Central America presented Ronald Reagan with the first foreign crisis of his administration. During his first year in office, the President escalated United States support for client militaries in the region, authorized a program of destabilization aimed at Sandinista Nicaragua, threatened Cuba with a naval blockade, and considered the formulation of an inter-American military force (drawing on Argentines and others) to defeat the guerrillas steadily gaining ground in El Salvador and Guatemala.

Fearful of another Vietnam, the U.S. public, press, and Congress became critical of Reagan's emphatically military policies. To offset this reaction, the President delivered a major address last February, unveiling a program known as the Caribbean Basin Initiative (CBI) for the region. Policies outlined in the CBI mirror those set forth in a document written during the presidential campaign by the Committee of Santa Fe. Several members of this committee subsequently assumed posts in the Reagan-Haig foreign policy apparatus, including Roger Fontaine, adviser to the National Security Council on Latin American political affairs.¹

The most original aspect of the President's speech was the title. No previous administration had grouped the smaller Caribbean islands (black populations with recent histories of British and French colonialism) with Central American

¹ The Committee of Santa Fe, "A New Inter-American Policy for the Eighties," (Washington, D.C.: Council for Inter-American Security, 1980). Another author of the Santa Fe report, retired General Gordon Sumner Jr., was made special adviser to Secretary of State Haig in the State Department's Bureau of Inter-American Affairs. A third, Lewis Tambs, was apparently Senator Jesse Helms's choice for Assistant Secretary of State for Inter-American Affairs and, failing that, Ambassador to Panama. Tambs was too outspoken a critic of the Panama Canal Treaties and too inexperienced in government to bring either nomination to fruition.
nations (*mestizos* and Indians, Spanish culture, and a long history of formal national sovereignty). It is hard to see what Barbados and Guadeloupe have in common with Guatemala and Nicaragua that they do not all share with the Third World. The CBI seemed a public-relations gambit designed to win Congressional support for stepped-up aid to those Central American countries vulnerable to guerrilla warfare: for example, the administration asked for $130 million of additional aid to El Salvador alone, in contrast to $105 million for all the Caribbean islands. But emphasis on what Reagan referred to as “our neighbors by the sea” also focused attention on sealanes, through which two-thirds of U.S. oil passes, and on the supposed Soviet-Cuban-Nicaraguan connection. Defining the area as a basin dramatized international relations and minimized internal social conditions.

To outline a policy beyond the Caribbean Basin for all Latin America at this time would have made the resources the White House was prepared to commit seem more meager than they are. Where the CBI talks of millions, the Alliance for Progress talked of billions, and Reagan wants to avoid that comparison while appearing no less positive and comprehensive. The Committee of Santa Fe document *does* address the entire hemisphere. Its prescriptions parallel Reagan’s CBI proposals, leading one to conclude that the CBI embodies an approach intended for all Latin America, but funded for only a part.

Its peculiar grouping of countries aside, the CBI is highly unoriginal. It is one more in that genre of U.S. policy pronouncements known as “Latin America in the eleventh hour.” Washington periodically wakes up and discovers that Latin America has been slipping away while U.S. policy was on hold. The alarm sounds: “Communist penetration.” The awakened giant plunges into activity, unaware that he has no recall of what has happened in the region—particularly in its smaller countries—during the period that lapsed between this crisis and the last. For Washington, history is discontinuous. Thinking an inter-American military force might extricate it from Central America, the Administration remembers the Santo Domingo invasion of 1965 and the manipulation of the Rio Pact used to justify the overthrow of Arbenz in Guatemala in 1954. It remembers the Monroe Doctrine, that “historic cornerstone of United States–Latin American policy,” and the use Theodore Roosevelt made of it at the turn of the century. What is conspicuously absent is an understanding of the continuous history experienced by, say, Salvadorans or Guatemalans over the last thirty years.

According to the Committee of Santa Fe, we are in the “third phase of World War III,” and Latin America is one of the two principal theaters. The Russians are winning this war for “oil and ore” and “for the minds of mankind.” “In war there is no substitute for victory,” the Committee asserts: “Latin America is being overrun by Soviet supported and supplied satellites and surrogates.” Designed to soften his reach-for-the-gun image, the President’s speech employed the meta-
phor of empire rather than war. "A new kind of colonialism stalks the world today and threatens our independence." But who is to say whether our leaders distinguish metaphor from reality? Should diplomacy and propaganda fail to turn Castro around, the Committee of Santa Fe says "a war of national liberation against Castro must be launched."

The Administration thinks, then, in terms of an "annual balance sheet of gains and losses" vis-à-vis the Soviet Union. How did the Caribbean suddenly become "a Marxist-Leninist lake"? "Cuban aid to left-wing movements in Nicaragua, El Salvador, and Guatemala have in the last two years turned Central America into an area of great instability," stated the Committee of Santa Fe in May 1980. Washington confuses its discovery of the guerrillas, its awakening, with what has actually been going on in these countries. Leaving aside guerrilla movements that antedate 1970 in Guatemala and Nicaragua, in all three countries multiple guerrilla forces have been active continuously since the mid-1970s, as have been numerous popular organizations protesting state oppression.

More on this later. At this point Washington's amnesia can be illustrated by one example drawn from the Committee of Santa Fe's account of how the Sandinistas came to power in Nicaragua, in July 1979.

The Sandinistas included Communist cadres from other countries. In spite of all this international aid, when Somoza left the country, the insurgents had not even achieved their objective of liberating the town of Rivas, close across the Costa Rican border, where they intended to proclaim a provisional government. Somoza and the National Guard abandoned the fight because the United States had curtailed resupply of ammunition.

In other words, Carter lost Nicaragua; the Sandinistas had no popular base inside the country; their movement was dependent on outside aid and foreign Communist cadres. No reputable scholar of Central America, including conservatives, would subscribe to this interpretation. How could they when, a week before the final drive on Managua, the Sandinistas had liberated León, Chinandega, Estelí, Matagalpa, and Masaya with the help of popular uprisings inside these cities. Indeed, popular uprisings in these cities in September 1978 forced the Sandinistas to accelerate their timetable and concede a larger role to combatants not integrated into their ranks.

Amnesia is the kindest word for the official understanding of Central America. Anyone who knows Washington knows that power drives out information. One arrives at a position of power by exuding confidence in interpre-
tations previously fashioned to win promotion in U.S. public life. The power­
wielders bolt from meetings after delivering pronunciamientos, claiming “other pressing engagements.” Embassy personnel and intelligence analysts are low on the pecking order, their work reshaped by superiors to bolster lines the powerful already have adopted.

Not knowing the domestic history of the weak societies on which they im­
pinge gives policymakers the freedom to deal with them in whatever terms they find congenial: a test of will with the Soviet Union, an opportunity to apply tried­and-true U.S. solutions, an epiphenomenon created by outside agitators. How does President Reagan interpret the struggle in El Salvador after a year of having to confront it? “Very simply, guerrillas, armed and supported by and through Cuba, are attempting to impose a Marxist-Leninist dictatorship on the people of El Salvador as part of a larger imperialistic plan.”

While brushing the recent history of Central America aside with such state­
ments, both the President and the Committee of Santa Fe want to revive the Monroe Doctrine, by which Washington—159 years ago—unilaterally declared the entire hemisphere off-limits to European governments. The Santa Fe state­
ment is explicit: “reproclaiming the Monroe Doctrine,” Washington can “pursue a policy of intervention in the foreign and domestic affairs of any Latin Amer­
ican nation” that “follow[s] policies which aid and abet the intrusive imperialism of extracontinental powers.” That is quite an updating of Monroe. The target of Washington’s action shifts from European governments to indigenous regimes whose policies, in Washington’s eyes, may aid whatever form of foreign action in the hemisphere Washington considers imperialistic.

The history of inter-American diplomacy has been a struggle over Wash­
ington’s right to intervene. For most Latin American states in most epochs, non­intervention pacts have been seen as limits on Washington’s power. In reasserting Theodore Roosevelt’s updating of the Monroe Doctrine—granting Washington has a right to intervene if it thinks that is required to keep alien influences out—the Reagan administration assumes an enormous public relations task. How to sell this to the Latins? The Administration has two strategies. One is to “multi­
lateralize” the Monroe Doctrine, in the words of the Committee of Santa Fe, by including some of the larger countries in the monitoring process. Allow the Ar­
gentines, for example, to assume their “hemispheric obligation” in Central America, just as Brazil was made titular head of the inter-American (largely U.S.) force that intervened in Santo Domingo. Whether the Mexicans and the Vene­
zuelans will accept an Argentine presence in “their” Caribbean is a matter Wash­
ington has yet to resolve.

Another way to sugar the pill of resurgent U.S. interventionism is the CBI, which adds reassuring rhetoric to economic aid. In the President’s speech, friendly nations within the hemisphere are repeatedly called “brothers” and “neighbors”:
“we are the New World.” The authors of the Santa Fe statement stumble occasionally when they refer to the Soviet Union as the “Old World,” perhaps sensing that this jars with the East-West metaphor in which “Old World” Europe is on our side. Reagan’s references to the Soviets as “extracontinental” contains the same problem, but logical consistency is not the primary test of rhetoric.

What makes us sister-states of one hemisphere is not geography but values. In the President’s words,

In the commitment to freedom and independence, the peoples of this hemisphere are one. In this profound sense, we are all Americans. Our principles are rooted in self-government and nonintervention. We believe in the rule of law.

In the course of the speech Reagan adds to this consensus a belief in democracy embodied in free elections, in peaceful paths to development, in maintaining national identities, and in “tolerance of one another’s shortcomings.” This last lets Reagan off an awkward hook. How could we exclude Nicaragua and Cuba from the consensus while including Guatemala and Argentina? A state is democratic if it professes U.S.-style democracy regardless of its actual behavior toward political opponents. While arguing that the Judeo-Christian tradition is indigenous to the hemisphere and Marxism alien to it, the Committee of Santa Fe says questions of human rights are “culturally and ethically relative.” That is, Argentines are not expected to share our concept of human rights, despite our shared Western values.

Rhetorically, then, the President has merged U.S. purposes with those of the hemisphere. The stage is set for dealing with countries that reside in that area but have opted for other models of political and economic development. These, we are told, “have turned from their American neighbors and their heritage.” Not excluded, they have chosen to exclude themselves by “attempting to resolve human problems by brute force” and by embracing “outside ideologies.” Among these pariahs is Sandinista Nicaragua where opposition parties and press have more freedom and where human rights are better observed than they are in several of the countries Reagan includes in the “commitment to freedom” consensus.

In Reagan’s syntax “guerrillas” are linked to “imported terrorism” and “aggression from outside.” Evidence of the guerrillas’ complicity with extracontinental imperialism does not reside solely in their ideology or in the source of their weapons. The very fact of being guerrillas—“those who hate and destroy”—places them beyond the pale. Reminiscent of John Foster Dulles’s “beachheads,” revolutionary movements and the regimes that issue from them are “footholds on

American soil” of “a new kind of colonialism [that] stalks the world today and threatens our independence.”

Policy is shaped by more than pronouncements, however. During the past year three things happened in Central America that have narrowed the options open to the Administration. Elections in Guatemala and El Salvador that were supposed to legitimate client regimes, and thus reduce Congressional objections to greater U.S. assistance, turned out poorly. The election in Guatemala was followed by charges of fraud and the wrong military coup. In El Salvador the administration unwittingly sacrificed Napoleón Duarte by carrying through with an election the left, for good reason, sat out. This left Duarte no partners when, failing to obtain a majority, he faced a coalition of rightist parties.

On the military front, the Administration found the odious human-rights record of the Guatemalans a nearly insurmountable obstacle to giving that army greater support. In El Salvador, where U.S. military aid increased rapidly under the cover of the reformist image Duarte lent the military-dominated junta, the tables failed to turn against the guerrillas as predicted. Enhanced firepower in the hands of the Salvadoran military produced greater numbers of civilian casualties—and more recruits for the Farabundo Martí Liberation Front.

A third surprise for the Administration was the aggressive diplomatic offensive launched by the Mexican government. As the Santa Fe statement makes clear, establishing good relations with Mexico is a high priority for this administration. Mexican President López Portillo accepted Reagan's embrace, then called his bluff. Acting as if the U.S. meant what it said in invoking the Monroe Doctrine, Mexico offered to do its utmost to insure that the struggles within El Salvador and Guatemala were not abetted by “extracontinental powers” and to pursue whatever political solution remained possible in El Salvador. In return, however, it asked Washington to accept Nicaragua and Cuba as legitimate members of the hemisphere and to be willing to countenance a leftist regime in El Salvador if that was what the political settlement eventually produced. In short, Mexico offered to accommodate Washington's Monroe Doctrine concerns as Monroe understood them but only if, as a quid pro quo, Washington abandoned the more extensive prerogatives linked to that doctrine by the Santa Fe statement.

There is every reason to believe Mexico could negotiate a reduction in the arms buildup inside Cuba and Nicaragua and a halt in deliveries from these countries to El Salvador, assuming such deliveries exist. Washington, however, would have to limit its excessive arming of Nicaragua's neighbors and its tolerance of armed bands of Cuban and Nicaraguan exiles training on U.S. soil. Limits on the role and number of Soviet and Cuban advisers could be set. But again, American and Argentine military personnel in Central America would need compara-
ble definition. And so on. What the Mexican mediation cannot do is assure the
left's defeat or stop Cuba and Nicaragua from giving the guerrillas moral sup­
port and safe havens. If rightist exile groups can freely meet in Miami and Wash­
ington to discuss strategy and publicize their cause, their leftist counterparts
cannot be denied the right to do so in Managua or Mexico City.

Whether such a compromise is acceptable to the Reagan Administration
depends on what version of the Monroe Doctrine it ultimately is committed to:
the original prohibition against extracontinental powers intervening in the hemi­
sphere or the expanded interpretation that outlaws political ideas and methods
the United States does not like. The decision will not be made, of course, along
theoretical lines. One or the other version of the Doctrine will be there to justify
the Administration's pragmatic assessment of what it can get away with.

Arguing for an acceptance of the Mexican mediation is the promise it offers of
extricating the President from a situation that is costing him support in Congress
and among the public. Conservatives in the United States would no doubt ac­
cuse the Administration of “losing El Salvador,” were that the outcome, but the
President could then deflect this charge to the Mexicans.

Two potent factors argue against acceptance of the Mexican solution. One
is typified in this remark by a U.S. official: “What would the Egyptians or the
Saudi Arabians—or the Russians—think if they saw us back out of Central Amer­
ica?” For the Reagan Administration establishing worldwide “confidence” in
America's “resolve” is a major objective. The Administration erroneously believes
this can only be done by refusing to accept compromises in situations where its
military and economic power could prove decisive. As indicated above, the pre­
vailing metaphor of the Santa Fe statement is war: “in war there is no substitute
for victory.” Prudent political compromises, such as Carter's Panama Canal trea­
ties, are dismissed as “self-inflicted wounds.” Secretary of State (ex-General of
the Army) Alexander Haig declared Central America an area of “vital interest”
where the United States will “not flounder as we did in Vietnam.” Central Amer­
ica may pay the price for that earlier U.S. defeat.

The other major obstacle to the Administration's acceptance of the Mexican
 salida—exiting gracefully from an untenable situation is a concept well-unnder­
stood in Latin America—is its commitment to a free-enterprise, free-trade model
of development. The Committee of Santa Fe's list of “concepts . . . common to
both Anglo and Latin America” includes “private initiative.” Both at the Cancún
conference and in his CBI speech, President Reagan spoke as if there were but
one road to “self-sustaining growth” and that is “to make use of the magic of the
marketplace, the market of the Americas.”

Key members of this administration served in the Nixon presidency that fatally destabilized the government of Salvador Allende in Chile. Since no one in Washington seriously believed Allende posed a threat to neighboring countries or to U.S. strategic interests, and since Allende functioned under a democratic constitution, one is at a loss to explain Washington's action unless it stemmed from a refusal to accept a (potentially) socialist economy in the hemisphere. Washington's hostile reaction to the Sandinistas' mixed economy and socialist rhetoric supports this conclusion. (The hostility assumes many of the same covert tactics employed against Allende.) If noncapitalist economic experiments are intolerable to Washington, there can be no Mexican solution. For it is not self-evident to the left in Central America that the marketplace is magical.

This observation brings our analysis back to where it began: amnesia. The political turmoil that awakened U.S. policymakers to the Central American crisis developed out of two decades of applying the same economic policies the Reagan Administration now offers as a solution. Why should an economic strategy applied in the 1960s, which generated political crises in the 1970s, work in the 1980s under far more stressful conditions?

The policies which the Committee of Santa Fe claim will alleviate "the problems of poverty, unemployment, and economic distress which are the breeding grounds of Communism" (the language is vintage Dean Rusk) were, in the sixties, accompanied by more resources than U.S. corporations and Washington are prepared to invest in Central America now. Foreign private investment, cash crops for international markets, transfers of technology—these recommendations of the Santa Fe group led to the very problems they see in the region today: food shortages, inflation, massive foreign indebtedness, and balance of payments crises.

During a period of rising world demand for agricultural exports and of massive aid under the Alliance for Progress, the five core Central American countries expanded their exports 10 percent per year, their industry 8 percent, and their national product 6 percent (1960–1968). These were the years in which El Salvador, under the stimulus of the Central American Common Market, was touted as the "Ruhr of Central America." Technological inputs revolutionized export agriculture (fertilizers, hybrid seeds, mechanization), so that 60 percent of the growth in agricultural output came from productivity gains, not more labor.5

And that was the problem. That remains the problem. Foisting on an area of high population growth an economic strategy suitable to countries with stable, trained, and well-paid labor does not make sense. As agribusiness expanded in Central America, that half of the population that lives off the land was forced onto smaller plots of more marginal soil, forced into becoming redundant workers following the harvests, and eventually forced into cities where they competed with one another for unskilled jobs in the service sector. With wages depressed by too many illiterate workers chasing too few unskilled jobs, more members of each family sought employment, further depressing wages and lowering the quality of child care.

Guerrilla movements are strongest today in El Salvador and Guatemala. They and the popular organizations supporting them have been gaining strength since the mid-1970s. The vicious cycle just described is readily apparent in statistics published for these two societies. The percentage of Salvadoran peasants without access to land grew from 12 to 41 percent between 1961 and 1975 and is approximately 60 percent today. While Guatemala's rural population increased by 2.6 percent per year during the sixties, agricultural employment grew by 0.1 percent. An increase in the number of children in the workforce appears in both countries. The leading causes of death are diarrhea and gastroenteritis, both preventable where governments provide minimal services and where families are not forced to live in shantytowns or on the migratory circuit. While the national product of both countries increased, the share going to wage and salary earners fell. On the basis of detailed research sponsored by the Brookings Institution, economist Clark Reynolds concludes that the already steeply skewed distribution of income became even more unequal and that the real income of unskilled workers fell—all at a time when these economies appeared to the world to be "taking off." 6

That protest movements developed in these countries from several different quarters, Catholic as well as Marxist, should have alerted onlookers to the failures of the economic model. The very multiplicity of these movements belies their being the result of one "larger imperialistic plan." Throughout the seventies, protesters followed a pattern seen in the U.S. civil rights movement: competing in elections without hope of victory while developing a repertoire of direct actions

and self-help organizations. Christian "base communities" provided an organizational home comparable to black churches in the U.S. south: a relatively safe meeting ground at a time when organizing unions and cooperatives proved dangerous. The stepped-up state repression that greeted these efforts at grassroots organizing led protesters to rely on the guerrillas for protection. Hence the pattern of coalescing, both among and between popular organizations and guerrilla bands, witnessed in both countries from the late seventies on.

Centrist politicians lost ground to the military as repression replaced cooperation in the elite's dealings with an increasingly mobilized mass. Repression polarizes, as Somoza discovered in the final years of his regime. Nicaraguan farm-worker, women's, and human rights organizations that were not Sandinista before April 1978 became Sandinista in the wake of the National Guard's brutal repression. Even businessmen and church leaders found their preferred ground pulled out from under them, as Somoza made it impossible to oppose him without adopting the tactics and garnering the protection of the Sandinista left. This process is being repeated in El Salvador and in Guatemala. In each, rightist military factions have assassinated hundreds of centrist politicians, land-reform technicians, independent labor leaders, and intellectuals.

In light of this history, what does the Reagan team propose? Stepped-up military repression and a repetition of the economic strategy that produced the political crisis. That crisis, of course, has made the free-enterprise, free-trade strategy even less relevant than before. U.S. corporations stopped investing in the region as the Common Market fell apart and political tensions rose. More recently, native businessmen have begun to decapitalize Guatemala and El Salvador. Capital flight in this latter country now runs at half a billion dollars a year. As a consequence, most of the economic assistance proposed under the CBI is stop-gap, not developmental. Developmental assistance will decline; there will actually be less of it entering the region in 1983 than in 1980.

This leaves the military "solution," which the CBI will fund handsomely if Congress signs on. Reagan's proposal contains a 670 percent increase in U.S. military assistance to the region (1983 compared to 1980). At present levels of spending, however, Washington is straining the capacity of the Salvadoran military to absorb matériel. In its fixation with weaponry, its sources and sophistication, the administration has lost sight of the human factor. While the Salvadoran and Guatemalan armies must dragoon youths into service, the guerrillas expand in numbers and, for the first time in the region's history, enlist large numbers of Indians and peasants. Remedying this problem by introducing foreign troops, either Latin American or U.S., would be a desperate gamble that would cost Washington the support of Mexico and probably Venezuela, strengthen the influence of the Cubans and the Nicaraguans (who would survive even open attacks on their soil), and of course provoke massive opposition at home.
As they left Washington, sadder but wiser for failing to find a viable center they could support, President Carter's Central American advisers noted that the United States had options but few choices left in the region. For the incoming Reagan team, this smacked of defeatism. Up to this moment, the new administration has acted as if it could get everything it wants: a defeat for the guerrillas in El Salvador and Guatemala, the intimidation of Cuba and Nicaragua (if not a rollback in both countries), the collaboration of Mexico, a demonstration of the developmental efficiency of free-enterprise capitalism, and sufficient improvement in human rights within the region to get the Congress to foot the bill for all of the above. But U.S. power cannot deliver all of these goals due to the contradictory nature of some and the present irrelevancy of others. What has prevented the Reagan team from realizing this has been the amnesia typical of all U.S. administrations along with its belief that will power (and in some cases plain power) can overcome historical legacies and social realities. Slowly, however, messages from the field begin to penetrate the headquarters. For this administration as for the last, there will be options, not choices.

7 "The problem in Salvador is that we have alternatives but we don't have any choices," was how retiring Deputy Assistant Secretary of State for Inter-American Affairs James Cheek put it ("Cauldron in Central America," New York Times, December 7, 1980). Carter's ambassador to San Salvador Robert White said, "We have enormous power in Central America. What we lack are choices" ("Arms Aid and Advisers," New York Times, March 8, 1981).