

U.S. Central American Policy at a Crossroads

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Following is the prepared statement by Langhorne A. Motley, Assistant Secretary for Inter-American Affairs, before the Subcommittee on Western Hemisphere Affairs of the House Committee on Foreign Affairs, May 2, 1984.

In 1979, one of my predecessors testified before this subcommittee that Central America was at a crossroads, with one path leading to violent and radical change, the other to democratic reform. Yet many believed that a foreign policy for Central America based on democratic reform was unrealistic because, except in Costa Rica, democracy couldn't survive in Central America.

Today Central Americans have made their choices. Except for Nicaragua, our neighbors have chosen the path to democracy. Over the last 5 years, Honduras has elected a civilian president, El Salvador has had two free elections, and Guatemala has begun to move toward constitutional government.

Today it is the United States that is at a crossroads. Will we support the efforts of Central Americans to build democracy and peace? Are we prepared to pursue a policy that will persuade the Sandinistas to abandon their violent and radical course? Or will we return to the alternating neglect and interventionism that marked our relations with Central America in the past and that have contributed so much to the problems we face today?

This is not the moment for the United States to falter. Without our help, our neighbors would face an unequal struggle. As Secretary Shultz said on March 20:

If regimes responsive to Moscow and Havana and hostile to the United States are installed in Central America, we will pay a high price for a long, long time.

Support for democratic reform and peace in Central America requires confidence in ourselves and in our neighbors. It requires providing democratic forces with the resources they need to get the job done in the face of grave threats. And it requires acting with steadfastness and political determination throughout the region.

That is why I believe the approach developed by the National Bipartisan Commission on Central America is in the best interests of the United States and should be supported by the Congress.

I will not repeat here the many arguments presented by the Administration and the independent bipartisan commission before this and other interested committees. Those testimonies, and the almost 1,000 pages of the bipartisan commission's *Report and Appendix*,¹ analyze the crisis in Central America and how the United States should respond to it in exhaustive detail.

¹The U.S. Government Printing Office (GPO) offers for sale the *Report of the National Bipartisan Commission for Central America* (132 pp.) and the *Report of the National Bipartisan Commission for Central America—Appendix* (832 pp.). Please contact GPO for availability and prices:

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Rather, I will focus on two points:

- Why Central America's dynamic confronts us with a choice we can defer only at our peril; and
- An update with particular regard to Nicaragua, El Salvador, and prospects for a comprehensive regional settlement.

THE LAST 5 YEARS

At this time 5 years ago, Central America's traditional order was in serious trouble.

- Nicaragua's National Guard faced popular uprisings in Leon, Esteli, and Masaya, while Nicaraguan patriots like Eden Pastora were in Costa Rica and Honduras preparing what proved to be their final campaign against General Somoza.

- In El Salvador, General Romero's government was paralyzed by its own ineptitude and repression and by the terrorism of young radicals who were amassing substantial popular support.

- In Guatemala, the government of General Lucas had been implicated in assassinations of moderate politicians and was in increasingly open conflict with the Catholic Church; the countryside was prey to armed bands from left and right.

- Honduras was more peaceful, but it, too, had a military president, a suspended constitution, and a simmering conflict with El Salvador.

- Only democratic Costa Rica was free of violence.

Today, the traditional dictators are gone. But now the pendulum threatens to swing all the way from rightwing dictatorship to communist totalitarianism.

- General Somoza is gone. But his self-appointed successors have so repressed their people that many, including Pastora, have again taken up arms, this time against the communization of their country.

- General Romero is gone. El Salvador is in the midst of its second successful national election in 2 years, but the relentless guerrilla assault supplied and managed from Cuba and Nicaragua continues.

- General Lucas is gone. Although his successors have also been generals, Guatemala is preparing for Constituent Assembly elections in July and national elections in 1985.

- Honduras has a restored constitutional order and a strong civilian president. But, although it has made peace with El Salvador, it now faces constant threats from Nicaragua.

- Costa Rica remains vibrantly democratic. But it, too, is threatened by Nicaragua.

Politically, these events reflect two opposing trends:

The first is the gradual democratization of Central American life. This very real trend suggests that those who argue that Central Americans are not ready for democracy are out of touch with what has been happening there in recent years.

The second trend is the Cuban-Soviet militarization of Nicaragua and of the conflict in El Salvador for antidemocratic purposes. Cuba and the Soviet Union have provided the military and technical infrastructure to redirect the Nicaraguan revolution and inflame the entire isthmus.

These changes have come about so rapidly that many observers have been caught off guard.

- To this day many Americans still look at El Salvador as if it were the semifeudal state of the pre-1979 era. It is not.

- Many still view Nicaragua as it was in mid-1979: newly liberated from the Somoza dictatorship; pledged to the world and its neighbors to be democratic, nonaligned, and nonaggressive. That view is, at best, naive.

- Many still ignore the escalating Cuban and Soviet military intervention underway in Central America. Yet it has global as well as local implications.

- And, most ironically, some assume that the United States itself has not changed, that we, government and critics alike, are still incapable of viewing Central America in anything more than the simplest of stereotypes.

Yet today, were it not for the United States, the struggle between the advocates of democracy and their armed communist enemies would be desperately unequal—not because of numbers, for an overwhelming majority of Central Americans have always supported democracy when given a chance, but because of Cuban- and Soviet-supplied guns wielded to prevent a free choice.

Nicaragua's buildup gives the Sandinistas military power unimagined in the annals of Central American militarism. Somoza had 12,000 men under arms; the Sandinistas boast of having 100,000 or more. Somoza had 3 tanks and 25 armored vehicles. The Sandinistas have more than 50 medium tanks and at least 80 armored vehicles, plus amphibious light tanks, tank ferries, and multiple rocket launchers. With Soviet and Cuban encouragement and resources, the Sandinistas have

turned Nicaragua into a general headquarters for thousands of guerrillas throughout the isthmus. Ironically, this buildup began the day the Sandinistas moved into Somoza's bunker, even as the rest of the world was prematurely celebrating the end of Nicaraguan militarism.

Nicaragua's neighbors would be unable to preserve a balance if they could not count on the United States. Costa Rica has no army. Honduras, even now, has but 16 light tanks and a dozen armored vehicles. And across the Gulf of Fonseca from Nicaragua, guerrillas are using the military technology and supplies they receive through Nicaragua to fight democratic reforms supported by an overwhelming majority of Salvadorans.

This is why we now face a critical choice. We have had 5 years to determine what is happening. It is obvious that the overwhelming majority of Central Americans want democracy. They are clearly capable of working and even fighting for it. Equally, Cuba and the Soviet Union are attempting to turn Central America's travails to the disadvantage of both Central America and the United States. And a distinguished and independent bipartisan commission has reviewed the evidence and provided a blueprint for a long-range solution. The Administration has accepted that blueprint.

We have, in short, a coherent policy that addresses the need to help strengthen democratic institutions and to lay the basis for equitable economic growth in a more secure environment. But, though no alternative has been put forward, we are still not providing the resources our neighbors need. It is as if we had decided to wring our hands at the absence of quick and easy solutions. It is not a pretty picture.

The words of the 1984 Easter pastoral of Nicaragua's Roman Catholic bishops, "it is useless to blame everything on the evils of the past without recognizing the deficiencies of the present," apply to us as well.

What will we say 5 years from now if, on top of our past failures in Central America, we now turn our backs on our neighbors when they face armed communism as well as continued resistance to democratic change from extremists of the right?

SOME SPECIFICS

Let me be more specific, by country.

El Salvador

Few predicted in 1979 that the Salvadoran Government would prove capable of launching and carrying through major reforms. Yet the government that ultimately emerged from the 1979 coup against General Romero, composed of the armed forces and the Christian Democratic Party, succeeded in breaking the power monopoly of the old ruling order and installing a new alternative and a new perspective. This new perspective has been evident in the current election campaign: not even the candidates of the right suggest reversal of the reforms.

On March 28, 1982, more than 1.5 million Salvadorans turned out to vote in that nation's first free and fair elections ever. They believed that their vote was important, and they were not disappointed. Power passed peacefully to a Government of National Unity headed by independent Alvaro Magana. The elections did not end the war, but they produced a Constituent Assembly which passed an amnesty law, authorized a Peace Commission to try to bring the guerrillas into the democratic process, and adopted the new liberal constitution under which El Salvador now lives. The reforms continued: the assembly extended the land-to-the-tiller program three times. Under this program, President Magana's administration has redistributed more land than the previous government.

Now El Salvador is in the midst of the next phase of its transition to democratic government. Whoever is elected president of El Salvador on Sunday will have a mandate that represents a majority of the voters.

Some commentators have predicted a military coup if one or the other candidate wins, but I can tell you we have seen no evidence of this. The armed forces have maintained a professional distance from politics and worked to protect the physical security and institutional integrity of the process. The words of the OAS [Organization of American States] observers to the first round of voting, on March 25, are worth noting:

The Armed Forces deserve praise for the correct manner in which they provided security to the voters and for their cooperation with the citizenry in defending their right to express their political preference without undue influence.

Though there is still a long way to go, El Salvador has also made great strides in human rights. Political violence is down

sharply from 3 and 4 years ago. Salvadoran political and military leaders, backed by the United States, have ensured that death squad activity can no longer be cloaked in the guise of "patriotic anticommunism." Death squad killings are murder and are being condemned as such by Salvadoran public opinion. The death squads have as their goal the destruction of democratic rule and social reform—they represent a virulent but declining opposition to the government and its reforms.

Progress also has been made, again not without difficulty, in all cases of murdered American citizens. In the only two cases in which suspects have not been identified, the deaths of John Sullivan and Lt. Cmdr. Albert Schaufelburger, investigations proceed.

Peace is not achieved merely by wishing for it—the hard reality is that diplomacy not backed by power is doomed.

The Salvadoran Government's pursuit of these cases and the enthusiasm we have seen during our project to help upgrade their judicial and investigative capabilities demonstrate their desire for genuine improvement across the board, not just in politically sensitive cases.

Most importantly, and this is admittedly difficult to measure, there is a new attitude in El Salvador. Every Salvadoran—whether government official, member of the armed forces, businessman, politician, or private citizen—is aware of the fundamental importance of human rights. In the long run, that is the most important consideration, because it is they, not us, who must prevent further abuses in their own society.

El Salvador has now begun to counter economic destabilization, which is the key to the guerrillas' "prolonged war" strategy. From 1979 through 1982, the Salvadoran economy declined sharply due to guerrilla violence and adverse developments in the world economy. Per capita income fell by about one-third in real terms, to levels El Salvador had achieved in the early 1960s. But in 1983, with the help of U.S. assistance, the economy finally stabilized. The cost of guerrilla violence to the economy is still greater than the value of all U.S. economic assistance during the same period, but with our continued assistance, the Salvadoran economy could begin to grow again in 1984-85.

In short, in the last 5 years, El Salvador has survived an externally supported guerrilla war to achieve:

- The beginnings of reform, stability, and increased democracy in the political field;

- Sharp reductions in human rights abuse with the clear prospect of further progress; and

- Economic stabilization, albeit still at a low level.

In only one major area of concern can I report little definitive progress over the last 5 years—the military sphere. There is little immediate danger of a guerrilla victory in El Salvador. The armed forces can force the guerrillas to abandon positions. And there have been improvements in command structure, force levels, and tactics. But the nation remains vulnerable to high-impact guerrilla raids; critical security tasks such as protecting the elections are still being provisioned on a hand-to-

mouth basis. The Salvadoran Armed Forces do not have the capacity at this time to force the guerrillas to abandon their pursuit of a military victory or to induce them to accept participation in an open, democratic process.

I regret to say it, but U.S. support for creating a better society in El Salvador has not kept up with Cuba's and Nicaragua's admittedly easier objective of destroying it through support for terrorism, sabotage, and guerrilla war.

In the same period in which we have seen such progress in the political, human rights, and economic arenas, the Administration's requests for military assistance have been regularly underfunded. This past year, for example, while the second Continuing Resolution for FY 1984 was being considered, the National Bipartisan Commission was working to develop a long-range strategy for Central America. Military assistance for El Salvador was appropriated at a low level while we awaited the commission's findings.

The bipartisan commission unanimously recommended that the United States provide to El Salvador "significantly increased levels of military aid as quickly as possible, so that the Salvadoran authorities can act on the assurance that needed aid will be forthcoming" [emphasis in the report]. It added that there is "no logical argument for giving some aid but not enough. The worst possible policy for El Salvador is to provide just enough aid to keep the war going but too little to wage it successfully."

Although underfunding is helping to prolong the conflict, the Administration's request for \$178 million in supplementary assistance has not been acted upon in this House, even after intense consultations and after the Administration's willingness—and the Senate's bipartisan action—to approve an initial \$62 million for the most urgent needs.

That, in a nutshell, is the explanation for the President's use of the emergency provision of Section 21(d) of the Arms Export Control Act to assist El Salvador by allowing it to defer payments on essential defense articles. We had run out of time. Were the Salvadorans unable to protect the election from guerrilla disruption, who would give the Salvadoran Government the benefit of the doubt? How many would have said that the Salvadorans "cannot win" and that we should push them to accept an undemocratic power-sharing deal with the guerrillas? With our own lack of firmness so fully displayed, any such deal would lead directly to the kind of power play in El Salvador we saw the Sandinistas achieve in Nicaragua in 1979-80.

The Salvadorans need and deserve our support. Not just token support but support adequate to a difficult task. They have proven themselves capable when they have the means. We should be ready to provide them.

Nicaragua

In July 1979, Nicaragua's new leaders pledged to the entire hemisphere that they would hold free elections, be nonaligned, and respect the self-determination of peoples.

In September 1983, the Government of Nicaragua made an even broader commitment. It agreed with its Central American neighbors and the Contadora states—Colombia, Mexico, Panama, and Venezuela—to negotiations to implement 21 specific objectives. These objectives include the establishment of democratic government, an end to support for subversion, and various military cut-backs—both cuts in arms and military personnel and reductions in foreign military and security advisers with a view to their eventual elimination.

On January 8, 1984, Nicaragua further agreed with the Central American governments on specific procedures to guide the negotiation of a treaty embodying the 21 points and the verification and control measures necessary to ensure that they are actually carried out.

Were the Sandinistas to meet these commitments to their own people and their neighbors, the basic objectives of the United States with respect to Nicaragua would be achieved. We ask of

the Sandinistas only that they do what they have publicly committed themselves to do—and what their increasingly fearful neighbors are asking of them.

The problem, of course, is that the Sandinistas have been moving in the opposite direction ever since 1979. They have based their power not on elections but on internal controls and militarization and on Cuban and Soviet support. They have systematically destroyed the broad national coalition that overthrew Somoza. They have harassed political critics, the media, business and labor, ethnic minorities, even the Catholic Church. They have built a military establishment many times the size of Somoza's National Guard. They have brought in at least 2,500 Cubans and over 100 Soviet-bloc military and secret police advisers to develop a pervasive internal security apparatus and to organize support for guerrilla warfare against El Salvador and their other neighbors.

Experience has taught that we must seek actions, not words, from Nicaragua—action to sever military and security ties to Cuba and the Soviet bloc; action to end all support for guerrilla violence and terrorism in Central America; action to reduce Nicaragua's military buildup to levels in balance with its neighbors; action to establish a genuinely democratic political system.

What we have seen so far is mainly rhetoric. And I firmly believe that without critical pressures from the military and diplomatic aspects of our policy, we would not have heard even this more accommodating rhetoric, only the kind of destructive defiance the Sandinistas have used with everyone from Arturo Cruz to the Pope.

In October 1980, the Sandinistas betrayed President Carter and the U.S. Congress—the more than \$100 million in aid we had given them and the political risks we took to do it. At that time we asked them to halt their efforts to export communism in Central America or face U.S. opposition. They persisted, and in January President Carter suspended aid to Nicaragua and authorized military support for El Salvador.

Again in August 1981 and April 1982, both times under President Reagan, the United States asked Nicaragua to end its support for the guerrilla insurgents in El Salvador, offering to resume constructive relations and economic cooperation. Again the Sandinistas were unresponsive.

In October 1982 in San Jose, Costa Rica, we joined seven other democratically elected governments in making fair and balanced proposals for regional peace. (Those who question the depth of U.S. support for the more recent Contadora

objectives might do well to compare them to the principles in the San Jose Final Act.) Nicaragua refused even to receive the Costa Rican foreign minister as emissary of this group.

Last year, the difficulties they were encountering began to give the Sandinistas second thoughts. Their domestic critics made clear they would not be intimidated. International support from democratic movements stopped being automatic. The United States undertook military maneuvers to help maintain the regional military balance. The Contadora nations insisted that Nicaragua begin to address the complaints of its neighbors.

Nicaragua's response so far falls far short of meeting the basic concerns I have outlined. The six-point "peace proposal" Junta Coordinator Daniel Ortega announced last July, for example, would have cut off all outside assistance to the Government of El Salvador without affecting Cuban and Soviet assistance to the Government of Nicaragua.

The four "draft treaties" that Nicaragua presented in October ignored the Contadora objective to establish democratic institutions, did not deal with the issue of foreign military advisers, and made no meaningful proposals for verification. In tabling and immediately publicizing these treaties before the ink was dry on the 21 objectives, Nicaragua was trying to undercut the Contadora process procedurally and attempting to narrow it substantively. Since then, the Sandinista leadership has sought repeatedly to shift the venue of dialogue away from Contadora—as in last fall's failed attempt at the UN General Assembly, at the Security Council last month, and again now at The Hague.

In November, following the collective action in Grenada, Nicaragua spread word that it was reducing the Cuban presence and telling the Salvadoran FMLN/FDR [Farabundo Marti National Liberation Front/Revolutionary Democratic Front] to leave Managua. But, in fact, as Nicaraguan Interior Minister Borge admitted, Cuban departures were normal year-end rotations of teachers and did not affect military or security advisers. The Salvadoran guerrilla headquarters are still operating from Nicaragua.

Now Nicaragua has announced elections for November 4. We would welcome genuinely open elections in which all representative political elements can participate. Such an event would be a particular relief for Nicaragua's democratic neighbor Costa Rica. Nonetheless, the state of emergency, with its arbitrary prior censorship of the media and controls on freedom of assembly, continues. And we have not yet seen movement toward a

framework which would ensure free and fair elections: an end to the state of emergency, reversal of the decision to bar opposition leaders, full media access, and limits on Sandinista use of state resources and institutions for partisan purposes. The Sandinistas' arrest of a prominent journalist on April 29 and their denunciation of the call to dialogue issued on Easter Sunday by the Catholic bishops are not hopeful signs.

Like other democracies, though skeptical, we have, nonetheless, publicly welcomed the Sandinistas' positive statements. We have also made clear that we are looking for genuine change, not rhetoric—for real rather than cosmetic actions on our four objectives. Our most recent exchange was on April 4, when special envoy Harry Shlaudeman and I talked with Nicaraguan leaders in Managua. Unfortunately, the Sandinistas remain intransigent, insisting simultaneously that they are not now, nor ever have been, supplying the Salvadoran insurgents and also that their support has diminished. They add that no action is required on their part to restore peace to the region. But they know what must be done. And the time has come for them to begin.

Honduras

Honduras is the poorest Central American nation, but the internal conditions that facilitated the Sandinista takeover in Nicaragua and nurtured the development of the guerrilla movement in El Salvador do not exist in Honduras.

- Honduras does not have a landed oligarchy. Land reform is a success.
- An independent and free press is open to everyone—including the political opposition.
- Trade unions are an effective force and have been so for more than 30 years.
- Although still the strongest single institution, the military has never been a praetorian guard for the privileged, nor is it repressive.

But Honduras does face serious problems in building democratic institutions in the face of extreme economic hardship and with potential instability on every border.

The Suazo government inherited an economy that was nearly bankrupt. Depressed global markets for the tropical and subtropical agricultural products that are Honduras' major exports, continued regional instability, and burgeoning population growth are all reasons why we have increased U.S. economic assistance (\$84.4 million in the FY 1984 Continuing

Resolution; \$84.5 million in the FY 1984 supplemental request; \$139 million requested for FY 1985).

The inflow of over 44,000 refugees fleeing internal crises in neighboring countries has placed major additional demands on Honduras' fragile economy. About 18,000 refugees are Salvadoran, 700 are from Guatemala, and the rest—more than 20,000—are Nicaraguan, the majority Miskito and Sumo Indians.

Beginning in 1981-82, despite the government's popularity, Honduras was struck by a wave of terrorist and subversive attacks. The timing, targets, and accompanying propaganda made it obvious that they were orchestrated by Nicaragua to intimidate the Honduran Government and to retaliate for depriving the Salvadoran guerrillas of unchallenged transit and sanctuary in Honduran territory.

The government's reaction to the terrorist violence has been firm but measured. Fears of 2 years ago that a rising level of terrorism would provoke police repression have not been borne out. But the Sandinistas have not relented. Their strategy is to increase the political and psychological pressures created by their military buildup and heightened destabilization efforts. Last July, Nicaragua infiltrated 100 Cuban-trained guerrillas into Honduras. Most of these guerrillas, including their leader, were quickly captured; but the intention was clear: to spread rural warfare to Honduras as well as to El Salvador.

Honduran Army units are under-trained; the country's total military force is one-fourth that of Nicaragua; and its inventory of transportation, communications, and air defense materiel is skimpy and aged. In addition, Soviet and Cuban activities in Nicaragua, including the training of military pilots in Bulgaria, call into question the deterrent capacity of the Honduran Air Force, the nation's traditional defensive mainstay.

Honduras wants to avoid war with Nicaragua and has become a major advocate of restoring a military equilibrium through force reductions. In the meantime, it has not attempted to match Nicaragua's buildup of ground forces but has embarked upon a selective military modernization program to establish a minimal deterrent for self-defense.

U.S. military assistance concentrates on training and basic equipment. No sophisticated weapons or systems have been transferred to Honduras. Our military aid (\$41 million in the FY 1984 Continuing Resolution; \$37.5 million in the FY 1984 supplemental request; \$62.5 million for FY 1985) would provide training, helicopters, fixed-wing transport and communications aircraft, naval equipment

and patrol boats, vehicles, medical equipment, radar, communications equipment, ammunition, and spare parts.

To enhance Honduran and U.S. capabilities and to demonstrate resolve, we have also conducted a series of major joint military exercises with Honduras. Some temporary facilities were also improved to support the exercises. In June 1983, the Hondurans established a Regional Military Training Center to offer training, with U.S. help, to friendly countries in the region.

Military Aid and Democratization.

A frequent criticism of U.S. policy toward Honduras is the assertion that all this military activity weakens democracy.

A careful look at what has happened politically—and militarily—in Honduras over the past few years suggests the contrary conclusion: that the direction of events has been from military control toward a civilian, democratic polity.

Honduras returned to civilian and constitutional rule in January 1982 after nearly 18 years of military governments. President Suazo's inauguration saw a clear transfer of power from military to civilian hands. This process had already begun during the transition period of the Constituent Assembly, when the key Communications Ministry shifted from military to civilian direction, as did the Ministry of Justice and the Agrarian Reform Institute. The Foreign Ministry and the Forestry Agency were returned to civilian control, leaving the Defense Ministry and the telephone and telegraph agency as the only major government bodies still headed by military men.

The Liberal Party government has since exercised unquestioned authority and established a solid reputation for honesty and technical competence. In economic and political matters, including appointments, President Suazo makes the decisions. This has been confirmed by the recent changes in military leadership. In military and diplomatic affairs, moreover, Honduras has consistently been at the forefront in supporting a comprehensive regional settlement.

The U.S. role is just as clear. At each stage in the return to democratic rule the U.S. Government encouraged the restoration and specifically discouraged those elements, which sought to maintain *de facto* military rule. In addition, while not determining politically, U.S. military assistance has permitted the Honduran Government to husband scarce resources for health, education, and public works without diverting them to military requirements.

In September 1983, a Costa Rican affiliate of the Gallup organization asked 700 Honduran adults with at least 1 year of secondary school what country, if any, was either a threat or a help to Honduras. The interviewers volunteered no names* of countries. Eighty percent named Nicaragua as a military threat to Honduras. One percent so identified the United States. (This contrast was further emphasized when 93% identified the United States as helping Honduras to solve its problems.)

In part because of U.S. support, Honduras today is clearly more progressive and more democratic than it was before the 1980s.

Costa Rica

Five years ago Costa Rica was reeling from the economic one-two punch of increased oil prices and sharply falling coffee and other primary export prices. Deteriorating trade was exacerbated by onerous debt-service burdens (reaching as high as 58% of export receipts by 1983), partly a result of overzealous foreign borrowing by autonomous agencies in the late 1970s.

In 1983, the Costa Rican Government was able to obtain and comply with the terms of an IMF [International Monetary Fund] standby program for \$100 million. Austerity measures greatly slashed the public sector deficit. Inflation was lowered significantly. Real gross domestic product grew slightly.

U.S. economic assistance was a significant factor in Costa Rica's ability to stabilize its economy. But despite the encouraging signs of 1983, it would be premature to speak of economic recovery during 1984.

Five years ago, staunchly democratic Costa Rica was serving as a base for numerous dissident groups fighting the Somoza dictatorship in neighboring Nicaragua. Tensions between Costa Rica and Nicaragua are thus not new. What is new, and what deeply concerns Costa Ricans, is the conjunction of economic recession and the radicalism and expansionism of the Sandinista regime on its northern border. Compared to the heavily armed Nicaraguan Army and massive militia reserves totaling more than 100,000, Costa Rica has no army, and its police forces total less than 7,000.

The deepest concern of the Costa Rican leadership, however, is not the specter of armed invasion but the longer range threat posed by the ideological aggressiveness of a Marxist-Leninist Nicaragua bent on propagating its creed. This concern is heightened by Nicaragua's ties to Cuba, the Soviet

Union, and the Soviet bloc generally, which exposes Costa Rica to externally supported subversion backed by a huge military and intelligence apparatus next door.

The influx of about 20,000 Salvadorans and 200,000 Nicaraguans has deeply affected Costa Rica. The several thousand men operating in southern Nicaragua under the command of former Sandinista hero Eden Pastora have elicited a good deal of sympathy for his cause among Costa Ricans. In mid-1983 members of the Basque terrorist group ETA were apprehended by Costa Rican security forces while apparently preparing to assassinate anti-Sandinista leaders in Costa Rica.

Faced with an armed-to-the-teeth Sandinista regime in Nicaragua, unarmed Costa Rica continues to rely upon the inter-American system for its security. While it remains militarily neutral, as President Monge has explained, Costa Rica continues to be a strong political advocate of democracy and a leading proponent of a negotiated regional peace.

Guatemala

Five years ago the people of Guatemala were being squeezed between an increasingly repressive government and a violent opposition that had come under the influence of Castro's Cuba. Leading political figures—like Colom Argueta and Fuentes Mohr, who offered an alternative between the two extremes—were killed, as were church leaders, labor union organizers, and members of the judiciary. The government of General Lucas Garcia rejected a plan for intense development projects to improve life for the rural peasant majority in the highlands and relied instead on the indiscriminate use of violence to force their allegiance. Guerrilla groups recruited successfully for the first time among the Indian population. Economically, the country was being driven to ruin, as the government spent millions on large capital development projects, many of which had little chance of success. Corruption was widespread.

The widespread human rights violations under the Lucas regime led to substantial international isolation. Efforts by both this Administration and the previous one to engage Guatemala in a dialogue about human rights concerns were unsuccessful.

This pattern began to change in 1982. On March 23 a group of young officers overthrew Lucas and installed a junta headed by retired General Rios Montt. Rios had been the Christian Democratic candidate for president in 1974 and by many accounts won the elections but lost the count to official fraud and was never allowed to take office.

Under Rios, the government and the army undertook a series of efforts to regain the support of the rural population and to seize the initiative from the guerrillas. Called the beans-and-rifle program, the army reasserted itself militarily in the highlands and began a well-conceived program of civic action projects that provided the Indian population with food, shelter, and medicine. At the same time the Rios Montt government organized rural villages into local civil defense forces, a key factor in the government's counterinsurgency efforts. As a result, the insurgents were increasingly put on the defensive throughout 1982-83.

At the same time, Guatemala was hit by the same forces of worldwide recession suffered by the other countries of Central America and was particularly affected by the collapse of the Central American Common Market. After several years of substantial real growth, the Guatemalan economy was nearly stagnant in 1981, then declined by an estimated 3.5% in 1982 and 2.0% in 1983. Austerity resulted in sharply lower levels of consumption, investment, and imports. A sustained drop in private investment over the past 5 years and the reduction of its Central American export markets further lowered production. Fiscal and monetary restraint (supported now by an IMF-sponsored program begun in July 1983) will continue for the foreseeable future.

Despite his relative successes, Rios was replaced in August 1983 by his Defense Minister, Gen. Oscar Mejia, in a nearly bloodless coup. The Mejia government immediately suspended the state of alarm, abolished the controversial special courts, and granted an amnesty. Moreover, the new government declared itself transitional and committed itself to returning the country to civilian, democratic rule. Mejia himself refused to take the title of president (he remains merely head of state). He confirmed Constituent Assembly elections for July 1984 and announced that an elected president would take office in 1985.

The Mejia government has followed through on these positive steps by taking the necessary measures to assure July elections by moving ahead with the legalization of political parties, registering voters, and decreeing an electoral law; 2.3 million voters have registered. Thirty-seven political groups across the political spectrum are taking steps to legalize themselves, and some 15 or 20 are expected to participate in the July 1 elections. The United Nations, OAS, and foreign governments have been invited to send observers to these elections.

Serious problems remain, especially human rights abuses. But it is important to recognize that significant political

changes have taken place since 1982. Political abductions and murders continue, but the general level of violence has decreased markedly. Compared to the Lucas period, the record of the Rios and Mejia governments has been such that the Special Rapporteur appointed by the UN High Commissioner for Human Rights to study the human rights situation reported favorably on the improved human rights picture in Guatemala.

We have to decide now how to encourage further progress. Economic assistance is vital if the Guatemalan Government is to be able to meet the basic needs of the people and especially the rural Indian population which has suffered the bulk of the violence. Similarly we need to resume—in a limited and conditioned fashion—a relationship with the Guatemalan military. The Guatemalan military still faces a serious insurgent threat. U.S. support for those Guatemalans who are attempting to restore democracy, improve human rights, meet human needs, and defeat externally supported Marxist guerrillas is important to help create a sounder basis for the civilian government that will take over next year.

RECENT DEVELOPMENTS

Our objectives in Central America today remain as they were set forth by the President to the Joint Session of Congress a year ago. We support democracy, development, dialogue, and security.

But recent events have highlighted for all of us the need to focus on the vital links between power and diplomacy. As Secretary Shultz has emphasized, power and diplomacy are not mutually antagonistic. Peace is not achieved merely by wishing for it—the hard reality is that diplomacy not backed by power is doomed.

In El Salvador, we are heartened by the prospect that the election 4 days from now will produce a president with a clear popular mandate. We have a major stake in El Salvador's continued progress toward democracy, the promotion of human rights, and security. Our relations are and will be governed by how the new government affects these interests. As noted above, our ability to support El Salvador's progress to date has been less than our national interest so clearly requires. The President's use of emergency authorities under section 21(d) in no way diminishes the need for prompt congressional action on our pending *military and economic* assistance requests. Our ability to press for continued economic, social, and political progress, and to help provide

the security necessary to attain it, depend on congressional action.

With Nicaragua, also, our relations are at a critical stage. Again, a combination of pressure and inducements is essential. The need for pressures arises from one fundamental reality: the need to convince the Sandinistas of the unworkability of their starting assumption that their Cuban/Soviet ties would enable them to assault their people and their neighbors with impunity.

For pressure to work, short of a direct military confrontation we all want to avoid, it must have defined political goals—a reasonable alternative that satisfies common concerns. That is the essence of diplomacy in the real world. And clearly delineated goals do exist: they are contained in the 21 points agreed to by all nine countries engaged in the Contadora process last fall.

The Document of Objectives agreed to on September 9, 1983, by the five Central American states, including Nicaragua, is a specific set of standards written in terms fully understandable to all the participants. And it is a formula that would achieve our objectives in Nicaragua—if actually implemented on a verifiable and enforceable basis.

Compare our own four basic objectives toward Nicaragua with the substance of the Contadora Document of Objectives:

- We seek an end to Nicaraguan support for guerrilla groups; the Document of Objectives calls for an end to support for subversion.
- We want Nicaragua to sever its military and security ties to Cuba and the Soviet bloc; the Document of Objectives calls for the proscription of foreign military bases and the reduction and eventual elimination of foreign military advisers and troops.
- We seek reduction of Nicaragua's military strength to levels that would restore military equilibrium in the area; the Document of Objectives calls for the reduction of current inventories of arms and military personnel.
- We seek fulfillment of the original Sandinista promises to support democratic pluralism; the Document of Objectives calls for establishment of democratic systems of government based on genuinely open elections.
- Finally, we seek a diplomatic solution that is verifiable and enforceable; the Document of Objectives calls for adequate means of verification and control.

Our joint exercises with Honduras, the fleet maneuvers, the fears of Nicaragua's neighbors, the resistance of the Nicaraguan people, the warnings to the Sandinistas from Europe and from

around this hemisphere—all contribute to this carefully developed framework of pressure-with-purpose. What the Sandinistas are being asked to do is clear to them, to their neighbors, and to us. The path to a political "solution" to regional democracy and disarmament is encompassed in the 21 objectives.

To keep their commitments to their people and the OAS, the Sandinistas could act unilaterally or they could act as a result of negotiations, as in the ongoing Contadora process. How they do what they have promised is up to them. What matters is action—and the sooner the better.

The basic fact is this: if the Sandinistas adhere to those principles in a way in which others can have confidence—whether on the basis of a formal treaty or not—its neighbors will do the same, and so will we. The pressure will have worked, our concerns will have been alleviated, and a political solution will have been achieved in Central America.

The months ahead are critical. They will determine whether the progress to date proves ephemeral or represents a real move toward regional stability.

The willingness of the Central American democracies to implement the Document of Objectives was reiterated by the foreign ministers of Costa Rica, El Salvador, and Honduras on April 25. On that date they issued a communique reemphasizing their commitment to the verifiable and enforceable implementation of all 21 points. Moreover, to help advance the negotiation of the concrete measures required to achieve those objectives, they declared their willingness to take the following additional steps:

- Immediately deliver an inventory of their countries' active and reserve combat units and principal weapons systems to a special commission of the Inter-American Defense Board and invite the board to send a suitable inspection team to verify the statements made in the inventories;
- Publish all military treaties and agreements with third countries;
- Inform the Inter-American Defense Board of arms and munitions deliveries from external sources and enable it to verify data concerning such deliveries; and
- Publish the number and location of all foreign military personnel in their countries and permit the Inter-American Defense Board to verify such number and location.

This is a positive and serious contribution to the negotiating process. It is recognition that the road to peace involves a series of steps each of which, incrementally, brings closer the goal of a verifiable, balanced, comprehensive, and lasting settlement. History provides all too many examples of treaties admirable in intention but unconnected to reality. The challenge to the Contadora participants is to avoid the pitfall of signing meaningless documents that proclaim peace but do nothing concrete to change the reality of continued conflict. This joint statement conforms to a realistic appreciation of the kinds of first steps required to advance the negotiating process.

The seriousness of this offer contrasts with the vacuousness of the statement issued 2 days later by Nicaragua. Ignoring the joint statement of Honduras, Costa Rica, and El Salvador, the Nicaraguan communique of April 27 advocated the immediate signing of peace treaties. There is no mention—not even rhetorically—in the Nicaraguan statement of verification and control. Why? I suspect the answer is that the Nicaraguans know that the democracies would be bound—by their very nature as open

societies with democratic institutions of press, political opposition, and institutional restrictions on the unbridled exercise of power—to adhere to any treaties that they sign. They know, equally, that in the absence of workable verification procedures, that they themselves could with impunity continue their present behavior. They would in that circumstance have achieved their political objectives of protecting themselves against the consequences of their actions while ensuring themselves the ability to continue destabilizing their neighbors.

The difference between the two positions is the difference—to quote Pulitzer Prize-winning journalist Shirley Christian—between “real policy and applause lines.” That is why ending our assistance would force Central Americans to choose between dictatorship and communism. Our assistance is creating a practical choice between those polar extremes.

- It is helping El Salvador build a democracy;
- It is helping Costa Rica and Honduras to resist Nicaraguan pressures; and
- It is keeping alive the possibility that Central America's problems can ultimately be solved through negotiations.

We know what the standards are. There are benchmarks along the way. And we must all keep careful track, in effect, “conditioning” our attitudes and actions on what is actually happening in Central America. We are looking for

tangible evidence—that El Salvador and Honduras are continuing to develop more democratic polities; that Nicaragua and Guatemala are taking credible steps toward fair elections; and that democratic governments are able to protect themselves against the antidemocratic terror of the far left and the far right.

We can, with some precision, envision a better future for the people of Central America. We cannot and should not expect these countries to “Americanize” themselves in our image. To be effective, our policies must build on directions that those countries find in their own national interests. That is happening in Costa Rica, Honduras, and, increasingly, El Salvador, where events are demonstrating that a democratic vision is attainable. It must also be attained in Nicaragua and Guatemala. It would be wrong both morally and strategically not to use our resources now to help them move toward that future. ■

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