"—a small but powerful group of legislators whom Somoza had cultivated as friends and supporters—was the most influential. It was led by Representative John Murphy (D-N.Y.), a boyhood friend of

Somoza and his classmate at LaSalle Military Academy on Long Island. Murphy was in constant contact with Somoza during the entire Nicaraguan crisis, speaking with him several times a week and traveling regularly to Nicaragua to give Somoza advice. When newly appointed U.S. Ambassador Lawrence Pezzullo met Somoza for the first time at the height of the crisis in June 1979, Murphy was there, sitting on the edge of Somoza's desk, acting as his adviser and "witness."³³

The interplay of forces, both within the executive branch and between the executive branch and Congress, resulted in a policy that was more a product of bureaucratic compromise than of a clear assessment of U.S. interests. Washington's contradictory actions confounded and demoralized Nicaragua's moderates, destroying their confidence in the United States and driving them, in desperation, into open alliance with the Sandinistas. In this regard, nothing was more damaging than the letter President Carter sent to Somoza in July 1978.

Carter wrote Somoza congratulating him on his recent promise to improve human rights and urging him to carry it through.³⁴ It was arguably the worst policy error made by the United States during the Nicaraguan crisis. The letter was leaked to the press almost immediately and was interpreted as an endorsement of Somoza's rule. It stiffened Somoza's resistance to compromise with the opposition and convinced his moderate opponents that their strategy of relying on the United States to force him out was hopeless.³⁵ Their only practical alternative, then, was to join forces with the radical opposition. The result was the creation of the Broad Opposition Front (*Frente Amplio Opositor*, FAO), the first coalition uniting the moderate and radical wings of the anti-Somoza movement.

In August 1978, guerrillas commanded by Edén Pastora, Comandante Cero, seized the National Palace while the Congress was in session, taking 1,500 hostages. The Sandinistas' audacity captured the popular imagination and with it the leadership of the anti-Somoza struggle. As the attackers and fifty-nine newly freed political prisoners drove to the airport for a flight to Panama, thousands of Nicaraguans lined the streets to cheer their triumph.

The palace assault was followed swiftly by a new general strike, and in September the Sandinistas repeated their action of the previous October by launching small-scale attacks on National Guard garrisons in several cities. This time, however, the attacks sparked insurrections in half a dozen cities, all of which fell under guerrilla control. To retake them, the National Guard bombed the cities indiscriminately. It took nearly two weeks and over three thousand dead before the Guard prevailed. When the Sandinistas withdrew, taking thousands of new recruits with them, the Guard "mopped-up" with

hundreds of summary executions of teenage boys. After the carnage of September 1978, no compromise that would retain Somoza in power was possible.³⁶

The spectacle of Somoza's National Guard waging war against its own citizenry convinced the State Department that Somoza would never be able to restore stability and thus prompted a reevaluation of U.S. policy. The FSLN's unexpected strength and support raised the specter of an eventual Sandinista victory unless some sort of "political solution" could replace Somoza with a moderate government. Nicaragua was no longer just a human rights problem. The debate within the U.S. government became more urgent.

Assistant Secretary of State Todman's obstructionist attitude toward the administration's human rights policy led Carter to replace him in August 1978 with Ambassador Viron P. "Pete" Vaky. Vaky came to his new post from a long and distinguished career in the Foreign Service, having served as U.S. ambassador to several Latin American countries. Vaky supported Carter's human rights policy, but he also shared the Latin American Bureau's belief that Washington needed to get more directly involved in the Nicaraguan crisis. The longer Somoza stayed, the more his presence would radicalize the opposition, increasing the likelihood of a Sandinista victory. Vaky argued strenuously for Washington to exert whatever pressure was necessary to force Somoza's resignation and engineer a moderate succession.³⁷

Robert Pastor and Anthony Lake, on the other hand, were even more determined to prevent the administration from being drawn into the Nicaraguan vortex. After the bloodshed of September, they agreed that Somoza ought to leave, but Vaky's proposal that Washington force Somoza out quickly smacked too much of old-style intervention. Moreover, even if it succeeded, the consequences were unpredictable. Since the whole Nicaraguan regime, especially the National Guard, was built around the Somoza family, there was no guarantee that it would not simply disintegrate after Somoza left. The moderate opposition was fragmented, poorly organized, and had virtually no experience governing. There was reasonable doubt as to whether they could fill the political vacuum left by Somoza's departure. They might simply play Kereensky to the Sandinista's Bolsheviks—a particular worry of National Security Adviser Zbigniew Brzezinski.³⁸

Whatever happened, though, Washington would be held responsible. "In my own mind was the experience of the American-approved coups in Saigon in late 1963 and 1964, which had ushered in a period of severe instability," Lake wrote later.³⁹ A collapse in Nicaragua, brought on by Carter forcing Somoza out, would have serious domestic political implications; Carter was already under attack from conservatives for selling out U.S. allies in the Third World.⁴⁰

The debate between Vaky's activism and the caution of Pastor and Lake was never fully resolved. U.S. policy after September was to ease Somoza out, as Vaky wanted, but not to coerce him into leaving or even to say publicly that this was Washington's preference—far short of what Vaky thought necessary to accomplish the task at hand.⁴¹ But one overriding fear gave some coherence to U.S. policy during the last eight months of the Somoza dynasty—the fear that Somoza's demise would herald victory for the Sandinistas, who, week by week, were capturing the political initiative. The Carter administration's unambiguous objective was to prevent the Sandinistas from coming to power. The disagreements were always about how best to do it.⁴²

At Washington's initiative, the Organization of American States (OAS) met in late September to assess the Nicaraguan crisis and authorized the United States, Guatemala, and the Dominican Republic to undertake a mediation effort between Somoza and his opponents. Washington's aim was to devise a formula for peaceful transition to a new government of moderates that would either exclude the Sandinistas or restrict them to minimal participation.⁴³ Initially, Somoza and the Broad Opposition Front (FAO) would not even meet together; proposals had to be carried back and forth by the mediators. The FAO demanded Somoza's immediate resignation and exile, followed by an interim government dominated by the opposition. Somoza countered by calling for a plebiscite on who should govern—a plebiscite that he and the National Guard would conduct.

Despite Vaky's conviction that Somoza's offer was a stalling tactic, Secretary of State Cyrus Vance, along with Brzezinski and the president, thought the idea had merit, so long as the plebiscite was internationally supervised to guarantee its honesty. U.S. mediator William Bowdler dutifully talked the skeptical FAO into accepting such a plan, though not before several of its constituent organizations quit in disgust. "A river of blood separates us," one FAO member said of Somoza. "How can we sit down and negotiate with a man who has just slaughtered three thousand Nicaraguans?"⁴⁴ In the end, Somoza would not agree to anything but a "traditional" election that he could manipulate; his advisers had warned him that he would lose a fair contest. On January 18, 1979, the mediation collapsed in failure.⁴⁵

The mediation process severely damaged the moderate opposition. By pressuring the FAO to abandon its call for Somoza's immediate resignation and to negotiate directly with the regime, the United States undermined the moderates' unity and credibility. The Sandinistas, fearing that a mediated settlement would exclude them and leave the National Guard intact, denounced the idea as "*Somocismo sin Somoza*"—the maintenance of the Somoza regime without

the dictator himself.⁴⁶ By the time Somoza finally rejected the plebiscite proposal, the moderate opposition was so fragmented and demoralized that it could play no more than a subsidiary role in the climactic battles to come.

Somoza played the mediation masterfully. For nearly three months, the United States tried to cajole him into making meaningful concessions while publicly repeating over and over that it did not seek his resignation. By stalling for time, he was able to reinforce the National Guard and fracture the moderate opposition. His gamble, in essence, was that if the United States faced a clear and unequivocal choice between Somoza and the Sandinistas, it would eventually come to his aid. "I think he felt that if he could polarize [the situation] and make it . . . Somoza versus the Marxists that the United States and everybody else would rally to him," Pete Vaky recalled. "And he always used the argument of *après moi le déluge*."⁴⁷

Despite U.S. warnings that a collapse of the mediation would affect the "whole gamut" of relations with Nicaragua, the sanctions imposed when Somoza rejected the final mediation proposal were relatively mild. The Peace Corps and the four-man U.S. military mission were withdrawn, military aid (already suspended) was terminated, and the embassy staff was cut by half. Economic aid was unaffected, however, and Washington still refused to publicly call for Somoza to resign.⁴⁸

Washington's weak response was due in part to Somoza's apparent strength. By May 1979, his moderate opponents were in disarray, the Sandinistas were relatively silent, and the National Guard had doubled in size. United States intelligence analysts were predicting that through sheer firepower the Guard could defeat any offensive the FSLN could launch.⁴⁹ It looked as if Somoza might be able to survive after all. Brzezinski, for one, felt safer sticking with an unpopular but powerful Somoza rather than pushing him out in favor of the politically divided and isolated moderates. In May, the United States supported \$65 million in loans to Nicaragua from the International Monetary Fund (IMF)—loans that Washington had blocked in November 1978 because Somoza refused to cooperate with the mediation.⁵⁰

When the FSLN launched its "final offensive" in late May 1979, any illusions about the viability of the regime quickly melted away. Within weeks, the Sandinistas controlled the nation's major cities, virtually all the countryside, and half of Managua. Bowdler was dispatched to Latin America in search of some multilateral formula for reviving the mediation, but found many of Washington's allies supporting the FSLN.⁵¹

As the fighting intensified, the Nicaragua Lobby stepped up pressure on Carter to come to Somoza's aid. One hundred members of the House and five

senators signed full-page advertisements in the *New York Times* and *Washington Post* in late June denouncing the administration's indifference to Somoza's plight and calling on Carter to resume military assistance.⁵²

After June 20, however, most of the domestic political pressure on the administration came from the opposite direction. That morning, ABC News correspondent Bill Stewart and his crew were out covering the war when they came upon a National Guard outpost. Stewart approached the guardsmen, who forced him to kneel and then lie facedown on the ground. While Stewart's crew filmed the scene from their van, one of the soldiers nonchalantly raised his rifle and shot Stewart point-blank in the head, killing him. The murder was shown that evening on the news, and the outpouring of public emotion was intense—"unlike anything I had seen since I had been in the White House," Pastor wrote.⁵³ After Stewart's murder, few members of Congress were willing to publicly defend Somoza or his National Guard.

At Washington's initiative, another special OAS meeting was convened June 21, to discuss the Nicaraguan crisis. Secretary Vance outlined the U.S. position, beginning with Washington's first public call for Somoza's resignation. The rest of the U.S. proposal, however, was largely oblivious to political realities in both Nicaragua and the OAS. Making no mention of the Provisional Government for National Reconstruction appointed only days earlier by the Sandinistas and their allies, Vance called for a "broad based representative government," and an OAS "peace-keeping force" to restore order and enforce a cease-fire. Not incidentally, such a force would also have prevented the Sandinistas from winning the war and retained the National Guard intact.⁵⁴

The reaction to Vance's proposal marked a nadir of U.S. influence in the OAS. The call for a peacekeeping force was widely condemned as a transparent effort to justify intervention against the FSLN.⁵⁵ The efforts of the U.S. delegation to raise the specter of Cuban involvement as justification for the peace-keeping force convinced no one, since at least half a dozen other Latin American states were also providing aid to the Sandinistas.⁵⁶

After the September 1978 insurrection, the cast of foreign powers entering the Nicaraguan fray had increased rapidly. Costa Rica, Venezuela, Panama, and Cuba undertook a loosely coordinated effort to provide the Sandinistas with arms. Mexico, Peru, Ecuador, and Bolivia added their diplomatic support for the insurgents. On the other side of the battle lines, Israel, Spain, Argentina, Brazil, Honduras, Guatemala, and El Salvador came to Somoza's aid, replenishing his depleted military stocks.⁵⁷

Until the last few weeks of the war, the Cubans' role was limited. They increased their training of FSLN combatants, provided a few arms shipments, and helped the Sandinistas establish contact with other international arms sources.

Their most important contribution was to mediate the differences between the FSLN's three factions.⁵⁸ As a result, Sandinista leaders concluded an agreement in March 1979 that reunified the movement by creating a nine-member National Directorate with three members drawn from each faction.⁵⁹

Most of the arms for the final phase of the war were provided by Venezuela and Panama, which shipped them to Nicaragua through Costa Rica. Cuban arms shipments only became significant in the last few weeks, replacing Venezuelan support, which declined after Christian Democrat Luis Herrera Campins replaced Social Democrat Carlos Andrés Pérez as Venezuela's president.⁶⁰ Cuba had good reasons for pursuing what the Central Intelligence Agency described as a "low-key approach" to aiding the FSLN. Foremost among them was the fear that significant Cuban involvement would trigger a resumption of U.S. military aid to Somoza, thereby doing the revolutionary cause more harm than good.⁶¹

Nevertheless, it was the Cuban presence that most concerned Brzezinski. To him, the importance of the Nicaraguan crisis lay in its implications for the East-West conflict; it was a test of U.S. credibility "in our own backyard." If Washington failed to intervene, Fidel Castro would fill the "vacuum," he argued. "We have to demonstrate that we are still the decisive force in determining political outcomes in Central America and that we will not permit others to intervene."⁶² A more concise rendition of the Roosevelt Corollary to the Monroe Doctrine would be hard to find.

After the OAS repudiated Washington's "peacekeeping" proposal, Brzezinski argued for a unilateral U.S. intervention to block a Sandinista victory. President Carter refused to consider such a step in the face of unanimous Latin American opposition.⁶³ In the Carter White House, both the instincts of the Roosevelt Corollary and the spirit of Franklin Roosevelt's Good Neighbor Policy could be found in uneasy cohabitation.

From Washington's perspective, the one positive outcome of the OAS meeting was the passage of the final resolution calling upon member states to "facilitate an enduring and peaceful solution of the Nicaraguan problem."⁶⁴ The United States took this as sufficient mandate to try once again to fashion a mediated settlement. With all of Nicaragua engulfed in battle, the United States began an attempt to construct a "constitutionalist" solution. Somoza would resign in favor of a constitutional successor who would then appoint an "executive committee" of prominent, independent Nicaraguans and turn power over to them. The committee would mediate between Somoza's Liberal Party, the National Guard, and the opposition to create an interim government composed of all these forces. The interim government, with a reformed National Guard intact, would then hold elections in 1981.⁶⁵

While the Sandinistas' strength was obviously too great to completely freeze them out of any post-Somoza government, the goal of U.S. policy was still to minimize their influence. The key was keeping the National Guard as a military bulwark against the Sandinista guerrilla army. "With careful orchestration, we have a better than even chance of preserving enough of the GN [Guardia Nacional] to maintain order and hold the Sandinistas in check after Somoza resigns," Ambassador Pezzullo optimistically reported in late June.⁶⁶

The main difference between the "executive committee" plan and the U.S. position during the earlier mediation was Washington's willingness to force Somoza's resignation. "We don't see a solution without your departure," Ambassador Pezzullo bluntly told Somoza when they first met on June 27. "We don't see the *beginning* of a solution without your departure." Surprisingly, Somoza seemed to accept the inevitable. On June 28, he told Pezzullo he was willing to resign and asked when he should leave.⁶⁷

Had the United States been willing to demand Somoza's resignation nine months earlier, a constitutional solution might have been feasible. By July 1979, however, even the most conservative Nicaraguan opposition groups had already endorsed the Sandinistas' Provisional Government, which rejected the U.S. plan outright. Washington could find no prominent Nicaraguans to serve on the governing council it sought to construct; they were all supporting the Sandinistas. "You raised our hopes during the mediation, but you failed us," moderate Ismael Reyes replied when Pezzullo tried to recruit him to the U.S.-backed council. "It is too late, way too late to be devising schemes."⁶⁸

The universal rejection of the constitutional succession plan finally convinced U.S. officials that the Provisional Government would inevitably come to power. Washington shifted gears and sought to negotiate terms of transition that would limit the Sandinistas' influence. In this endeavor, the United States had two levers: its ability to control the timing of Somoza's departure, and its willingness to provide economic aid if the new government was acceptable to Washington.

In exchange for Somoza's resignation, the Carter administration wanted two moderates added to the Provisional Government's five-member junta and a guarantee that neither Somoza's Liberal Party nor the National Guard would be dismantled. Recognizing full well that Washington was negotiating with them only because its attempts to supplant them had come to naught, the junta flatly rejected the U.S. proposal.⁶⁹ Despite pressure from the United States and several Latin American countries which had aided the FSLN, the junta would do no more than guarantee the lives of Somoza's cronies and National Guardsmen and leave open the possibility that "honest" members of the Guard might join the new national army. The battlefield situation, plus the

moderate tenor of the Provisional Government's program and cabinet, finally led the United States to accept its terms. "The problem," a U.S. official lamented, "is that you cannot take away from the Sandinistas at the conference table what they have won on the battlefield."⁷⁰

On July 17, 1979, President Anastasio Somoza Debayle and the senior command of the National Guard flew into exile in Miami.⁷¹ The Guard proceeded to disintegrate ignominiously and within twenty-four hours had ceased to exist. Even the face-saving transition crafted by Pezzullo collapsed when Somoza's successor, Congressman Francisco Urcuyo, refused to play the role scripted for him. Instead of immediately turning power over to the Provisional Government, Urcuyo declared his intention to stay in office. This farcical performance ended abruptly when Somoza called from Miami and told Urcuyo to resign, lest the United States deport Somoza back to Nicaragua.⁷² Urcuyo followed Somoza into exile as Sandinista troops rolled into Managua. Thus was realized the very eventuality U.S. policy since January 1978 had sought to avoid—a complete Sandinista military victory.

An "Acceptable Model" of Revolution

The Government of National Reconstruction that took power on July 19 represented an unlikely alliance of conservative businessmen and Marxist guerrillas. The partnership was fragile from the outset, resisted by people on both sides, but consummated by their common hatred of Somoza. The guerrillas needed the private sector's prestige and influence to legitimize their revolution both at home and abroad; the businessmen needed the guerrillas' guns to defeat the dictatorship.

In the euphoria of victory, guerrillas and businessmen alike pledged to sustain their partnership, dedicating themselves to the task of rebuilding an economy devastated by war. Both the program and the composition of the new government were delicately balanced between the new partners. A social democratic program promised a mixed economy, political pluralism, and a foreign policy of nonalignment, but it remained purposefully vague on what these would mean in practice. The platform's ambiguity reflected its origins as a compromise between the radicalism of the FSLN and the conservatism of the private sector. It was not the product of a consensus for social democracy.

As in every postrevolutionary regime, the victorious coalition began to show signs of strain almost immediately. While formal power was shared—representatives of the private sector sat on the executive Junta of Government and predominated in the cabinet—it soon became clear that real power lay in the nine-member National Directorate of the FSLN.⁷³ The businessmen, who had opposed Somoza because he froze them out of government and

encroached upon their business ventures, began to wonder if they had gained much. The Sandinistas seemed no more willing to share political power, and their commitment to improving living conditions for the poor threatened the private sector's economic interests. Before the revolution reached its first anniversary, most of the private sector had gone into opposition.

The Sandinistas' "popular project" was socialist. At a minimum, it entailed a radical redistribution of wealth and income and the creation of an extensive social welfare system. The government conducted a national literacy campaign, made basic health care and education free, and initiated agrarian reform. Beyond this basic program, however, the FSLN was divided over the shape of things to come.⁷⁴

Moderates in the National Directorate, led by brothers Daniel and Humberto Ortega, hoped to reach a lasting accommodation with the private sector in which it would contribute to economic development in exchange for the right to make a modest profit and the right to limited participation in politics.⁷⁵ The moderates were motivated by necessity; the government did not have the technical capacity to centrally plan a nationalized economy, and no major international donor—including the Soviet Union—was willing to provide the external financing required to sustain a Cuban model of development. On the other hand, Sandinista radicals, led by Tomás Borge and Bayardo Arce, doubted that a long-term accommodation with the private sector was possible. They regarded the bourgeoisie as a class enemy and advocated doing away with it in order to build Nicaragua in the image of Communist Cuba. Ironically, Fidel Castro himself cautioned against such a strategy. "He warned us not to repeat Cuba's mistakes," recalled a Sandinista official who met with Castro within days of Somoza's fall. "He told us to avoid a confrontation with the United States, to maintain good relations with the church, [and] to preserve a private sector."⁷⁶

The Sandinistas held a near monopoly on political power. The defeat of the National Guard left the FSLN as the only effective military force, and it soon organized its combatants into a new national army. The FSLN was also the best organized political party, the only one able to mobilize mass popular support through its ancillary "mass organizations" of workers, farmers, women, and students. The FSLN's most important political advantage was the least tangible: the legitimacy that derived from having defeated a hated dictator. When teenagers in Nicaragua's cities held off the National Guard with hunting rifles, they called themselves Sandinistas, and when victory was won, the cheers and banners that filled the plaza in Managua were the slogans and emblems of the FSLN.

The Sandinistas never outlawed other parties, but their vision of the polity was less than pluralistic. They conceived of themselves as a political vanguard

that would hold hegemony while directing a revolutionary transformation of Nicaraguan society.⁷⁷ The Sandinistas tried to use their control of the state to force the private sector to cooperate with the government's economic plans, offering tax incentives and cheap credit for compliance, while threatening expropriation as the penalty for decapitalization.

The private sector, for its part, sought to regain enough political power to safeguard its economic interests. Few of its members were willing to accept the Sandinista prescription that they play a passive role in a one-party state. The business community also had its moderates, who were willing to reach an accommodation with the FSLN based on democratic socialism, and its hard-liners, who regarded the Sandinistas as unreconstructed Communists who would have to be overthrown.⁷⁸

Fragmented in a welter of civic and business groups, the opposition was badly disorganized. It had to rely on the same weapons it used to good effect against Somoza: control over the economy and enough foreign contacts to make or break the international reputation of the regime. The private sector tried to use its economic muscle to extract political concessions from the Sandinistas, warning that the "rules of the game" both economically and politically had to be codified in law before business confidence would improve enough to spur production. Despite their tenuous political position, most businessmen were nevertheless determined to stay in Nicaragua and struggle with the Sandinistas for the right to define Nicaragua's future. "We are not like the Cuban upper class," vowed one Nicaraguan businessman. "We are not going to Miami."⁷⁹

The United States decided to make the best of the Sandinista victory. "The worst alternative took place, but maybe it was still a ball game," Pete Vaky recalled. "The options were not good, but there were other options that were bad and worse."⁸⁰ In the wake of Somoza's defeat, U.S. policy shifted 180 degrees, from an attitude of outright hostility toward the Sandinistas to an attitude of cautious acceptance. The change was no less stark for having been forced by circumstances, since it implied that even radical social and political change did not necessarily endanger the vital interests of the United States.

Nevertheless, considerable mistrust lay below the surface of this peculiar friendship. The long history of U.S. support for Somoza could not be wholly forgiven or forgotten by Nicaragua's new leaders, nor could they shake the fear and suspicion that the United States might yet concoct a counterrevolutionary scheme to rob them of their victory. In Washington, policymakers could not ignore the Marxist origins of many Sandinista leaders, even though Somoza's defeat had been engineered by a politically heterogeneous multiclass coalition. There was always the possibility that the guerrillas, having won power, would

shed their moderate garb, dump their middle-class allies, and steer the revolution sharply to the left, down the road of Cuban-style Marxism-Leninism.

Yet the interests of both Nicaragua and the United States lay in maintaining friendly relations. Nicaragua was in desperate need of foreign assistance to help rebuild its shattered economy. International assistance from Western Europe and the international financial institutions would tend to follow the lead of the United States. A deterioration of U.S.-Nicaraguan relations would have economic ramifications far beyond the aid dollars from Washington alone.

For the United States, maintaining cordial relations was a means of salvaging something from the failure to keep the Sandinistas out of power. From Washington's perspective, the struggle to control the succession to Somoza had been "lost," but perhaps Nicaragua itself need not be. The Carter administration set out, quite consciously, to avoid repeating the errors of 1959–60, when U.S. hostility contributed to the radicalization of the Cuban revolution and its alignment with the Soviet Union.⁸¹ "We should stay out of the 'foreign devil' role, which they'd just love to put us in," Ambassador Pezzullo said of Washington's new relationship with the Sandinistas.⁸² Administration officials resolved to create an environment in which the incentives would impel the Sandinistas to follow the least radical path. "The Sandinistas are wearing a moderate mask," observed a senior State Department official. "Our job is to nail it on."⁸³

In the immediate aftermath of the insurrection, the United States provided \$10 million to \$15 million in emergency relief to help feed and house the thousands of people displaced by the war. This was followed in September 1979 by \$8.5 million in "reprogrammed" economic assistance—money reallocated to Nicaragua from other foreign aid accounts.⁸⁴

In addition, the State Department drew up an \$80 million supplemental foreign aid request for Central America for fiscal year 1980, \$75 million of which was for Nicaragua. Although the proposal was ready in August 1979, it was not sent to Congress until November.⁸⁵ The delay was due partly to debates within the administration over whether to resume military aid to El Salvador, Guatemala, and Honduras. By submitting a request that included both economic aid for Nicaragua and \$5 million in renewed military aid for right-wing governments, the administration hoped to disarm both its conservative and liberal critics.⁸⁶ Another reason for the delay was more political. With the U.S. election campaign getting under way, the administration sought to minimize its vulnerability by waiting a few months to be sure the Sandinistas did not immediately steer the revolution to the far left.

The aid bill passed the Senate in January 1980 with only minor amend-

ments. The battle in the House was much tougher. Conservative Republicans succeeded in attaching sixteen conditions to the bill. Aid would be terminated if Nicaragua engaged in a consistent pattern of gross human rights violations, aided or abetted acts of violence in another country, allowed Cuban or Soviet combat troops to be stationed in Nicaragua, violated the right of unions to organize and operate, or violated the rights of free speech and press.⁸⁷

On February 27, 1980, after four days of debate, the aid bill passed the House by only five votes, 202–197. The most persuasive lobbyists in its favor were members of the Nicaraguan private sector, who argued that without U.S. aid, their economic and political position in Nicaragua would be untenable. On May 19, the Senate adopted the House version of the supplemental because the House leadership could not muster the votes needed to send the bill to the joint conference committee to resolve the differences between the House and Senate versions.⁸⁸

But even after the aid bill became law, the odyssey was not over. Before the funds could be disbursed, the president was required to certify that Nicaragua was not exporting revolution to its neighbors. Conservatives in the CIA and Defense Intelligence Agency were convinced that the Sandinistas were supporting the Salvadoran guerrillas. Intelligence information collected during 1980 indicated quite clearly that some Nicaraguans had been aiding the Salvadorans and that arms were being shipped from Costa Rica through Nicaragua and Honduras to El Salvador. A summary CIA report of the available intelligence concluded, “There is a very high likelihood that such support . . . represent[s] official FSLN policy.”⁸⁹

The Department of State’s Bureau of Intelligence and Research did not believe that the evidence against the Nicaraguan government was so definitive. After all, the Salvadorans were smuggling arms through Costa Rica, Honduras, Mexico, and Guatemala, too, but no one suggested those governments were implicated.⁹⁰ State Department officials still held out hope that a conciliatory policy from Washington would convince the Sandinistas to restrain their involvement in neighboring countries.

On September 12, Carter certified that Nicaragua “has not cooperated with or harbors any international terrorist organization or is aiding, abetting, or supporting acts of violence or terrorism in other countries.”⁹¹ Nevertheless, the evidence of Sandinista involvement was suggestive enough that Ambassador Pezzullo issued a stern warning and reminder to Sandinista officials that U.S. aid would remain contingent on their good behavior. Deputy Assistant Secretary of State James Cheek made a special trip to Nicaragua to repeat the warning.⁹² With the certification duly made, aid to Nicaragua finally began to flow—over a year after the aid proposal had first been drafted.

The Carter administration's objectives in post-Somoza Nicaragua were modest, realistically suited to a situation in which the United States had limited leverage. Everyone expected the Sandinistas to have friendly relations with Cuba, which had consistently supported them during their years of struggle against Somoza. The administration had no illusions that it could block such a relationship, but hoped to minimize it in the military field, so that it would not threaten Nicaragua's neighbors.⁹³ Washington also expected the Sandinistas to provide some aid to the Salvadoran guerrillas since the Salvadorans had contributed funds to the insurrection against Somoza. But the administration hoped to restrain the Sandinistas so they would not become a major factor in El Salvador's revolutionary war.

Finally, Washington recognized that Nicaragua's revolutionary coalition was inherently unstable. The Sandinistas' radical plans could only be pursued at the expense of their upper-class and middle-class allies, which would inevitably generate political conflict. The administration's objective was to keep this conflict within reasonable bounds, avoiding a radicalization of the revolution that would eliminate the private sector and any vestige of political pluralism.⁹⁴

For a year and a half—until Ronald Reagan's election—Carter's strategy worked reasonably well. None of the worst fears of either side materialized. Despite conflicts between the Sandinistas and the private sector, capitalism was not abolished and political pluralism, though not robust, survived. On occasion, Ambassador Pezzullo acted as mediator between the government and the opposition to prevent their disputes from escalating into apocalyptic confrontation. The United States provided emergency economic assistance and offered neither aid nor comfort to the Somocista exiles plotting a return to power from Honduras.⁹⁵ A year after the fall of the dynasty, Ambassador Pezzullo could declare that Nicaragua was an "acceptable model" of revolution.⁹⁶

Nevertheless, the Carter administration's strategy of engineering a moderate transition to keep the Sandinistas out of power was a dismal failure, largely because of Washington's inability to realistically assess the balance of political forces in Nicaragua and the depth of popular animosity toward Somoza. Nicaragua had been under U.S. influence for so long that policymakers badly overestimated their ability to manage events. Washington was, as Pete Vaky said, "always behind the curve."⁹⁷

Yet in the year and a half after the Sandinista victory, Carter managed to chart out a policy that was both realistic and successful, as far as it went. In November 1980, when he lost the presidency to Ronald Reagan, U.S.-Nicaraguan relations were constructive and the radicalization of the revolution that Carter sought to avert had not happened. Nicaragua had not become another Cuba.