

The United States

The United States has been the preponderant power in Central America since the turn of the century. Its presence grew rapidly with the expansion of US investment, the construction of the Panama Canal, and its numerous military interventions in Nicaragua from 1909 to 1933. American investment, trade and aid have produced local benefits, but critics argue that the pattern of US economic relations with the region has also tended to aggravate conditions which perpetuate inequality and political authoritarianism. Moreover, the US role in the overthrow of the reformist Arbenz government in Guatemala in 1954 and its sometimes tacit, sometimes overt support for dictators such as Somoza have helped perpetuate underdevelopment, anti-American sentiments and demands for fundamental change in the region.

When these demands led to the overthrow of Somoza and the eruption of civil war in El Salvador in 1979, the Carter Administration attempted to accommodate but contain the Nicaraguan revolution while promoting moderate reform and putting a brake on the revolutionary process in El Salvador.

The Reagan Administration has taken a much bolder stand on the crisis in Central America. The President and his officials have argued that widespread misery and repression gave rise to legitimate demands for change in Central America, but these demands have been transformed into communist revolutions by Cuban and Soviet interference. "Central America is a region of great importance to the United States," argued the President in 1984, "and it has become the stage for a bold attempt by the Soviet Union, Cuba and Nicaragua to install communism by force throughout the hemisphere."¹¹

These developments, according to the Administration, threaten both the welfare of Central Americans and the security of the United States. They threaten the people of Central America because they will lead to totalitarian and expansionist regimes. They threaten the United States because they could create a refugee crisis of unmanageable proportions, endanger the sea lanes of the Caribbean, force the US to divert defence resources to the protection of its southern borders and, finally, because their victory would undermine US credibility worldwide. For all these reasons, the Kissinger Commission argued, revolutionary forces in the region must be opposed.¹²

Economic, diplomatic, military and public relations instruments have been used by Washington to fight the forces of revolution. In the economic realm, the Reagan Administration has implemented the Caribbean Basin Initiative, a one-way free trade scheme designed to reactivate the region's econo-

mies. The US has increased aid flows to the region and, in the fall of 1985, announced the implementation of the Central America Democracy, Peace and Development Initiative, a comprehensive strategy for economic recovery in the region. Nicaragua has been excluded from these schemes. The US government has also used its influence in multilateral banks to curtail lending to Nicaragua. The Reagan Administration forced a reduction of US-Nicaraguan trade throughout its first term in office, a policy that was expanded into a full embargo on all economic relations in March 1985.

In the realm of politics and diplomacy, Washington has pressed for elections in Guatemala, Honduras and El Salvador. It has given verbal support to the concept of dialogue within El Salvador, but has backed the Duarte government's fundamental opposition to any power-sharing arrangement with the FDR-FMLN. Washington has also repeatedly pressed for negotiations between Managua and the *contras*, making these talks a precondition for ceasing to support the *contras* and for resuming direct talks with the Nicaraguan government. It entered into bilateral talks with Managua in 1984, but unilaterally called off those discussions in 1985. Finally, while it rejected earlier Mexican and Venezuelan mediation proposals, the Administration has officially supported the Contadora process. Many officials from the Contadora countries have, however, expressed the view that the military dimensions of Washington's policy in the region have undermined the Contadora process.

Indeed, US military presence in Central America has grown dramatically during the 1980s. Military assistance to the region (excluding Nicaragua) has been increased from \$44.4 million in 1981 to \$121.2 million in 1983 and to \$225.3 million in 1985. The US provided \$574 million in military assistance to the region in the 1980-84 period, an amount 40% higher (based on the Administration's own estimates) than that provided by all Soviet bloc countries to Nicaragua in the same interval. If the economic support funds that often complement military assistance are included, these figures are much higher: \$89.3 million in 1981, \$474.2 million in 1983 and \$830.3 in 1985.¹³

In addition, US advisers have overseen the restructuring of military operations in El Salvador and have trained Salvadoran, Honduran and Costa Rican officers and troops to upgrade their planning and field performance. The US also has conducted several large-scale military exercises in Honduras and naval exercises off Nicaragua's coasts, and has built a military infrastructure in Honduras, where an average of 1,700 US troops have been stationed since 1983.¹⁴