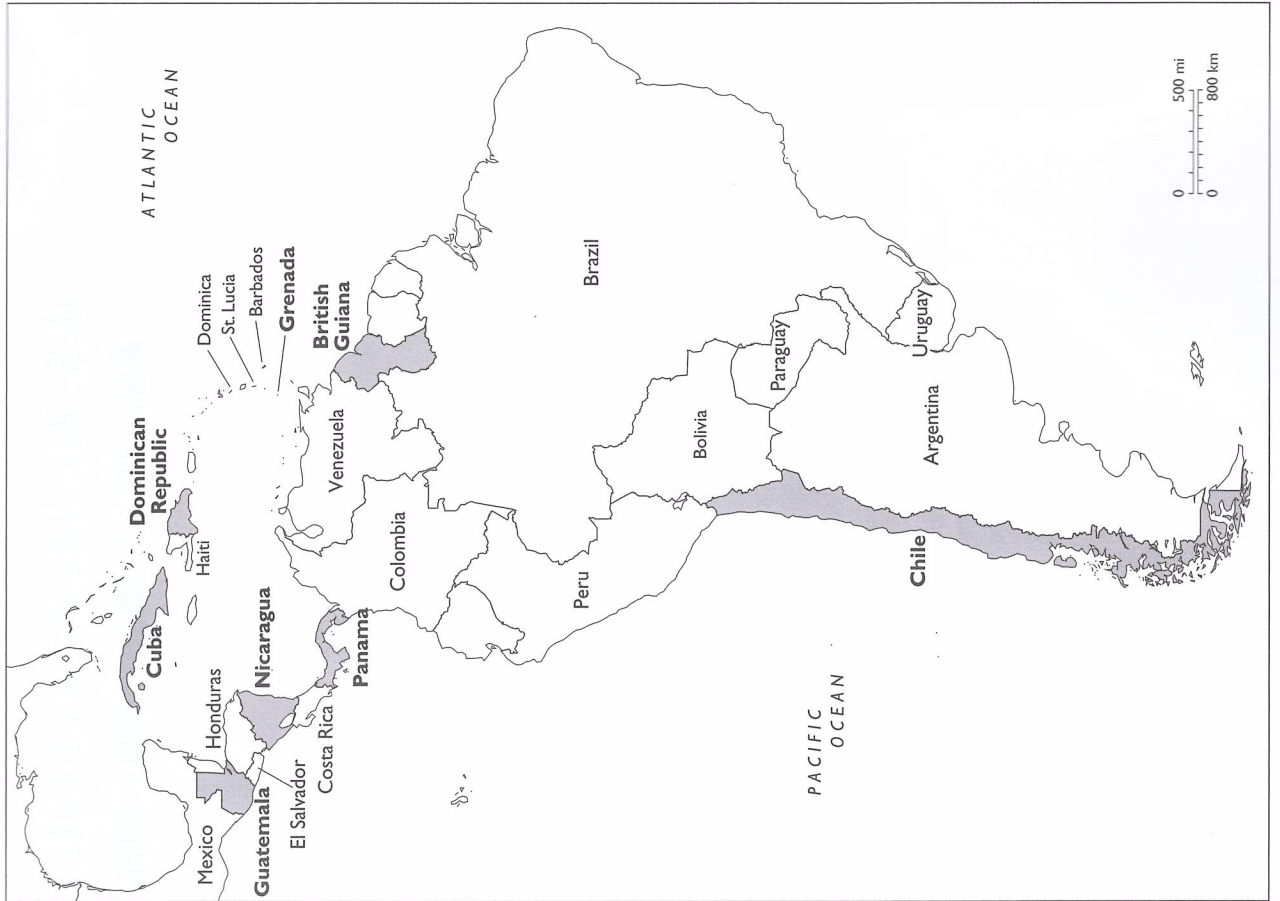


# U.S. Presidents and Latin American Interventions

## Pursuing Regime Change in the Cold War

Michael Grow



## CHAPTER SIX Nicaragua, 1981

In November 1981, ten months into his presidency, Ronald Reagan ordered the Central Intelligence Agency to begin covert paramilitary operations against Nicaragua's Sandinista government. The following March, CIA-sponsored Nicaraguan counterrevolutionaries carried out bombing attacks on transportation facilities in northern Nicaragua. The attacks marked the start of Reagan's "Contra war" against the Sandinistas, a war that would drag on for the remainder of his two terms in office, resulting in some 43,000 Nicaraguan casualties and more than \$1 billion in damage to the Nicaraguan economy. The desired outcome eventually came in 1990 when Nicaragua's electorate, exhausted by the years of crisis and conflict, voted the Sandinistas out of power.<sup>1</sup>

Reagan and his Republican supporters had made little secret of their hostile intentions prior to winning the White House. The 1980 Republican Party platform "deplored[d] the Marxist Sandinista takeover of Nicaragua" and committed the Republicans to "support the efforts of the Nicaraguan people to establish a free and independent government." During the election campaign, candidate Reagan attacked the Sandinistas as Marxist-Leninists and accused them of promoting the spread of communism among their neighbors. Under their control, he charged, the Nicaraguan government bore a distinctly "Cuban label" and had become nothing less than a Russian "bear's paw" in Central America.<sup>2</sup>

The Reaganites' charges were not entirely without foundation. That the top Sandinista leaders were Marxist-Leninists is beyond dispute. Their organization, the Frente Sandinista de Liberación Nacional (Sandinista National Liberation Front, or FSLN), had been founded in 1961 by young members of Nicaragua's "Moscow-line" communist party (the Partido Socialista Nicaraguense) frustrated by their party's "Soviet-dictated orthodoxy" and its reluctance to engage in revolutionary armed struggle against the country's long-entrenched Somoza family dictatorship. Carlos Fonseca, the FSLN's principal founder and chief theorist, conceived the Sandinistas as a Leninist-style vanguard organization whose objective was to ignite a people's revolution that would destroy the Somoza dictatorship and replace it with "a revolutionary government based on [a] worker-peasant alliance." "Marxism," Fonseca wrote in 1968, "is now the ideology of the most ardent defenders of Latin American humanity. It is high time for all Nicaraguan revolutionaries to embrace the goal of proletarian liberation." Humberto Ortega, who emerged as the Sandinistas' leading theorist after Fonseca was killed in battle in 1976, stated explicitly that the FSLN was "guided by the scientific doctrine of revolution, by Marxism-Leninism."<sup>3</sup>

After a decade of sporadic guerrilla operations against the Somoza dictatorship's security forces, however, the Sandinistas had little to show for their efforts. By the early 1970s, the movement had fewer than 100 members and controlled no Nicaraguan territory. Small, weak, isolated, and battered, the FSLN—in the words of founding member Tomás Borge—"totally lacked an internal base of support, or even the minimum infrastructure" necessary to play the role of revolutionary vanguard.<sup>4</sup>

By 1972, internal disputes over military strategy had led to the emergence of three separate FSLN factions. A "Prolonged Popular War" faction advocated a Cuban- or Chinese-style guerrilla war of attrition utilizing "peasant support in remote mountain areas." A "Proletarian" faction favored a more orthodox Marxist-Leninist strategy of organizing urban workers and *barrio* dwellers as the essential revolutionary power base. A "Tercerista" ("third," or "insurrectional") faction argued that the FSLN must first broaden the revolutionary movement's support base by forming alliances with non-Marxist anti-Somoza elements, including middle-class professionals, disaffected businessmen, and progressive priests from the liberation-theology wing of the Catholic Church. Once a broad-based revolutionary front had been created, the Terceristas believed that a series of high-profile Sandinista-led armed strikes could trigger a successful popular insurrection against the dictatorship. In 1977, the Terceristas gained control of the FSLN's national directorate, and it was their strategy that propelled the Sandinistas to their dramatic seizure of power at the head of a popular multiclass insurrection in July 1979.<sup>5</sup>

Their emphasis on collaboration with non-Marxist elements suggested to many outside observers that the Terceristas were political moderates. In reality, they were as committed to a Marxist-Leninist agenda as the Sandinistas' other two factions. A 1977 FSLN General Political-Military Platform prepared shortly after the Terceristas emerged as the dominant force on the national directorate defined the proposed alliance with the anti-Somoza "bourgeoisie" as "temporary and tactical." Once a broad-based FSLN-led revolution had succeeded in toppling Somoza, the platform stated, an initial phase of democratic government would provide the opportunity for

the conquest of real political power by the Sandinista forces. . . . With the development of the Popular Sandinista Revolution, with the triumph over the dictatorship and the development of a revolutionary popular-democratic government, our present Marxist-Leninist vanguard organization will be able to develop to the maximum its organic structure until it becomes an iron-hard Leninist party, created and strengthened by the process itself and with the capacity for developing to the maximum the organization and mobilization of the masses.<sup>6</sup>

A few months prior to Somoza's overthrow, Humberto Ortega reaffirmed the Tercerista strategy and lauded its effectiveness. "Without slogans of 'Marxist or-

thodoxy, without ultra-leftist phrases such as 'power only for the workers,' toward the dictatorship of the Proletariat,' etc., we have been able—without losing at any time our revolutionary Marxist-Leninist Sandinista identity—to rally all our people around the FSLN." "The fact that we [cannot] establish socialism immediately after overthrowing Somoza," Ortega added, "does not mean that we are planning a capitalist type social-democratic or similar development policy; what we propose is a broad, democratic and popular government which, although the bourgeoisie has participation, is a means and not an end, so that in its time it can make the advance towards a more genuinely popular form of government, which guarantees the movement towards socialism."<sup>7</sup>

Once in power, the Sandinistas moved quickly to implement what they regarded as the "intermediate" or "democratic transition stage" of their revolution. A new Government of National Reconstruction was installed that included Catholic clergy, Nicaraguan business leaders, and representatives of the country's democratic political parties alongside Sandinista *comandantes*. In public, FSLN leaders spoke of their commitment to political pluralism and a "mixed economy." Simultaneously, however, Sandinista hard-liners were consolidating their control over the principal organs of armed power: the police, the state security agencies, and a new "Sandinista People's Army." In September 1979, two months after the victory over Somoza, a secret congress of FSLN leaders proclaimed triumphantly that the "Sandinista Front" had now "emerged as the hegemonic force of the Nicaraguan revolution" and that "internally there is no force other than that represented by *Sandinismo*." "However," the congress report noted, "despite its sweeping victory, *Sandinismo* has not made radical moves to transform all this power once and for all into the power of the workers and peasants, because political expediency dictates that more favorable conditions be developed for the revolution and requires that first the more urgent task of its political, economic, and military consolidation be obtained in order to move on to greater revolutionary transformations." Nicaragua's "centrist and bourgeois" political parties, Sandinista leaders secretly informed a sympathetic foreign visitor a month later, would be permitted to exist "only because they presented no danger and served as a convenient façade for the outside world."<sup>8</sup> Sandinista public pronouncements notwithstanding, Nicaragua's revolution was not heading in a pluralistic direction.

Reagan's claims that the Sandinistas were Soviet allies also had at least some basis in fact. Sandinista leaders had long looked upon the Soviet Union as an attractive model of national development. After visiting Moscow and Kiev in 1957 as a Partido Socialista Nicaraguense delegate to a socialist youth festival, Carlos Fonseca wrote what even a sympathetic biographer describes as an uncritical and one-sided travel account that glorified the Soviet Union. According to Fonseca, the Soviets had eliminated economic crises, unemployment, and discrimination; Soviet leaders lived humble lifestyles, and Soviet newspapers were one of the country's "main means of criticism." He even put a positive spin on the Soviets' brutal sup-

pression of the 1956 Hungarian uprising. After founding the FSLN in 1961, Fonseca accepted Soviet financial backing and became a "trusted agent" of the KGB.<sup>9</sup>

Throughout the 1970s, FSLN writings continued to praise the Soviet experiment. The 1977 General Political-Military Platform celebrated "the glorious October Revolution in Russia" as the decisive moment when "world capitalism was profoundly shaken and . . . its historical agony and death commenced."<sup>10</sup> After seizing power in 1979, Sandinista leaders operated on the assumption that the Soviet Union was the ascendant superpower in world affairs, "equal in strength to the United States, economically as well as militarily." "We thought the Soviet Union was as rich as the United States," Humberto Ortega later recalled. "We truly believed that the utopia existed."<sup>11</sup>

The Soviet Union's chief allure to the Sandinistas, however, was as a protector and patron. In 1979, the FSLN national directorate came to the same conclusion that Cuba's revolutionary leaders had reached twenty years earlier: that to consolidate their revolution and survive in power in the face of predictable U.S. hostility, they would need to forge a strategic alliance with the Soviet bloc. The Sandinistas' cultivation of the Soviets commenced in October 1979 when the head of the new revolutionary government, former Tercerista *comandante* Daniel Ortega, told a visiting Soviet KGB official, Nicolai Leonov, that the FSLN "regarded the USSR . . . as a class and strategic ally, and saw the Soviet experience . . . as a model to be studied and used" in Nicaragua. "Our strategy," Ortega confided to Leonov, "is to tear Nicaragua from the capitalist orbit and, in time, become a member of . . . Comecon" (the Soviet bloc international economic organization). Six months later, in March 1980, a high-level Sandinista delegation arrived in Moscow seeking—in *comandante* Jaime Wheelock's words—"support and solidarity." The visit yielded bilateral commercial, scientific, and cultural-exchange agreements, along with secret military protocols that committed the Soviets to supply the Sandinista army with weaponry. In addition, formal party-to-party relations were established between the FSLN and the Communist Party of the Soviet Union.<sup>12</sup> Thereafter, however, although the Sandinistas remained "eager suitors of Soviet patronage," the Soviets proved less than eager to serve as patrons. Military deliveries in 1980 and 1981 were modest, and the unreliable East German trucks and World War II-era tanks that the Soviets supplied did little to strengthen the Sandinistas' military power. Moreover, the military aid was accompanied by Soviet warnings that if attacked the Sandinistas would have to defend themselves—in other words, that the Soviets were not prepared to add Nicaragua to their list of protectorates. Sandinista requests for hard-currency economic assistance were ignored in Moscow, and no major commitments of Soviet development aid were forthcoming. By late 1981, when the CIA received its orders to intervene, the Sandinistas were hardly the "puppets of Moscow" that Reagan administration officials claimed them to be, but their foreign policy was considerably less "nonaligned" than their public statements suggested.<sup>13</sup>

Reagan's allegations that the FSLN bore a "Cuban label" were also fairly close to the mark. In many respects, the Sandinistas were Cuban clones. It was Fidel Castro's 1959 revolution that inspired the FSLN's founders to leave the Nicaraguan communist party and form their own guerrilla revolutionary movement in 1961, and from the beginning they looked upon Castro and Che Guevara as heroic role models. Castro's government reciprocated by taking the fledgling organization under its wing, harboring Sandinista leaders in exile and providing them with military training, weapons, and tactical advice.<sup>14</sup> In 1978, Fidel's personal influence was instrumental in unifying the three FSLN factions in preparation for the Sandinistas' final offensive the following year.<sup>15</sup> Some sources claim that special troops from the Cuban Interior Ministry accompanied Sandinista military columns on their victorious march into Managua.<sup>16</sup>

Once in power, the Sandinistas relied heavily on Cuban advisers and Cuban models in constructing their revolutionary state structures. Lacking sufficient cadre from within their own small guerrilla organization, they immediately turned to Cuban-supplied specialists to assist them in running the armed forces and police, the intelligence services and security agencies, the government ministries, the nationalized industrial and agricultural enterprises, and a new Cuban-style literacy crusade and public-health program. Soon, according to the U.S. ambassador in Managua, "the Cubans had an in that nobody was going to compete with." The generous support provided by the Cuban government further increased Castro's influence over the FSLN's leaders. To reach the top of the Sandinista power hierarchy after 1979, Humberto Ortega later told an interviewer, an ambitious power contender "had to get closer to Fidel."<sup>17</sup>

But above all, the "deep fraternal ties" that linked the Nicaraguan and Cuban revolutionaries rested on a commonly shared worldview. Like Guatemala's revolutionaries before them, both groups were, at their ideological core, anti-American nationalists who interpreted their national realities in terms of international systems of domination and symbiotic alliances between "Yankee imperialists" and reactionary local collaborators. Just as Castro and his *compañeros* in the 26th of July Movement attributed their country's underdevelopment and poverty to the Cuban elites' self-serving subordination to U.S. interests, so the Sandinistas blamed the wretched living conditions of the Nicaraguan masses on a "three-sided reactionary force represented by armed Yankee intervention, the oligarchy, and the bourgeoisie." And just as Cuba's revolutionaries regarded Fulgencio Batista's dictatorship as the immediate instrument of U.S. domination in Cuba, so the Sandinistas viewed the Somoza dictatorship as "the Yankee empire[s] . . . present instrument for ruling" Nicaragua. Carlos Fonseca was merely echoing Fidel Castro when he remarked that "American imperialism and the local oligarchy" were "two sides of the same coin."<sup>18</sup>

Like the Cubans twenty years earlier, the Sandinistas believed that genuine revolutionary change required the destruction of the transnational symbiotic alliance

that held their country in bondage—the alliance formed by "the *Somocista* clique and its protector, Yankee imperialism." As Fonseca put it in a 1970 interview, "Inspired by the victorious Cuban revolution, inspired by sublime Vietnam, inspired by the heroic *comandante* Ernesto Che Guevara . . . the Frente Sandinista has the profoundly revolutionary goals of wiping out *not only* imperialist domination in Nicaragua but also the domination of all the exploiting classes."<sup>19</sup> According to the FSLN's General Political-Military Platform:

More than 40 years of *Somocista* dictatorial rule have allowed, on the one hand, the subjugation of our nation by North American imperialism and, on the other, the exploitation and oppression of our masses by the backward, dependent-capitalist, agro-exporting system of Nicaragua.

To break the chains that bind our country to the yoke of foreign imperialism is the determining factor in our struggle for *national liberation*. Breaking the yoke of exploitation and oppression imposed by the dominant reactionary forces over our masses determines our process of *social liberation*. Both historical enterprises will advance together, indissolubly, if there exists a Marxist-Leninist cause and a solid vanguard to direct the process.<sup>20</sup>

After Somoza's 1979 overthrow, the Sandinistas knew that—like the Cuban and Guatemalan revolutionaries before them—they would have to defend their revolution "against the inevitable attack by the reactionary forces of the country and Yankee imperialism." Nevertheless, they were confident that—as new President Daniel Ortega told the nation—the FSLN's "popular revolution" had brought Nicaragua's long history of "submissions and sell outs" to an end.<sup>21</sup>

The Sandinistas had an abundance of historical evidence to draw upon in support of their views. It was true, as Fonseca charged, that Nicaragua had been "a victim of Yankee aggression for more than a century," dating back to William Walker's infamous 1855–1857 filibuster. It was also true that in the early decades of the twentieth century the country had endured a succession of U.S. military interventions and occupations facilitated by Nicaragua's "Liberal-Conservative oligarchy." It was equally true that, in Fonseca's words, "The people of Nicaragua ha[d] been suffering under the yoke of a reactionary clique imposed by Yankee imperialism virtually since 1932, the year in which Anastasio Somoza [Sr.] was named commander-in-chief of the [U.S.-created] National Guard." And it was at least partially true, as Daniel Ortega charged, that for forty years the Somoza dynasty had "based and justified its power in the support which the United States always offered it."<sup>22</sup> More debatable, perhaps, were Sandinista claims that Nicaragua had been impoverished by the "indiscriminate looting" of "Yankee monopolies" and "foreign companies."<sup>23</sup>

Given the similarities in historical experience and ideological perspective, it was not surprising that the Sandinistas' anti-U.S. rhetoric rivaled that of the

Cubans in sheer vitriol. Carlos Fonseca referred to Americans as “blond beasts,” while FSLN statements of principle identified “Yankee imperialism” as the common enemy of “the peoples of Asia, Africa, and Latin America” and “the rabid enemy of all peoples who are struggling to achieve their definitive liberation.” Ronald Reagan and his supporters denounced the Sandinistas as Cuban surrogates in Central America, but from the Sandinistas’ point of view, Americans were nothing less than the “enemy of humanity.”<sup>24</sup>

The Nicaraguan revolution occurred at a time when President Jimmy Carter was attempting to carry out a revolution of his own—one designed to move U.S. foreign policy away from its emphasis on Cold War containment and East-West confrontation to a new focus on human rights issues and “North-South dialogue.” Improved U.S. relations with Latin America were central to Carter’s plans. He openly criticized U.S. interventionism in the Dominican Republic and Chile and pledged that no Latin American government would be overthrown by his administration. To distance the United States from the region’s dictatorships and align it instead with the forces of “progressive change,” he announced that U.S. economic and military assistance would be tied to the recipient’s human rights performance. And to demonstrate that U.S. hegemonic behavior in the hemisphere was a thing of the past, he promised to transfer the Panama Canal—the ultimate symbol of U.S. imperialism in Latin America—back to Panama. So central to Carter’s international agenda were improved relations with Latin America that the negotiation and ratification of a new set of Panama Canal treaties became “his highest foreign policy priority” during the first year and a half of his presidency.<sup>25</sup>

Carter’s emphasis on human rights immediately produced tensions in U.S. relations with the notoriously repressive Somoza dictatorship. Shortly after entering office, the new administration withheld more than \$13 million in U.S. economic and military assistance to Nicaragua in an effort to pressure Somoza to reform.<sup>26</sup> Counterpressure from Somoza’s friends in the U.S. Congress quickly constrained Carter from taking further action, however. Representative Jack Murphy, a conservative Democrat from New York and leader of a core group of Somoza supporters on Capitol Hill (the self-proclaimed Dirty Thirty), threatened to sabotage the Panama Canal treaties—the symbolic centerpiece of Carter’s foreign policy—if the administration did not “lay off Somoza.” Murphy had the power to make good on his threat; he chaired the House Merchant Marine and Fisheries Committee, through which the Canal treaties’ enabling legislation had to pass before reaching the House floor for final approval.<sup>27</sup>

Carter backed off. Facing “a bruising political battle” over the treaties—with Congress almost evenly split between supporters and opponents—and, in the words of Assistant Secretary of State for Inter-American Affairs Viron Vaky, “a little intimidated” by the tactics of the “Somoza lobby” on the Hill, the president

chose not to provoke the dictator’s congressional allies. He reportedly told Panamanian leaders that he “could not do anything about Nicaragua until the Canal treaties cleared the House.” In coming to that decision, Carter adhered to the advice of his White House chief of staff, Hamilton Jordan, who repeatedly warned the president that “you can endanger the greatest achievement of your administration, the Panama Canal legislation. And for what? Nicaragua!”<sup>28</sup>

In mid-June 1979, as the dictatorship suddenly and unexpectedly began to unravel in the face of a massive, FSLN-led insurrection, some of Carter’s aides urged the president to take aggressive action to prevent a Sandinista victory. White House National Security Adviser Zbigniew Brzezinski warned that the loss of Nicaragua would badly damage the administration both at home and abroad. “A Castroite take-over in Nicaragua,” he predicted, would have “major domestic and international implications”—it “would impact on U.S.-Soviet relations and on the President’s domestic political standing, particularly in the South and the West.” Internationally, Brzezinski warned, the United States “would be considered as being incapable of dealing with problems in our own backyard and impotent in the face of Cuban intervention.” “This” would in turn “have devastating domestic implications,” he added ominously.<sup>29</sup>

To block the Sandinistas from coming to power, Brzezinski initially suggested sending a multinational Organization of American States “peace-keeping” force to Nicaragua to impose a cease-fire and arrange a transfer of power from Somoza to a moderate, pro-U.S. “third force.” The administration’s ensuing efforts to promote what one U.S. diplomat called “an intervention without it being our intervention” failed to enlist the support of a single Latin American nation, however—at which point Brzezinski recommended direct U.S. military intervention.<sup>30</sup> His arguments fell on deaf ears. Carter refused to abandon his commitment to noninterventionism as a basic component of his administration’s foreign policy—first, because, as a matter of principle, he believed that U.S. intervention in Latin America was morally wrong; second, because a central tenet of his foreign policy (improved relations with the Third World) would lose its credibility among the underdeveloped nations if he resorted to old-fashioned U.S. intervention in Latin America; and third, because Carter was well aware of the heavy political penalties that his two immediate Democratic predecessors in the White House, John Kennedy and Lyndon Johnson, had paid for their failed interventions in Cuba and Vietnam, respectively, and he was reluctant to risk the political consequences of a U.S. failure in Nicaragua.<sup>31</sup> But above all, the Panama Canal treaties still needed to be finessed through Congress. By late June 1979, the Senate and House had yet to approve the treaties’ enabling legislation, and with difficult political battles still looming on Capitol Hill, Carter was that much more reluctant to undertake what would inevitably be a controversial intervention in Nicaragua.<sup>32</sup>

The White House was subsequently “dismayed” by the Sandinista victory but quickly shifted into “damage limitation” mode. Convinced that U.S. hostility

would only accelerate the revolution's radicalization, Carter opted instead for a policy of "conditional accommodation" and restraint. During the Sandinistas' first two and a half months in power, his administration shipped \$26.3 million in food, medicine, and other relief supplies to Nicaragua. It also promised the new FSLN government a long-term \$75 million U.S. economic aid package, on the condition that the Sandinistas respected human rights, practiced political pluralism, and refrained from aiding Marxist insurrections in neighboring Central American countries. In September, Carter hosted President Daniel Ortega and other high-ranking Nicaraguan officials at a White House breakfast, telling his guests that "if you don't hold me responsible for everything that happened under my predecessors, I will not hold you responsible for everything that occurred under your predecessors."<sup>33</sup>

"Few" administration officials "had illusions about the Sandinista Directorate's preferences for Cuba and Marxism, and its visceral hatred of the United States," recalls the NSC's director of Latin American affairs, Robert Pastor.<sup>34</sup>

But we didn't believe that the game was over by a long shot! We didn't believe that the entire leadership was Marxist-Leninist or even that those [who] considered themselves Marxist-Leninist were incapable of evolving within a more conducive climate. Thus, we thought that the policy that made the most sense for the United States was one which creates a climate that encourages those whose minds were not yet frozen to realize that to succeed in meeting the needs of their people . . . they needed to reach an accommodation with the U.S. To have this relationship with the U.S. they would have to dispense with their reflexive anti-Americanism and moderate their behavior.<sup>35</sup>

Besides, Pastor adds, "no one saw any other viable option other than to seek a good relationship with the new government."<sup>36</sup>

Carter's strategy was doomed to disappointment. The Sandinistas' vituperative anti-U.S. rhetoric, ongoing closeness to Cuba, and disinclination to hold elections produced growing doubts within the administration that a policy of accommodation would induce moderation in Managua. Then, in mid-1980, U.S. intelligence began to produce mounting evidence that the Sandinistas were actively facilitating the flow of weapons from Cuba to Marxist guerrillas in neighboring El Salvador—in direct defiance of Carter's conditions for the receipt of U.S. aid.<sup>37</sup> By the time the 1980 U.S. presidential election campaign got under way, Nicaragua was increasingly looking like a Carter foreign-policy failure.

Carter was overwhelmed with international problems as he launched his bid for reelection. Early in 1979, the United States lost a key ally in the Persian Gulf when Islamic revolutionaries overthrew the government of the Shah of Iran. Months later, the Iranian revolutionaries seized the personnel of the U.S. embassy in Tehran and proceeded to taunt and humiliate Carter in a hostage crisis that

dragged on for the remainder of his presidency. Then in December 1979, after expanding its presence in South Yemen and Ethiopia, the Soviet Union invaded Afghanistan to prop up that country's pro-Soviet government. Soon U.S. officials were referring to an "arc of crisis" extending from the Persian Gulf through the Horn of Africa. Meanwhile, the second Organization of Petroleum Exporting Countries (OPEC) oil shock of the decade had doubled the price of oil, triggering a domestic energy crisis in the United States in which "angry motorists," forced to endure four-hour lines at gas stations, "punched each other, pulled guns on line jumpers, and cursed President Carter." As the 1980 election campaign approached, opinion polls showed that a majority of the U.S. public viewed Carter as "weak" in foreign policy, and "editorialists and cartoonists were portraying the president in cruel, diminutive terms."<sup>38</sup>

By 1980, many of Carter's closest advisers were urging him to adopt a tougher policy against Marxist revolutions in Central America—precisely in order to protect himself from Republican campaign charges that his foreign policy was "soft" on communism. National Security Adviser Brzezinski, Defense Secretary Harold Brown, White House political advisers Hamilton Jordan and Jody Powell, even First Lady Rosalynn Carter, all warned the president that after "losing" Nicaragua and Iran "he could not afford to 'lose' El Salvador . . . and still win reelection."<sup>39</sup>

Carter heeded their warnings. He approved a "covert political-action program" to strengthen anti-Sandinista opposition forces in Nicaragua, authorizing the CIA to pass \$19.5 million in funds to "private business groups, organized labor, political parties, and the press" in a clandestine operation that, according to the National Security Archive's Peter Kornbluh, "resembl[ed] the agency's destabilization campaign against the socialist government of Salvador Allende a decade earlier."<sup>40</sup> He renewed U.S. military aid (suspended "since 1977 on human-rights grounds") to the government of El Salvador to strengthen it against attacks by Salvadoran Marxist insurgents. And near the end of his presidency he terminated his \$75 million U.S. aid program to Nicaragua in response to "conclusive proof" that the Sandinistas were continuing to transship arms from Cuba to the Salvadoran guerrillas. By the time Carter left office, his policy approach toward Nicaragua was shifting rapidly from accommodation to confrontation.<sup>41</sup> Confrontation was a policy that his successor in the White House would pursue with a vengeance.

Ronald Reagan also entered office with what he and his advisers regarded as a revolutionary agenda: to rebuild U.S. national power and restore self-confidence in the American public after more than a decade of domestic traumas and foreign-policy disasters. The cumulative effect of Vietnam, Watergate, OPEC-induced energy crises, the Iranian hostage crisis, a major recession, and ever-worsening economic "stagflation" was what outgoing President Carter had described as a deepening "malaise" in American society. The "Reagan revolution" was dedicated, first and

foremost, to reviving the nation's vitality and morale—and the new administration's highest priority as it took up the reins of power was to improve the U.S. economy. At the time of Reagan's inauguration, the United States was suffering from double-digit inflation, 20 percent interest rates, and 7 percent unemployment. During the previous five years, workers' real wages had declined by 5 percent while federal taxes for the average family had increased by 67 percent. To reverse these trends and stimulate economic growth, Reagan and his advisers were determined to implement a comprehensive economic program of large-scale tax cuts, reductions in government spending, deregulation of business and industry, and a balanced budget. So preoccupied was the new administration with economic revival during its first several months in office that all other policy initiatives, both domestic and foreign, were deliberately subordinated to its economic policy goals.<sup>42</sup>

Not that foreign policy was insignificant in Reagan's agenda. Convinced that the United States was "losing ground to Communism in much of the globe" and that its "strategic forces were growing obsolete," the new administration planned to undertake the largest defense build-up in U.S. history—\$1.6 trillion over five years—and then launch a "strategic offensive" designed to "checkmate" the Soviets and "roll them back" from vulnerable points along Cold War frontiers. For far too long, the Reaganites believed, the United States had been reluctant to project its power as an assertive international superpower. Paralyzed by defeat in Vietnam, distracted by Watergate, and further weakened by what they characterized as "the Carter experiment in obsequiousness" and "vacillation," the nation had allowed the Soviets to gain the strategic advantage in the Cold War. "Seduced by the weakness of the American will," Reagan's secretary of state Alexander Haig would later write, the Soviet Union had "extended itself far beyond the natural limits of its interests and influence." The end result was the incorporation of a long list of new Marxist client states into the Soviet sphere of influence between 1974 and 1980: Vietnam, Cambodia, Laos, Afghanistan, Ethiopia, Zimbabwe, Angola, Mozambique, Guinea-Bissau, São Tomé, Cape Verde, Grenada, Suriname, Nicaragua—clients positioned (by "grand design," according to the Reaganites) to give the Soviets control over key "strategic chokepoints" and the maritime "lifelines of Western commerce" in the Persian Gulf, the Red Sea, the Indian Ocean, the Straits of Malacca, and the Caribbean.<sup>43</sup>

To counter Soviet expansionism, the Reagan administration believed that it must first reestablish the credibility of U.S. power. In his memoirs Reagan recalls:

During the late seventies, I felt our country had begun to abdicate [its] historical role as the spiritual leader of the Free World. . . . Some of our resolve was gone. . . . the previous administration for some reason had accepted the notion that America was no longer the world power it had once been, that it had become powerless to shape world events. Consciously or unconsciously, we had sent out

a message to the world that Washington was no longer sure of itself, its ideals, or its commitments to our allies, and that it seemed to accept as inevitable the advance of Soviet expansionism, especially in the poor and underdeveloped countries of the world. . . .

Predictably, the Soviets had interpreted our hesitation and reluctance to act and our reduced sense of national self-confidence as a weakness, and had tried to exploit it to the fullest, moving ahead with their agenda to achieve a Communist-dominated world. . . .

As the foundation of my foreign policy, I decided we had to send as powerful a message as we could to the Russians that we weren't going to stand by anymore while they armed and financed terrorists and subverted democratic governments. . . .

I deliberately set out . . . to let them know that there were some new fellows in Washington who had a realistic view of what they were up to and weren't going to let them keep it up.<sup>44</sup>

Elsewhere, Reagan writes that he "wanted to send a message to others in the world that there was a new management in the White House."<sup>45</sup> "American strength and American integrity must . . . be taken seriously—by friends and potential foes alike," he told a New York City audience early in his presidency. "Restoring both our strength and our credibility is a major objective of this administration."<sup>46</sup>

According to Secretary of State Haig, "Soviet diplomacy" was

based on tests of will. Since Vietnam, the United States had largely failed these tests. Like the assiduous students of tactics and Western vulnerabilities that they are, the Russians would send out a probe—now in Angola, again in Ethiopia, finally in El Salvador—to test the strength of Western determination. Finding the line unmanned, or only thinly held, they would exploit the gap.

The Soviets [needed to be made to] believe that it was better to accommodate to the United States and the West than to go on marauding against their interests and security. Rhetoric would not lead them to this conclusion. Only a credible show of will and strength could do so.<sup>47</sup>

Other nations had also lost confidence in U.S. power, Haig contended. "Especially in the Third World, deep doubts existed about the United States and its capacity to project its power in defense of its own interests. . . . Vietnam and its aftermath had made a deep impression."<sup>48</sup>

We had coldly abandoned our faithful ally, the Shah of Iran, an act that sent a tremor of apprehension through every moderate Arab leader in the Middle

East. . . . In Europe . . . our allies urged us to take up our fallen leadership. In Southeast Asia, we had abandoned our influence almost totally, and if it had not been for the Chinese, who were doing America's work for it in that region, the rest of the dominoes might have fallen after South Vietnam and Cambodia and Laos. . . . The Chinese leaders were wondering exactly what point or advantage there could be in a relationship with a United States too enfeebled by its malaise to resist the spread of Soviet hegemony throughout the Far East. . . .

There was, in short, a worldwide climate of uncertainty. . . . Our friends felt fearful and alone; they did not know whether we would ever face up to the Soviets again.<sup>49</sup>

It was precisely that "climate of uncertainty" that the new administration intended to change. "In the morning of an Administration," Haig writes,

the air is fresh and still relatively quiet, and friends and adversaries are alert and watchful. It is the best time to send signals. Our signal to the Soviets had to be a plain warning that their time of unresisted adventuring in the Third World was over. . . . Our signal to other nations must be equally simple and believable: once again, a relationship with the United States brings dividends, not just risks.<sup>50</sup>

And where better to send a watchful world the requisite "signals" of renewed U.S. power and resolve than in Central America—where, in Haig's melodramatic phrasing, "the fires of insurrection, fed by the Soviets and fanned by their surrogates, the Cubans, spread unchecked." Close to home and far from the Soviet Union, Central America seemed to offer the incoming administration an ideal opportunity to achieve—"at minimal risk and cost," in Raymond Garthoff's words—"a victory that would demonstrate to all—to the Soviet leaders, to U.S. allies and others in the world, and to the American people—that American will and strength, reasserted, were effective in countering continuing Soviet efforts around the world to expand at American expense."<sup>51</sup>

In justifying anticommunist interventionism in Central America to the American public, administration officials often resorted to apocalyptic imagery. Reagan predicted that successful Marxist revolutions in Nicaragua and El Salvador could easily set off a chain reaction of communist victories south into Panama and South America and north through Guatemala to Mexico. "We are the last domino," he warned.<sup>52</sup> Haig told Congress that "what we are watching is a four-phase operation. Phase one has been completed, the seizure of Nicaragua. Next is El Salvador, to be followed by Honduras and Guatemala. It is clear and explicit. . . . I wouldn't call it necessarily a domino theory. I would call it a priority target list, a hit list if you will, for the ultimate takeover of Central America."<sup>53</sup>

The president also warned that "if Communism prevailed in Central America," there would be dire consequences for the U.S. economy. "Two-thirds of all our foreign trade and petroleum pass through the Panama Canal and the Caribbean," he claimed. There was also "the security of our borders to think about, and the question of our economy's ability to absorb an endless flow of refugees." Marxist victories in Central America, Reagan said, "would accelerate the flow of illegal immigrants who, propelled by poverty, were already overwhelming welfare agencies and schools in some parts of our nation."<sup>54</sup> Other administration officials suggested that "the major Soviet objective in Central America" was "to disrupt the American 'strategic rear'" and force the United States to divert its forces from other Cold War frontiers. CIA director William Casey, for instance, told *Washington Post* reporter Bob Woodward that the Soviets' overall goal in Central America was to "divert our attention from the real battleground, the Middle East" and its "oil fields."<sup>55</sup>

From the start, however, Reagan and his top advisers looked upon Central America primarily as a credibility issue. As Dario Moreno writes:

The unrest in Central America presented [Reagan] with both an opportunity to demonstrate U.S. power and a dangerous crisis that could cost his administration its credibility. He and his advisers felt that it was important that the Soviet Union realize that the United States was once again determined to contain its expansion. The knowledge that the United States would respond forcefully to prevent further Soviet gains in Central America would constrain the Kremlin leadership from undertaking even more dangerous adventures, such as testing the U.S. commitment to defend the Persian Gulf or Western Europe. Resolving the crisis in Central America was vital to the efforts of the administration to reaffirm U.S. worldwide credibility.<sup>56</sup>

State Department official Elliott Abrams later acknowledged that the United States had "no significant tangible interests in Central America." The real issue, Abrams said, was one of international perceptions. "If people see that the Americans are not going to move against the Sandinistas in their own backyard," he asked rhetorically, "what will they do ten thousand miles away?"<sup>57</sup> According to Haig, "Reagan . . . knew that a failure to carry through on this challenge at the heart of our sphere of interest would result in a loss of credibility in all our dealings with the Soviets."<sup>58</sup> The president himself placed Central America squarely in the context of U.S. international credibility when he asked a joint session of Congress:

If Central America were to fall, what would the consequences be for our position in Asia, Europe, and for alliances such as NATO? If the United States cannot respond to a threat near our own borders, why should Europeans or Asians believe that we're seriously concerned about threats to them? If the Soviets can



assume that nothing short of an actual attack on the United States will provoke an American response, which ally, which friend will trust us then? . . .

The national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot expect to prevail elsewhere. Our credibility would collapse, our alliances would crumble, and the safety of our homeland would be put in jeopardy.<sup>59</sup>

But where in Central America should the United States take up the communist challenge? Initially, the new administration decided that El Salvador, not Nicaragua, was where the “determined show of American will and power” needed to be made. The decision was at least partly political. According to Robert Kagan, a member of the State Department’s Policy Planning staff,

Reagan officials believed the Carter administration had bungled badly in Nicaragua, but Nicaragua had been Carter’s “loss.” If the Salvadoran government fell, on the other hand, it would be Reagan’s loss. American intelligence officials predicted that the government of El Salvador might fall by the end of the year and that the government of Guatemala could fall soon thereafter. Senior officials in the new administration feared that their first year in office could be plagued by communist triumphs in Central America. From the very first days, they were preoccupied with putting out the fire in El Salvador.<sup>60</sup>

Accordingly, El Salvador was chosen as the symbolic test case of the administration’s “determination to resist Soviet and Cuban imperialism.”<sup>61</sup> In the minds of many administration officials, Dario Moreno writes, “that country . . . would be ‘the first step’ in a conscious effort to repair the U.S. image. . . . By drawing the line in El Salvador, Reagan thought he could win a quick victory and in so doing could forever wipe out the stigma of Vietnam and erase the so-called Vietnam syndrome. Reagan was privately assured of an easy victory when Haig confidently reported, ‘Mr. President, this is one you can win.’”<sup>62</sup>

As for Nicaragua, Kagan writes that “Reagan officials worried almost exclusively about the Sandinistas’ continuing support for the Salvadoran guerrillas. El Salvador remained the main problem in Central America, and . . . held a much higher priority than Nicaragua.” A few days after the inauguration, U.S. intelligence provided the White House with what Reagan describes as “firm and incontrovertible evidence that the Marxist government of Nicaragua was transferring hundreds of tons of Soviet arms from Cuba to rebel groups in El Salvador.” In February, Haig told reporters: “Our most important objective is to stop the large flow of arms through Nicaragua into El Salvador. We consider what is happening as part of the global communist campaign coordinated by Havana and Moscow to support the Marxist guerrillas in El Salvador.” For the next several months, the administration’s Nicaragua policy was geared almost entirely toward preventing

the Sandinistas from acting as “the bridgehead and arsenal for insurgency” in El Salvador.<sup>63</sup> Discussions about how to achieve that objective, however, quickly produced factional divisions within the upper ranks of the administration.

Some of Reagan’s advisers favored a policy of direct U.S. military intervention to sever the arms pipeline. Among them, Haig quickly emerged as the most vocal advocate of a hard-line approach. Shortly after his swearing-in as secretary of state, he ordered his aides to “put together a strategy for toppling Castro” and indicated his intention to “eliminate this lodgement in Nicaragua from the mainland” as well. A subsequent Haig-generated options paper entitled “Taking the War to Nicaragua” proposed as one contingency “the open use of military force against Cuban ships and planes as well as a naval blockade of Nicaragua.” Convinced that Cuba was the main instigator of Marxist insurgency in Central America, he told Reagan: “Give me the word and I’ll make that island a fucking parking lot.”<sup>64</sup>

Haig also worked aggressively to generate public support for U.S. intervention. In a series of strident speeches and bellicose public statements, he stressed the imminent danger of a Soviet- and Cuban-sponsored communist takeover of Central America and called for a forceful U.S. response. In February, he issued a State Department White Paper purporting to document the involvement of the Soviets, Cubans, and Nicaraguans in arming and directing the Salvadoran insurgents. At a Washington, D.C., cocktail party, he told Nicaragua’s ambassador to the United States that the Reagan administration was “prepared not only to cut off all aid” to Nicaragua “but to do other things as well.” Soon, Haig’s strong statements and dire warnings were attracting front-page headlines and primetime television coverage. By March, he had succeeded almost single-handedly in transforming Central America into the new administration’s highest-profile policy issue.<sup>65</sup>

Haig’s interventionist activism garnered little support elsewhere in the administration. The Pentagon argued that a U.S. military intervention in Central America so soon after Vietnam would be so unpopular in Congress that it would jeopardize the administration’s budgetary proposals for massive increases in defense spending.<sup>66</sup> Reagan’s White House advisers—Chief of Staff James Baker, Baker’s deputy Michael Deaver, and Presidential Counselor Edwin Meese—also opposed Haig’s proposals. For them, the secretary of state’s Central American crusade was “a sure-fire political loser” certain to be unpopular among a U.S. public still traumatized by the recent disaster in Vietnam. During the first half of 1981, the White House remained fixated on enacting the president’s economic program, and Reagan’s White House aides feared that Haig’s headline-grabbing pronouncements on Central America were upstaging the president’s efforts to focus public attention on economic issues. Baker was particularly concerned that a politically draining foreign-policy controversy over Central America would undermine the bipartisan congressional support that he was trying to cultivate for the administration’s economic initiatives. “The crazies want to get us into war,” he told his staff, “we cannot get this economic recovery program going if we get involved in a land war in

Central America." Baker and Deaver also worried that Haig's "menacing talk" might appear to confirm the Democrats' portrayal of Reagan as a trigger-happy warmonger bent on embroiling the country in another Vietnam, and in the process endanger Republican prospects in the 1982 midterm elections.<sup>67</sup>

There was evidence to support their concerns. By early March, public communications to the White House were running ten-to-one against Haig's militant approach, and White House polls were confirming Baker's fears.<sup>68</sup> According to Reagan's White House communications director David Gergen:

At the time, we were taking surveys week to week and we saw some slippage in Reagan's popularity. Our domestic stuff had dominated the news play in the first few weeks, and Reagan's polls went up. Then we got the Salvadoran news, and Reagan's polls fell because it brought up the trigger-happy stuff. People got afraid of what Reagan would do. We were losing control of the agenda. We had a different game we wanted to play. Important as Central America was, it diverted attention from our top priority, which was economic recovery, which we wanted to be the only priority. Haig didn't understand that. We decided we had to cut off his story.<sup>69</sup>

Hedrick Smith reports that when subsequent White House polls continued to "show . . . the public reacting negatively to Haig's bellicose talk and opposed to embargos and military action against Cuba," Baker "took the poll results to the president to persuade him that Haig's tactics were hurting Reagan politically; the president got the message. According to one White House account, Baker telephoned Haig in late March and told him the president wanted him 'to knock it off.' Haig complied."<sup>70</sup>

The rejection of Haig's hard-line approach left the administration with no Central American policy at all. Matters continued to drift for several months while Reagan recovered from a March 30 assassination attempt. Then, in late summer, as U.S. intelligence continued to report heavy Sandinista involvement in arms shipments to El Salvador, Assistant Secretary of State for Inter-American Affairs Thomas Enders obtained permission to try a new strategy: he would begin a "secret dialogue" with the Sandinistas, and—through a combination of persuasion and intimidation—attempt to reach a "negotiated settlement" in which the Nicaraguans would agree to terminate their support for the Salvadoran insurgents.<sup>71</sup>

The result was a diplomatic train wreck. In August, Enders visited Managua for two days of secret talks with Daniel Ortega and other top Sandinista officials. Participants in the meetings described the U.S. envoy's tone as threatening, confrontational, accusatory, and arrogant. He began by offering the Sandinistas a deal: the Reagan administration was prepared to enter into a bilateral nonaggression pact and consider resumption of U.S. aid in exchange for a Sandinista pledge to end

support for guerrillas in neighboring countries. "We don't like your regime," Enders reportedly told the Nicaraguans, "but there is not much we can do about it. But you have to get out of El Salvador." He went on to tell the Sandinistas that relations between the Reagan administration and their government were "now at a crossroads." Relations in the future, he said, could be based on accommodation or confrontation, and to avoid confrontation the Sandinistas must "take the necessary steps to ensure that the flow of arms to El Salvador is . . . halted."<sup>72</sup>

Ortega would later tell Fidel Castro that Enders came to Nicaragua

as President Reagan's representative to say that Nicaragua had been given up as lost—that it was the problem of the Democratic Party in the U.S., and that the Republicans' problem was not Nicaragua, but El Salvador, which they had no intention of losing. [Enders said] that the Nicaraguans could do whatever they wished—that they could impose communism, they could take over *La Prensa* [Nicaragua's leading newspaper], they could expropriate private property, they could suit themselves—but they must not continue meddling in El Salvador, dragging Nicaragua into an East-West confrontation, and if they continued along those lines . . . , they would be smashed.<sup>73</sup>

Ortega responded by informing Enders that the Sandinistas had already "seen the crossroads" and "considered the two alternatives." They had "decided to defend our revolution by force of arms, even if we are crushed, and to take the war to the whole of Central America if that is the consequence." The Nicaraguan leader stated frankly that the Sandinistas were "interested in seeing the guerrillas in El Salvador and Guatemala triumph." "The Salvadoran revolution is our shield," he said—"it makes our revolution safer."<sup>74</sup>

Enders ridiculed the notion that the Sandinistas could defend themselves against a U.S. military invasion. According to one account, he warned Ortega: "You can forget defending yourselves because we are one hundred times bigger than you are."<sup>75</sup> During a particularly heated exchange, Enders told *comandante* Bayardo Arce: "You can do your thing, but do it within your own borders, or else we're going to hurt you." To which Arce replied: "All right, come on in! We'll meet you man to man. You will kill us, but you will pay for it. You will have to kill us all to do it."<sup>76</sup> Summarizing the meetings, one U.S. official "said he had never seen anything so dramatic, so direct, and so lacking in subtlety in three decades of negotiations in Latin America."<sup>77</sup>

Rebuffed in Managua, the administration nonetheless continued to pursue Enders' persuasion-and-intimidation strategy for another two and a half months. Between late August and mid-September, the State Department sent the Nicaraguan government three diplomatic notes proposing terms for a joint agreement. The Pentagon followed up in early October by conducting military maneuvers off the Caribbean coast of Honduras in a threat-posturing exercise "designed to signal that

the United States was in a position to intervene militarily if the FSLN did not acquiesce" to Enders' proposals.<sup>78</sup> The Sandinistas remained defiant and unyielding. Daniel Ortega responded to the U.S. military maneuvers by denouncing U.S. imperialism before the United Nations. In mid-October, anticipating a U.S. invasion, his brother Humberto publicly called on the Sandinista militias to draw up lists of the revolution's internal enemies and warned that any Nicaraguans who supported "the plans of North American imperialism" would "be the first to appear hanging by the lamp posts along the roads and highways of the country." At the end of the month, the Sandinistas formally rejected Enders' proposals as "sterile."<sup>79</sup>

The collapse of Enders' diplomatic initiative proved to be the decisive turning point in Reagan's relations with the Sandinistas. With a negotiated settlement seemingly unattainable and direct U.S. military intervention ruled out, administration hard-liners now proposed a new alternative: a covert paramilitary intervention utilizing a proxy army of anti-Sandinista Nicaraguans.<sup>80</sup> On November 16, two weeks after the final breakdown in negotiations, the NSC endorsed a plan to create a secret U.S.-funded, CIA-directed paramilitary force of "non-Americans" to attack the "Cuban-Sandinista support infrastructure in Nicaragua and elsewhere in Central America." The plan had been drawn up by a Restricted Interagency Group composed predominantly of zealous ultraconservative hawks: Duane Clarridge, the chief of the CIA's Latin America division; Nestor Sanchez, a former CIA chief of operations for Latin America now serving as Deputy Assistant Secretary of Defense; Alfonso Sapia-Bosch, a conservative Cuban-American CIA analyst representing the NSC staff; General Paul Gorman from the Joint Chiefs of Staff; and Enders.<sup>81</sup> The plan's principal advocate in the NSC deliberations was CIA director William Casey. Throughout 1981, Casey had been urging Reagan to turn the tables on the Soviets—to "bleed them"—by providing covert U.S. assistance to anticommunist "national liberation movements" fighting against Soviet-backed regimes in the Third World. High on Casey's list of promising covert allies were Afghanistan's mujahedin and anticommunist insurgents in Angola, Cambodia, and Laos. In the November 16 NSC meeting, the CIA director argued that a U.S.-backed anti-Sandinista resistance movement in Nicaragua would provide the United States with another effective weapon in the struggle to regain the strategic initiative against international communism.<sup>82</sup>

Although the NSC endorsed the covert-intervention plan, most of its members did so for essentially negative reasons, seeing it as merely the least unattractive of available options. Secretary of Defense Casper Weinberger supported the proposal primarily because it left the Pentagon out and was "infinitely preferable to any plan involving the use of U.S. combat forces." Haig had a low opinion of covert operations, which he regarded as the worst sort of Vietnam-style "incrementalism," but he went along with the plan "largely because everything else had been rejected, and he believed that doing something was better than doing nothing." James Baker and Reagan's other White House advisers considered covert action less dangerous

politically than direct U.S. military intervention, and with the administration's tax and budget bills now having been enacted, they were prepared for political reasons to "throw a foreign-policy bone" to the Republican right wing. Enders supported the plan because he viewed an anti-Sandinista military force as a weapon that the administration could use to pressure the Sandinistas into ending their support of the Salvadoran guerrillas.<sup>83</sup>

The president did not make a final decision on the proposed plan at the November 16 NSC meeting. On November 23, however—after a week of lobbying by Casey, UN ambassador Jeane Kirkpatrick, and other members of what Reagan official Otto Reich characterized as "a hard-line group working together behind the scenes"—he signed National Security Decision Directive 17 authorizing the covert-action program.<sup>84</sup>

From the president's perspective, a policy of covert intervention had much to recommend it. It offered first of all an attractive compromise between a politically controversial deployment of U.S. military forces in Central America, on the one hand, and Reagan's strategic and political concerns about losing El Salvador on the other. "Reagan intended to stop the advance of communism in Central America," Robert Kagan writes, "but he wanted to do so in the least violent and least controversial manner possible." In that sense, a particular virtue of covert action was that "it required no public explanation, no public defense, and no public vote in Congress." By secretly backing a proxy army of anti-Sandinista Nicaraguans, the administration could presumably achieve its strategic goals in Central America without incurring heavy political costs at home.<sup>85</sup> Finally, and perhaps best of all, launching a covert intervention would not require a massive effort on the administration's part—because by November 1981, military units of Nicaraguan counterrevolutionaries had already formed and were eagerly soliciting U.S. sponsorship.

Although most accounts of Reagan's intervention in Nicaragua portray the Contras as a U.S. creation, the Reagan administration did not create the Contras—Latin Americans did. More specifically, anti-Sandinista Nicaraguans, Argentine military officers, and elements of Honduras' governing elite collaborated in putting together the initial nucleus for a counterrevolutionary army and then sold the enterprise to the Reagan administration as an instrument of U.S. intervention.

Following the Somoza regime's collapse in 1979, small bands of Nicaraguan National Guardsmen had taken refuge in neighboring Honduras and Guatemala. By 1980, several anti-Sandinista leaders, including former Guard colonel Enrique Bermúdez, were struggling to organize the scattered and ill-equipped groups into a unified fighting force. In Honduras, their efforts were assisted by members of the Policarpo Paz García government, notably the head of the national police, Army Colonel Gustavo Alvarez, who feared a potential spillover of Nicaragua's radical revolution into Honduras.<sup>86</sup>

Bermúdez and the other Nicaraguans working to organize an armed resistance movement spent much of 1980 traveling around the hemisphere in search of outside backing. By the time of Reagan's election in November, they had begun working with conservative contacts in the United States and were lobbying the Republican Party for support. In April 1981, Bermúdez visited Buenos Aires and won the backing of Argentina's rabidly anticommunist military dictatorship. Having recently completed a brutally successful "dirty war" against Marxist insurgents in their own country, the Argentines looked upon Sandinista Nicaragua as the Cold War's new "ideological frontier" in the Western Hemisphere and a dangerous sanctuary where the surviving remnants of Argentina's decimated Montonero and Ejército Revolucionario del Pueblo guerrillas had fled to regroup. Soon the Argentines were providing Bermúdez and his men with money, advisers, and military training.<sup>87</sup>

Simultaneously with Bermúdez's visit to Argentina, Gustavo Álvarez, the Honduran police chief, traveled to Washington, D.C., and presented CIA director Casey with a solution to Reagan's Nicaraguan problem. With covert U.S. support, Álvarez said, the rag-tag bands of former Nicaraguan Guardsmen in Honduras could be built up into a powerful military force; they could then be sent into Nicaragua to ignite civil war and hopefully provoke the Sandinistas into launching a retaliatory strike against Honduras. If the Sandinistas fell into the trap and attacked Honduras, the United States could then come to the defense of its Honduran ally and invade Nicaragua, getting rid of the Sandinistas once and for all.<sup>88</sup>

Casey, already a strong proponent of covert action and proxy armies as the United States' best weapons against Third World Marxist states, promised to give Álvarez's proposal careful study. By August, with Enders heading for Managua on his ill-fated diplomatic mission and an Argentine-trained Nicaraguan resistance force beginning to emerge in Honduras, the CIA director concluded that a U.S.-backed Contra army was the administration's most promising policy option. In early August, apparently without White House authorization, Casey dispatched Duane Clarridge, the CIA's Latin American division chief, to Honduras to inform Álvarez that the United States was prepared to support anti-Sandinista military actions by the resistance forces. Later that month, Clarridge returned to Tegucigalpa, where he met with Honduran officials, Argentine officers, and representatives of Bermúdez's movement and drafted a program of tripartite support for Contra military operations in Nicaragua; under the plan, the United States would supply the money and weapons, the Argentines would supervise the military operations, and the Hondurans would allow their country to be used as a territorial base and sanctuary for Contra forces.<sup>89</sup>

In November, once Enders' efforts to achieve a negotiated settlement had crashed and burned, Casey presented the tripartite plan to the NSC and Reagan for approval. In selling the project to the president, the CIA director emphasized that the Argentines were already training 1,000 Nicaraguan exiles in Honduras

and that consequently the United States would merely be "buying in" to an existing operation.<sup>90</sup>

But what precisely was the goal of the operation that the United States was buying into? The secret presidential document authorizing the intervention—National Security Decision Directive 17, signed by Reagan on November 23, 1981—instructed the CIA to employ paramilitary "action teams" of Nicaraguan exiles to attack the "Cuban presence and Cuban-Sandinista support infrastructure in Nicaragua and elsewhere in Central America."<sup>91</sup> From the start, however, views within the administration differed as to the covert operation's ultimate objective. Some officials regarded it as a pressure campaign to force the Sandinistas to moderate their behavior. Thomas Enders, for example, viewed the Contras primarily as a "bargaining chip," a military lever to "up . . . the heat on Nicaragua"—to "harrass the government, waste it," in Enders' words—"until we could get a negotiated settlement" and an agreement from the Sandinistas to stop supplying arms to the Salvadoran guerrillas. Casey, in his initial briefings before congressional intelligence committees, implied that the Contras' principal function would be to intercept weapons flows from Nicaragua to El Salvador and "make the Sandinistas amenable to negotiations."<sup>92</sup>

Privately, however, Casey and his CIA colleagues—together with Jeane Kirkpatrick, Casper Weinberger, and other administration hard-liners—apparently regarded the Contras as a weapon to overthrow the Sandinista regime and "roll back" communism in Central America. "In truth," the CIA's Clarridge recalls, "no one in the Agency was going to shed any tears if Daniel Ortega, Tomás Borge, and the rest of the Sandinista ruling directorate found unemployment as a result of our efforts." Recognizing that the Nicaraguan exiles were unlikely to develop into a fighting force "capable of marching into Managua," the hard-liners instead anticipated that Contra sabotage activities would destabilize the Nicaraguan economy and force the Sandinistas to make mistakes—such as eliminating civil liberties and intensifying their internal crackdown on opponents—that would eventually erode their domestic and international support.<sup>93</sup> Reagan's initial expectations for the Contras remain unclear, although as a combination of "hidebound ideologue" and "pragmatic politician" he may well have regarded either outcome—overthrow or a forced settlement—as acceptable.<sup>94</sup>

Almost immediately, confusion over the covert operation's ultimate aims brought the administration into conflict with Congress. During 1982, amid mounting evidence that—contrary to Casey's briefings to the House and Senate intelligence committees—the Contras were bent on overthrow, not interdiction, Democratic congressmen wrote into the fiscal 1983 intelligence authorization and defense appropriations bills language prohibiting the use of government funds "for the purpose of overthrowing the government of Nicaragua." By 1983, anti-interventionist Democrats in both houses were actively seeking to cut off all U.S. funding of Contra operations. As partisan battle lines hardened and a Contra fund-

ing cutoff loomed, however, the administration was suddenly presented with an auspicious new opportunity to rally public support for a renewed policy of aggressive anticommunism—and in the process send a new signal of revitalized U.S. strength and assertiveness to Marxist adversaries, Western allies, and the American people alike—when, in October 1983, factional warfare within the Marxist government of Grenada gave Reagan the pretext he needed to invade that Caribbean microstate.<sup>95</sup>

## CHAPTER SEVEN

### Grenada, 1983

Midway through his first term, Ronald Reagan's presidency was in trouble. As 1983 began, he and his administration were rapidly losing popular support. The principal cause of public discontent was Reagan's handling of the economy. Since late 1981, the U.S. economy had been mired in a severe recession—one that proved to be the country's worst economic downturn since the Great Depression. During 1982, U.S. business failures and home foreclosures set new post-Depression records, domestic unemployment skyrocketed to levels not seen since the pre-World War II period, and the poverty rate reached its highest level in 15 years—dubious achievements for a president who, as a candidate in the 1980 election, had promised to revitalize the U.S. economy.<sup>1</sup> To make matters worse, Reagan's large-scale tax cuts, combined with his massive military spending, had produced staggering new budget deficits—another ironic accomplishment for a president who had campaigned on a pledge to balance the federal budget. By 1982, Reagan's own budget director had already warned of a “budget hemorrhage” that could “wreck the president's entire economic program,” and White House pollster Richard Wirthlin was acknowledging privately that Reagan had “failed miserably” in his promise to bring the budget into balance. “We really are in trouble,” Reagan recorded in his diary in late 1982. “Our one-time projections, pre-recession, are all out the window and we look at \$200 million deficits if we can't pull some miracles.”<sup>2</sup>

Nor was Reagan's foreign-policy performance winning many accolades as he began his third year in office. During the 1980 campaign, candidate Reagan had trumpeted his determination to restore U.S. power and prestige in world affairs and to return the country to the position of international primacy that it had enjoyed prior to its recent humiliations at the hands of North Vietnam and Iran.<sup>3</sup> As president, however, Reagan initially seemed more given to tough talk than to assertive action. Despite some eyebrow-raising public references to the Soviet Union as an “evil empire” and “the focus of evil in the modern world,” he treated the Soviets with consummate caution—doggedly pursuing arms-control negotiations with them even as Soviet troops intensified their heavy-handed military occupation of Afghanistan and after martial law was imposed in Poland. When the Soviets shot down a Korean civilian airliner that they mistook for a U.S. spy plane, killing 269 passengers (including 61 Americans, one of them a U.S. congressman), Reagan's rhetoric was “tough as nails” but his follow-up actions were so restrained that they “went almost unnoticed.” When he tried to persuade the United States' European allies not to assist the Soviets in constructing a natural-gas pipeline from