

Contra-Dictory: Threat Perception and U.S. Policy toward Nicaragua, 1979-1990

by

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Supervisory Committee

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Abstract

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This article examines the perception of threat in the creation of a discourse by the administration of President Ronald Reagan in relation to the Sandinista government of Nicaragua. It emphasises the importance of a parallel with Cuba and the verifiable nature of Nicaraguan armed forces and concludes that, in order to construct its discourse, the Reagan administration made use of legitimate concerns that had previously been dismissed as fallacious by critics.

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Dedication

This thesis is dedicated to my wife Linda. You may not be born yet, but you're a heck of a gal.

Introduction

In 1979 the Nicaraguan dictatorship of Anastasio Somoza Debayle was overthrown in a revolution led by the Sandinista National Liberation front. The success of communist rebels against a staunch ally of Washington, so close to its southern borders, shocked many policy-makers and observers. They feared that the outcome could mirror the Cuban Revolution and the Missile Crisis it had created in the early 1960s. In order to prevent this possibility, the administration of Ronald Reagan embarked on a series of aggressive policies against the new Sandinista government, which eventually resulted in its removal by a democratic election in 1990. These policies proved to be quite controversial, in part because of their destructiveness, and were opposed not only by critics of the Reagan administration, but also by much of the international community. However, these policies have to be considered in the context of their time.

In the post Vietnam era, the United States sought through various means to prove its military capabilities across the globe. Many in Washington saw the retreat from Vietnam as a demonstration of the decline of American power. Pundits and politicians alike predicted a steady course to ruin for American military, political, and economic influence around the world. In the aftermath of American defeat, the threat of the Soviet Union seemed ever-present to many American policy-makers, steadily advancing, and bringing with it the ominous gloom of communism. This dark specter, made all the more threatening following the Soviet invasion of Afghanistan, and the danger to American hegemony it seemed to bring, was seen by some as a perilous enemy, and one that had to be opposed by any means necessary.

In order to achieve this goal, the administration developed a policy called the Reagan Doctrine. According to the doctrine, containment, the theory behind the Vietnam War and the Korean War, was no longer sufficient. The Evil Empire must be set on its haunches, and pushed back whence it came. The United States had to regain its influence and its power. It was in this context that, with the 1979 revolution, the Somoza government, claimed by some to be the single most loyal foreign government to American interests, was overthrown. The possibility of a second communist country in the Americas made many policy-makers in Washington uncomfortable. The Cuban Revolution in 1959 had proven the geostrategic threat a communist government presented to the United States, and because of its continental location, the threat posed by Nicaragua seemed even more extreme.

The policy-makers who made up the Reagan administration had lived through the 1960s and 1970s, and had seen first-hand how the Cuban revolution had threatened American security, particularly during the Cuban missile crisis. This thesis argues that it is essential to step into their shoes and see through their eyes when analysing the policies of Washington in Nicaragua during the 1980s. While many critics on the left criticized American policies, they often did not take into consideration the influence on perception that precedents like the Cuban Missile Crisis had created. The Reagan administration's perception of threat was founded on their awareness of three things: that the new Sandinista government was communist, that it was supporting revolution abroad, and that it had embarked on a military build-up not unlike the one Cuba went through in the 1960s. While it does not validate American policy, in many ways the fears of policy-makers were accurate, because they so deeply echoed events of the previous two decades,

and bore so many similar hallmarks to things that had proven undeniably dangerous to the United States in the past. These fears continued to reappear at various intervals, and even in 1978, one year before the Somoza government was overthrown, reports of a Soviet combat battalion in Cuba created a minor panic in Washington. American policy in response to the development of a new communist government in Nicaragua played off these long-standing fears and prompted a series of policies, which must be viewed in this light, and not simply dismissed as irrational, unjust, or purely ideological.

As American policy in Nicaragua evolved, it became one of the most politically charged and polarizing issues of the 1980s, and it sparked a massive domestic and international debate. The question of American support for Contra rebel groups, fighting to overthrow the recently established Sandinista government, led to scandal over the nature, extent, and funding of that support. At the heart of the discourse lay the issue of threat: did the Nicaraguan Sandinista government represent a genuine threat to regional and American security? To what extent did the actual realities of the military and political context of Nicaragua and the surrounding Central American nations affect the way in which U.S. policy was formed and portrayed to the American public? The answer to this is that, despite the undeniably ideological orientation of the Reagan administration, his officials also perceived a genuine military threat to the region, and to the United States itself, from the Sandinista government in Nicaragua. Furthermore, this perception was not entirely ungrounded – the revolution did threaten U.S. interests in the region, if not the United States itself. Finally, this strategic aspect formed an essential part of the broader message with which the Reagan administration attempted to “sell” the Nicaragua issue to Congress, and the American public. While many Americans felt that the Iran-Contra

scandal discredited the Reagan administration's policies toward Nicaragua, it did not disprove the threat perceived from the Sandinista government.

The literature on U.S.-Nicaraguan relations in the 1980s is vast; however, much of it is of little use to historians due to its polemical nature. Most of the literature can be broadly divided into contemporary studies and post-event analyses. The former category can be further subdivided into support for, or criticism of the Reagan administration. The literary landscape is deeply divided, with the United States described as an oppressive empire on the one hand, and a ray of democratic hope and freedom on the other. In addition to historians, journalists, policy analysts, and pundits debated the merits of his policy. As a result, the combination of biases and factual inaccuracies meant that many authors on the left side of the political spectrum often failed to take into account the context that shaped the fears of the administration, dismissing the claims of threat out of hand. Likewise, writers on the other side of the spectrum often analyzed events in a similar manner, ignoring the defensive posture of the Sandinista government and the overwhelming superiority of American military power in their eagerness to convince the American public of the dangers in Latin America.

Among the period's most influential accounts is Walter LaFeber's *Inevitable Revolutions* (1983).¹ Using a transnational approach, LaFeber argues that Americans have historically treated Central America differently from South America. As the dominant power in the hemisphere, the United States could not tolerate revolution close to its borders, and thus became the power against which further revolutions in the Americas would battle. Revolutions, which brought instability, were a threat to American

¹ Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (New York: W.W. Norton & Company, 1983).

strategic interests, but also the investments there its capitalism encouraged. Military and economic power was linked, and the United States used both to reinforce its hegemony over the continent. This created conditions in Latin America that often engendered anti-Americanism, and thus, LaFeber argues, made revolution there inevitable.

More pronounced in its criticism was E. Bradford Burns' *At War in Nicaragua* (1987). Although acknowledging Reagan's claims of national security, Burns argued that his policies had isolated the United States from its allies, and spread the image of a superpower crushing "the manifestations of independence by one of their small, undeveloped peers."² In *David and Goliath: The U. S. War Against Nicaragua* (1987), William I. Robinson and Kent Norsworthy, the two authors, journalists by profession rather than historians, claim their goal is to expose the actions of their government. Though their profession by itself does not discredit their work, it does demonstrate that many had very specific goals in front of them.³ The polemical nature of the issue is not, of course, limited to anti-war works.

Another key work is that of Robert Pastor, who served on the National Security Council during the Carter Administration. Initially published in 1987 under the title *Condemned to Repetition: The United States and Nicaragua*, Pastor's study analyzed the factors that seemed to lock the United States and Nicaragua into a cycle of dictatorship and intervention. In the 2002 edition of the book, re-titled *Not Condemned to Repetition* [emphasis his] Pastor admitted that this cycle had been broken. Robert F. Turner's *Nicaragua V. United States: A Look at the Facts* (1987) is another policy analysis-cum-

² E. Bradford Burns, *At War in Nicaragua: The Reagan Doctrine and the Politics of Nostalgia* (New York: Harper & Row, 1987), ix-24.

³ William I. Robinson and Kent Norsworthy, *David and Goliath: The U.S. War against Nicaragua* (Monthly Review Press: Centre for the Study of the Americas, 1987), 9-27.

history, which was intended by the author to participate in contemporary debate. Turner argued that Nicaragua acted aggressively against its neighbours from the beginning of the Sandinista government, regardless of American foreign aid. However, he overlooks the motivations of the Sandinista government, which did not perceive itself as being aggressive or expansionist, but rather adopts a defensive stance.⁴

In recent years, historians have offered more dispassionate analysis. William M. LeoGrande's *Our Own Backyard* (1998) examines the formation of U.S. policy. He concludes that political rivalries between American policy-makers and the importance of the broader Cold War context were more important than the military situation in Nicaragua in deciding American policy. Mauricio Solaún's *U.S. Intervention and Regime Change in Nicaragua* (2005) argues that human rights drove American involvements at first, but that militarization of the new regime provoked an escalation of violence and changed the nature of U.S. involvement. In contrast, Hal Brands gives more consideration to the military threat in *Latin America's Cold War* (2010). It remains unclear whether a military threat developed in reaction to increased American aid to the contras, or whether American aid to the Contras happened in response to a build-up of military support for Nicaragua by Cuba and the USSR.⁵

⁴Robert F. Turner, *Nicaragua V. United States: A Look at the Facts* (Cambridge: Institute for Foreign Policy Analysis, 1987), xii-xiii. For other examples of this, please see: David Nolan, *The Ideology of the Sandinistas and the Nicaraguan Revolution* (Institute of Interamerican Studies: Graduate School of International Studies, University of Miami, Coral Gables, Florida, 1984); Anthony Lake, *Somoza Falling* (Boston: Houghton Mifflin Company, 1989); Jiri Valenta and Esperanza Duran, eds., *Conflict in Nicaragua: A Multidimensional Perspective* (Boston: Allen & Unwin, 1987); Karl Grossman, *Nicaragua: America's New Vietnam?* (Sag Harbor: The Permanent Press, 1984).

⁵William M. LeoGrande, *Our Own Backyard: The United States in Central America, 1977-1992* (The University of North Carolina Press: Chapel Hill & London, 1998), ix-x, 287-306; Hal Brands, *Latin America's Cold War* (Cambridge: Harvard University Press, 2010), 1, 213-17; Mauricio Solaún, *U.S. Intervention and Regime Change in Nicaragua* (London: University of Nebraska Press, 2005), 1-9.

This thesis draws upon a range of sources to answer this question. The most important repository is the National Security Archives. Its collection, “Nicaragua: The Making of U.S. Policy, 1978-1990,” includes over 4,000 declassified documents obtained through the Freedom of Information Act covering cable traffic from 1978 to 1986. These were later joined by an extensive array of declassified reports, memoranda, minutes, notes, and forms from a number of U.S. government agencies, including the Departments of the Treasury, Justice, and Defence, along with the Central Intelligence Agency, the Defence Intelligence Agency, and the National Security Council. Personal documents include the diary of Lt. Col. Oliver L. North and internal documents from the Contra command structure. While invaluable in many ways, however, this archive is limited.⁶ The total collection numbers 3,248 documents, with 17,500 pages, a paring down of the total number available. While NSA documents suggest (probably entirely validly) that this is due to space restrictions and redundancies, it nevertheless acknowledges that the collection is incomplete. Equally problematic, many of the documents are extensively redacted, while some notable sources are missing altogether (the CIA stations in Central America, as well as the National Security Council deliberations of presidents Reagan and Carter remain classified). Thus, researchers are presented with a restricted database from which to work, making it difficult to know what is and is not being included in a given document set. Nevertheless, many documents that form a part of the NSA Nicaragua file are unavailable elsewhere, and are thus invaluable to this study.

⁶ Oliver North, a member of the Marine Corps and a Vietnam War veteran, held the official position of Deputy Director for Political-Military Affairs at the National Security Council on Nicaragua Policy. He became essential in American management of Sandinista opposition in Central America. North was also responsible for the profit-redirection scheme known as the Iran-Contra scandal, whereby cash not supplied by the U.S. Congress was replaced with profits made through illegal arms sales to Iran and then funnelled into the Contras, a process not covered in this article. After which, unfortunately, North was caught, put on trial, and given three years for multiple counts of conspiracy, obstruction of justice, and misleading Congress.

Drawing upon these sources, this thesis argues that most scholars have underestimated the role of threat perception in U.S. policy toward Nicaragua. Put simply, the policy makers in the Reagan administration genuinely believed the Nicaraguan Revolution, with its militarization and ties to the Soviet Union and Cuba, posed a danger to U.S. interests. Furthermore, they used claims of militarization to build a discourse for the purpose of constructing the enemy. This allowed the administration to justify its militant policies toward the Sandinistas, even after the Nicaraguan government began pursuing a peaceful resolution. In this, the policies of the Reagan administration were very consistent with those of every previous administration in the face of a perceived communist threat. Internal documents between top-level administrators and intelligence reports by the CIA prove that there was evidence of this danger, and that administrators believed the evidence to be accurate. For policy-makers in the administration, the parallel was therefore the Cuban Revolution, and not the Vietnam War as critics of Reagan argued. As such, the importance of the specific military conditions in Nicaragua and the general region of Central America, so often neglected in existing historiography, deserve examination just as economic, ideological and political factors do, because those military conditions were a key part of the real political argument that defined American policy.

Chapter 1: The Cold War and the Roots of the Nicaraguan Revolution

The Sandinista revolution in 1979 had deep roots in Nicaraguan history. Domestically, the rival factions involved had existed in some form since the inception of the nation, and their quarrel was an old one. For the United States, however, its interest in Nicaragua's revolution was primarily based in the twenty years before that. Fidel Castro's victory over Fulgencio Batista in Cuba shocked American policy makers, who spent the next twenty years battling real and imagined threats of communism across the continent. After the Cuban Missile Crisis, the potential threat posed by a communist revolution in Latin America became all too real. Not surprisingly, when a communist government in Nicaragua pushed out the staunchly pro-American Somoza regime, many in Washington believed the United States had little choice but to respond firmly to this new threat to its hegemony, as it had done on numerous occasions prior in other Latin American nations.⁷

American policy-makers have debated the threat of foreign power in the Americas since before the United States gained its own independence, and this theme has proven one of the most long-standing in deciding American policy in Latin America. John Coatsworth has argued American continental grand strategy relied on Washington's

⁷ John A. Booth, *The End and the Beginning: The Nicaraguan Revolution* (Boulder, Colorado: Westview Press, Inc., 1985), 9. For more on the influence of Nicaraguan geography and early formation, see: Steve C. Ropp and James A. Morris, eds., *Central America: Crisis and Adaptation* (Albuquerque: University of New Mexico Press, 1984), 1. Stephen M. Gorman, "Social Change and Political Revolution: The Case of Nicaragua," in *Central America: Crisis and Adaptation* ed. Steve C. Ropp and James A. Morris (Albuquerque: University of New Mexico Press, 1984), 35. Harold Norman Denny, *Dollars for Bullets: The Story of American Rule in Nicaragua* (New York: The Dial Press, 1929). John H. Coatsworth, *Central America and the United States: The Clients and the Colossus* (New York: Twayne Publishers, 1994), 18.

dominance over all of Latin America for its own security.⁸ The formative claim of U.S. influence came with the 1823 Monroe Doctrine, which declared the hemisphere off-limit for further European expansion. With this edict, the United States claimed independence for the Americas while retaining its own right to interfere in neighbouring nations. This has remained the core of U.S. policy in the Americas and no nation felt this U.S. influence more heavily than Nicaragua.⁹

The William Walker affair was the first major intervention into Nicaragua by the United States, and set a precedent for the relationship between the two countries. In an effort to defeat their conservative opponents, the Nicaraguan liberal party appealed to William Walker.¹⁰ With support from associates who ran a stagecoach enterprise, Walker invaded Nicaragua in June 1855 with 57 other Americans. Walker was initially successful and set up a puppet government quickly recognized by Washington. However, when Walker began to advocate annexation by the United States, the conservative governments of four other Central American republics declared war in March 1856, supported by Great Britain. Walker's army was eventually defeated, but American relations with Nicaragua were permanently tainted.¹¹ Many Nicaraguans felt alienated,

⁸ Lester D. Langley, *The Cuban Policy of the United States: A Brief History* (New York: John Wiley and Sons, Inc., 1968), vii.

⁹ Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of New Imperialism*, 13. Coatsworth, *Central America and the United States: The Clients and the Colossus*, 18. Brands, *Latin America's Cold War*, 10. James S. Corum and Wray R. Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists* (Lawrence, Kansas: University Press of Kansas 2003), 11. Ropp and Morris, eds., *Central America: Crisis and Adaptation* 14. Denny, *Dollars for Bullets: The Story of American Rule in Nicaragua*, 2.

¹⁰ Booth, *The End and the Beginning* 17-18.

¹¹ Booth, *The End and the Beginning* 18-20; Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 31.

and the liberals were discredited, giving the conservatives, who were quite hostile to the United States, thirty years of stable government.¹²

The first major American occupation of Nicaragua against the liberal government of General José Santos Zelaya taught the Americans a valuable lesson about the weighty responsibility of occupation, and the difficulty of withdrawal. American involvement commenced when Nicaragua began to negotiate with Japan and Germany to build a cross-isthmus canal. American interests demanded a canal monopoly, and used force to defend that desire. Marines landed in 1910 and again in 1912, theoretically to keep the peace – President William Taft claimed it was a humanitarian excursion that would bring about stability for mutual gain – but Washington suddenly found itself protecting governments, maintaining order, and supervising elections. It also helped reorganize the economy, and drastically increased foreign investment.¹³ As a result, the U.S. became heavily embroiled in governing Nicaragua. Doing so brought international accusations of imperialism, and in order to protect its relationships with other Latin American countries, and thus its trade and investments there, the United States attempted to withdraw from Nicaragua several times through the 1920s. This was prevented by continued instability, and in 1926 simmering resentment broke out into an extended rebellion led by Augusto César Sandino against American forces that took until 1933 to put down.¹⁴ Sandino's revolt was a national one, and it prompted the United States to engage in its first counter-insurgency campaign in Latin America. This left a long-lasting impression of anti-

¹² Booth, *The End and the Beginning* 19.

¹³ Denny, *Dollars for Bullets: The Story of American Rule in Nicaragua*, 66.

¹⁴ Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 32.

Americanism, promoted by the brutal campaign Washington had waged which had killed thousands of Nicaraguans.¹⁵

The American Good Neighbour policy of the 1930s fostered an environment in Nicaragua that led to the Somoza dictatorship. The goal of the Good Neighbour policy was to improve American relations with its Latin American neighbours. As the financial strains of the Great Depression led to the removal of American forces from around the Caribbean, including Nicaragua in 1934, Somoza's regime, backed by the new National Guard, took over. Trained and equipped by the United States, this military force was controlled by Somoza completely.¹⁶ Political parties continued to exist to give the façade of democracy, but the country was completely controlled by a dictator who proved to be a close American ally. The lesson for Washington seemed to be that the application of raw power had led to an extended nationalist uprising, but establishing a loyal dictator proved surprisingly effective at creating stability.¹⁷

For the United States, the postwar period in many ways marked a return to pre-Good Neighbor policies in Central America. An emboldened U.S. sought to impose its policies and ideologies on the world.¹⁸ However, the lessons learned from the application of hard power in the Sandino War seemed all but forgotten, and a rush to enforce authority in the face of growing demand for reform in Central America meant

¹⁵ Booth, *The End and the Beginning: The Nicaraguan Revolution*, 23. Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 34-38; Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 38; Booth, *The End and the Beginning: The Nicaraguan Revolution*, 33. Coatsworth, *Central America and the United States: The Clients and the Colossus*, 35. Gomez, *Human Rights in Cuba, El Salvador and Nicaragua: A Sociological Perspective on Human Rights Abuse*, 130. Ropp and Morris, eds., *Central America: Crisis and Adaptation* 20.

¹⁶ Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of New Imperialism*, 27.

¹⁷ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 38; Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of New Imperialism*, 28.

¹⁸ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 2.

democratization fell by the wayside in favour of a far more important goal: stability.¹⁹ A new Cold War geopolitical order meant that keeping communism off the continent came to be seen as far more important than ensuring that democracy continued to stay on it. As a result, state governments across the isthmus increased the size of their armed forces, often supplied, equipped, and trained by the United States. The intention was to use these forces not to oppose outward foes, but to combat internal dissent.²⁰

This American quest for stability and support against the Soviet Union became suddenly more dire when, in 1959, Cuba fell to a communist revolution led by Fidel Castro. The revolution took the United States by surprise, and injected panic into U.S. policy in the region. Stephan Rabe claims that the loss of Cuba marked in the United States the beginning of an almost total obsession with preventing anything even slightly resembling communism from gaining ground elsewhere in the hemisphere. This led to a number of American policies across the continent that supported blatantly anti-democratic governments, so long as they toed the line and made grand, auspicious claims of virulent Cold War support for the United States. The Eisenhower administration, shaken by the change, believed Latin America had become a crucial battleground of the Cold War, and in March 1960, Eisenhower authorized the CIA to overthrow Castro. Latin America, it seemed, was slipping out of the American grasp. Only two years earlier in mid 1958 Vice President Richard Nixon had been harassed in Caracas, and in 1959 anti-American demonstrations broke out in Panama, while openly leftist guerrillas fought throughout Colombia and Venezuela. In the context of the Cuban Revolution, U.S. officials could no longer dismiss these. It had become apparent that not only was the

¹⁹ Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of New Imperialism*, 40.

²⁰ Ropp and Morris, eds., *Central America: Crisis and Adaptation* 28.

United States facing further communist revolutions, but that its previous policies were ineffective. Unyielding support of anti-democratic dictatorships alienated popular support, and forced locals to look elsewhere for the reform they desired.²¹

The Cuban Revolution had a profound impact on Nicaragua as well. Not only had the revolution succeeded, but also the new government, with backing from the Soviet Union, had managed to repel a U.S. sponsored invasion of the Bay of Pigs. For Nicaraguans intent on freeing their nation from Somoza's pro-U.S. dictatorship, this success story showed the possibilities that Soviet support might garner them. More importantly, the Cuban revolution affected the way the United States came to relate to Nicaragua. The uncertainties of its domestic political reality mattered relatively little to the United States, so long as the Somoza government continued to remain ostensibly loyal to the idea of American hegemony. However, American experience in Cuba and the Dominican Republic proved that loyalty was not enough. A government that lacked local legitimacy put the nation at risk of a communist revolution. This became especially apparent as the Somoza regime struggled to deal with increasing social upheaval.

It was in this atmosphere that John F. Kennedy assumed the presidency. Dealing with the fallout of the Cuban revolution, Kennedy focussed on Latin America, which he called "the most dangerous area in the world." In order to prevent a second Cuba, Kennedy initiated The Alliance for Progress, a plan that supported reform in Latin America. By working on social injustice, malnutrition, and illiteracy, the president hoped that local political movements might be convinced to abandon or even combat

²¹ Alan McPherson, *Yankee No!: Anti-Americanism in U.S.-Latin American Relations* (Cambridge: Harvard University Press, 2006), 3; Stephen G. Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America* (Chapel Hill: The University of North Carolina Press, 1999), 9-10.

communism. This carrot was tempered by the constant reminder of the possibility of CIA participation, or in extreme cases, military intervention. This obsession with communism in Latin America came out of several factors. Economically, the change in Cuban government had eliminated a massive U.S. investment there overnight, and further revolution threatened to do the same to the more than eight billion dollars directly invested in the rest of Latin America. Kennedy also worried that failure to control Cuba would cause irreparable damage to American influence economically and politically around the world. If the United States lost its credibility as a staunch opponent of communism, it might find itself unable to protect or satisfy allies abroad who relied on it, like West Germany. And for Kennedy personally, the domestic fallout of “losing” a country to communism might be politically devastating. The tail end of McCarthyism could very well damn a politician who could be accused of being being weak. In preparing for his second election in 1964, Kennedy sought to prevent his opponent from being able to level such a charge against him.²²

Kennedy therefore created a precedent in his actions against Latin America. Even though his Alliance promised aid and support, his policies were riddled with contradictions. Although he claimed to support democracy, his administration presided over the removal of the elected governments in Argentina, Brazil, and Guatemala, and supported a dictatorship in Haiti. Ultimately, for Kennedy anticommunism was far more important than democracy. For America after the Cuban revolution, the order of preference became first, if possible, a democratic pro-American government. Failing that, a dictatorial American government would do, so long as it prevented the third option – an

²² Stephen G. Rabe, *The Killing Zone: The United States Wages Cold War in Latin America* (New York: Oxford University Press, 2012), xxx.

anti-American (and thus, it was assumed, pro-communist) government, whether autocracy or democracy. Unfortunately, the assumption that anti-Americanism equated to pro-communism did not acknowledge the influence of nationalist sentiment. Over the course of the 1960s and 1970s, in an attempt to subvert possible communist plots, the United States became involved in a number of places across Latin America, including Chile, Guatemala, Brazil, and Guyana, where the Soviets had had no role.. Even Cuba, which did have significant Soviet aid, preferred to focus on making revolution in Africa, not Latin America, because it did not wish to directly confront the United States. So strong was the fear of “losing” another country the way Cuba had been lost, that Kennedy’s Alliance – itself conceptualized in response to the Cuban revolution - found itself constantly sullied, and ultimately, corrupted by Cold War ideology.²³ After successfully convincing the British to postpone Guyanese independence, Kennedy publicly declared that the United States would no longer follow a policy of non-interference in Latin America. There is no question that Cuba remained on Kennedy’s mind during the entire affair. Under Secretary of State U. Alexis Johnson told British officials “we do not intend to be taken in twice.” This “absolute determination” to prevent a second Cuba, which Rabe attributes in part to a personal vendetta of the Kennedy brothers against Fidel Castro, drove American policy more than anything through the 1960s.²⁴

American presidents who came after Kennedy continued to judge Latin American nations on the same scale of allegiance to Cold War ideologies. This meant that they also continued to give credence more to paranoia than to nuanced analysis in both Chile and

²³ Ibid., xxx.

²⁴ Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America*, 20.

the Dominican Republic. In May 1965, the U.S. invaded the Dominican Republic, the first direct intervention in Latin America by the United States in over thirty years. The explicitly stated purpose of this was to prevent another communist government in the Western Hemisphere, and it followed several years of gunboat diplomacy, both there and in neighbouring Haiti.²⁵ Rafael Leonidas Trujillo Molina, set in place by American marines and staunchly anti-communist, had become a liability by 1959 when his deplorable human rights record threatened to trigger a communist revolution. In an attempt to adopt lessons learned from Cuba, the United States abandoned the dictator, who died in 1961, and in April 1965, landed 20,000 troops to help “stabilize” the country. In this case, simply being outspokenly anti-Communist was not enough to protect Trujillo – human rights had become important too, where they threatened to invite in communism. Chile, which was the recipient of 700 million dollars of American investments by 1960, continued to enjoy hundreds of millions of dollars through the decade, amounting to more than a billion in total, the largest per capita amount given in Latin America. Fearing the socialist Salvador Allende Gossens, the United States backed Eduardo Frei, who enjoyed the financial support of the CIA for advertisements, organization, and bribes.²⁶ Eventually, Allende was democratically elected, and Nixon began a campaign to remove him, ignoring intelligence information that argued Allende was no danger to American interests. Economic warfare cut aid to Chile from 260 million in 1967 to 7.4 million in 1972. American influence was used to cut off loans from international financial bodies, American money was used to fund opposition groups, media, and paramilitary groups, and American expertise was used to train junior officers.

²⁵ Rabe, *The Killing Zone: The United States Wages Cold War in Latin America*, 95.

²⁶ Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America*, 110.

The combined power of these forces succeeded in driving the Chilean military under Augusto Pinochet to overthrow Allende, who committed suicide.²⁷

The military government that replaced Allende on September 11 1973 proved brutal and violent. The revolution in Chile had been crushed, and the seriousness of the United States in preventing another Cuban Missile Crisis had been profoundly demonstrated to the world. For the first time, many in the American public became aware of the policies of its government in Latin America, and disapproved. The USSR had no great outstanding interest in Chile, nor in Brazil or Argentina where similar policies had been pursued. It had become clear to the United States following the Cuban Missile Crisis that the Soviet Union would not invade Latin America directly. For American policy in Latin America, therefore, it became more about internal security than external defense. While democracy was the ultimate preference, the administration was not displeased when an Ecuadorian military coup took power and put in place a strongly Anti-Castro government there. An American paranoia over communism had not begun with the Cuban revolution – the overthrow of Arbenz's government in Guatemala in 1954 proved that – but its scope changed drastically after Castro's success. The decade following the loss of Cuba created for the United States a unique context of fear which combined an awareness of genuine danger, as well as the constant impress of ideological hegemony lost across what the United States had for centuries considered its traditional sphere of influence.²⁸

²⁷ Rabe, *The Killing Zone: The United States Wages Cold War in Latin America*, 128-42.

²⁸ Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America*, 123. Jonathan Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall* (New Haven: Yale University Press, 2011), 315.

This danger manifested itself in Nicaragua, where in 1961 opposition to the Somoza government formed the Sandinista Front of National Liberation (FSLN). The group was backed by the Soviet Union and Cuba, both of which saw the Somoza government as a weak spot in American hegemony. The Sandinista founder, Carlos Fonseca Amador, received funding from the KGB, which sought to expand the bridgehead it had gained through the Cuban revolution. In July 1961, Alexander Shelepin, head of the KGB, sent a plan to Khrushchev for a global strategy of opposition to the United States, which revolved around liberation movements. At the top of the location list was Nicaragua, in large part because of the perceived weakness of the Somoza government. Shelepin hoped that the KGB could coordinate a revolution there with the Cubans, and on August 1 this strategy was approved as a Central Committee directive.²⁹ Fonseca was codenamed GIDROLOG (“Hydrologist”) and had been employed by the KGB for some time. In 1957, at the age of 21, he attended the World Youth Festival in Moscow, and stayed in the city for four months. He later wrote a book on the experience, *A Nicaraguan in Moscow*, which expressed admiration for the Soviet Union and Fidel Castro. Fonseca was a self-admitted communist, and looked to Lenin, Fidel, Che, and Ho Chi-Minh for inspiration. Likewise, Tomás Borge, a cofounder of the Sandinista movement, went to Havana in January 1959, and the movement was assured of the full support of Cuba. In 1960 the KGB also recruited Eldelberto Torress Espinosa, a friend of Fonseca, codenamed PIMEN. He served as the General Secretary of the anti-Somoza Nicaraguan United Front in Mexico. In July 1961, Shelepin reported to Khrushchev that these three men, described as “KGB agents and confidential contacts,”

²⁹ Vasili Matrokhin and Christopher Andrew, *The Mitrokhin Archive II: The KGB and the World* (London: Penguin Books Limited, 2005), 40.

were having some success, and were given weapons and funds from the KGB budget to create a “sabotage-terrorism group,” to be headed by Manuel Ramón de Jesus Andara y Ubeda, a Nicaraguan surgeon in Mexico codenamed PRIM.³⁰

While the new Sandinista group gained support from the Soviet Union, it failed to resonate deeply with the Nicaraguan populace. Though the Somoza dynasty did not seek social reform to any great degree, under Luis Somoza, who took power in 1957, some changes began to take place. Social mobilization, stimulated by urbanization and industrialization, led to a growth in urban populations at a time when the Sandinistas were focusing on the countryside, and struggled to make inroads with the populace.³¹ Despite some moderate reform Soviet attempts to fund a communist rebel group continued at full pace. The plan was to send the terrorist group commanded by PRIM to Honduras to train, recruit, and organize. There it would gain supplies, and with the support of the local populace, it would begin conducting raids against local governments and American enterprises in the region. PRIM was given \$6,000 and was ordered to send a guerrilla group to Nicaragua March 1st, 1962 with an additional \$25,200 given for that purpose. The guerrilla group did poorly, and in 1963, after a number of ineffective operations, the National Guard routed them. By 1964 their numbers had dwindled, and Soviet optimism for promoting revolution in the region faded.³²

Despite this failure by the Soviets to effect serious revolution in the early sixties, the Americans continued to be wary. Intelligence on Central America was poor, but in 1965 the CIA predicted that up to twelve Latin American countries might soon face revolutions, though this prediction was downgraded in likelihood three years later. Junta-

³⁰ Ibid., 40-48.

³¹ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 48.

³² Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 47-48.

style governments in the sixties spread to nine Latin American countries. Often these governments were formed through military coups. And yet, except for sporadic incidents, much of the predicted revolutionary violence failed to materialize.³³ In Nicaragua, however, the Sandinistas had not been entirely eradicated, and in 1967 they launched a new offensive. The USSR condemned this campaign as premature, but it was better organized, and had a greater degree of popular support, than the attempt four years earlier had enjoyed. Nevertheless, the National Guard once again resoundingly defeated it in August 1967. This defeat, at the Battle of Pancasán, forced the Sandinistas to go into hiding and reconsider their basic strategy. After this point, a more low-key urban-based rebellion began to develop. Somoza, being unaware of these strategic changes, boasted that the Sandinistas had been finished, and took the following period of silence as proof of this claim.³⁴

The government defeat of the Sandinista rebels was made especially important by the changeover in the Somoza dynasty. In April 1967 Luis Somoza Debayle died of a heart attack, and his brother Anastasio Somoza Debayle (Tachito) took over.³⁵ Where Luis had been somewhat reformist, Anastasio was openly dictatorial. However, the National Guard quashed any protests, and Tachito took power, though it displeased many.³⁶ The death of the moderate Luis proved a severe blow to the reform movement in the government, and Somoza was forced to rely even more heavily on control of the National Guard, the National Liberal Party (Partido Liberal Nacionalista), and the executive branch of the government. Power was also buoyed by the maintenance of close

³³ Brands, *Latin America's Cold War*, 71.

³⁴ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 50., Gorman, 58

³⁵ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 52.

³⁶ Brands, *Latin America's Cold War*, 167.

links with the U.S. government and with American businesses. This support allowed Somoza to create an army isolated from the population, with which he could control the legal system. Although the family's control of the government was not absolute, and continued to require a facade of democratic government, it nevertheless possessed an iron grip on the mechanisms of state behind the scene.³⁷

Although the Somozas had survived the succession from Luis to Anastasio, regional instability was growing. The 1969 Soccer War between El Salvador and Honduras, though only four days in length, represented a serious stumbling block on the path to regional unity, and demonstrated to the Americans the volatility of the nations there, and the potential ease with which order could fall to chaos and violence.³⁸ Continued refusal by the Somoza government to reform intensified the cycle of upheaval and repression in Nicaragua, and in 1971 Somoza dissolved Congress to gain more direct power over government. Repressive policies and economic pressure led workers, peasants, students, merchants, and members of the conservative elites to coalesce in opposition to the Somoza dynasty. Increasing food and gas prices helped feed further protests in Managua. Shortages of consumer goods in the Nicaraguan society came out of changes in the national industry, and unemployment became rampant. This change in the economic landscape became particularly problematic for the state, as the populace grew more literate. Improving technology made mass communication easier, and facilitated the spread of ideas between disenfranchised groups in society.³⁹

As the regime tottered through the early 1970s, legitimacy suffered a further blow with an earthquake on December 23, 1972. The regime siphoned foreign aid away from

³⁷ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 50.

³⁸ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 126-28.

³⁹ Brands, *Latin America's Cold War*, 96., 167-168, Gorman, 40, 53

the public and into private bank accounts, scandalizing the government and robbing it even further of public support.⁴⁰ In response to the crisis, Somoza demanded and was granted unlimited power to organize the reconstruction effort. Instead, Somoza used this newfound authority to deepen his control over the National Guard and to extend his financial holdings.⁴¹ By this point it had become clear to many in Nicaraguan society that the viability of the Somoza power structure had seriously declined. The state apparatus, primitive before the 1950s, had expanded and penetrated society so widely and deeply that it came to have uncontrollable consequences for many. Where Anastasio Somoza García had been tolerable, because of his limited control, the efficiency of Tachito's state apparatus became intolerable to many. Even the elites suffered, in their own way, when Somoza began taking control of entire business areas after 1972. These state monopolies deprived the upper class of their profits, and as a result deprived the Somoza dynasty of their support.⁴²

As a result, the Somocismo system began to break down in the sixties and seventies. Continuing economic struggles and government corruption led to increasing rebellion, which was met by government repression. The increasing unwillingness of the regime to react with flexibility to challenges and calls for reform simply magnified dissent and conflict. The guerrillas waging war against the government continued to enjoy foreign backing, not only from Cuba and the Soviet Union, but also from other Latin American sources as well. This did not alter the Somoza dynasty's desire to remain in power, but made it more difficult for them to do so.⁴³

⁴⁰ Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall*, 316.

⁴¹ Brands, *Latin America's Cold War*, 168.

⁴² Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 51-53.

⁴³ Brands, *Latin America's Cold War*, 165.

Throughout this period the Sandinistas struggled to achieve a victory over the Somoza regime. In December 1974, several armed members were able to take hostage a number of government officials and gain concessions from the government, which won them some national recognition, but also brought an offensive by the National Guard, which set the Sandinistas, back once again. However, the repression that followed only gained the rebel groups more sympathy from the Nicaraguan populace.⁴⁴ The Somoza government responded by increasing its military preparedness, but also undertook some mild reforms, including a new minimum wage and rural reform legislation.

These failed to satisfy the Sandinistas, however, who continued to sporadically attack the National Guard.⁴⁵ From 1975 to 1977, the group had splintered over ideology and strategy into three main factions: the *Prolonged Popular War* (GPP), that wanted reform and a long struggle; the *Proletarian Tendency* (TP) that argued for using urban workers as guerrillas; and the *Terceristas*, which wanted a united opposition with an immediate all-out attack on the regime.⁴⁶ On top of these differences and disagreements, the Sandinistas struggled to settle on the basic goal of their movement: the political members of the Sandinistas sought revolution, while many of the less idealistic bourgeoisies simply wanted the Somoza dynasty to be removed.⁴⁷ Given this fractured structure, the CIA estimated in 1975 that Somoza was both experienced enough and capable enough of dealing with the Sandinista rebels, who, in the CIA estimation, were

⁴⁴ DNSA, Nicaragua Collection, NI00004, Defense Intelligence Notice; Nicaragua - Government Declares Martial Law as Terrorists Hold Prominent Figures Hostage, December 28, 1974; DNSA, Nicaragua Collection, NI00007, CIA Report on Latin American Trends; Nicaraguan President Raises Specter of Cuban Subversion, February 12, 1975.

⁴⁵ DNSA, Nicaragua Collection, NI00008, CIA Report on Latin American Trends; Hired Guns for Nicaragua, July 2, 1975; DNSA, Nicaragua Collection, NI00009, CIA Report on Latin American Trends; Nicaragua: State of Siege Rolls On, November 12, 1975.

⁴⁶ Brands, *Latin America's Cold War*, 170-72.

⁴⁷ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 58-59.

more of an irritant than a real threat.⁴⁸ The regime responded by censoring opposition and increasing attack on the FSLN, but these policies only intensified their opposition.⁴⁹

By 1977, the total combined strength of the rebels amounted to no more than 200 guerrillas. They relied heavily upon Castro for external aid, but also for advice in management and ideology. Castro advised the Contra groups to downplay their own commitment to Marxism, and to instead focus on developing a platform that would appeal to the widest possible cross-section of the Nicaraguan population. Ideally, this would include even those who were not communist.⁵⁰ Castro also offered weapons and ammunition to help unite the factious groups and allow them to fight the National Guard units. This they eagerly did, and from 1974-1978, over 5,000 Nicaraguan civilians were killed in fighting between the Sandinista and National Guard forces.⁵¹ The civilian casualties only served to further upset a populace already disenfranchised by hardships endured across class and economic barriers. As a result, the Sandinista National Liberation Front (FSLN) began to gain popularity in the late 1970s. Although they were a communist party and had enjoyed varying levels of support from primarily Cuba, though also secondarily the Soviet Union for years, their main attraction for much of the populace was their opposition to Somoza.

Violence between the government and Sandinista groups continued to escalate. On October 12, 1977, opposition groups used Cuban arms, smuggled through Costa Rica, to launch the largest attack since 1974. Many in the public were incensed when on January 10, Pedro Joaquín Chamorro was assassinated, and crowds rioted violently

⁴⁸ DNSA, NI00009.

⁴⁹ DNSA, NI00009; DNSA, NI00004; DNSA, NI00007; DNSA, NI00008.

⁵⁰ Turner, *Nicaragua V. United States: A Look at the Facts*, xi.

⁵¹ Gomez, *Human Rights in Cuba, El Salvador and Nicaragua: A Sociological Perspective on Human Rights Abuse*, 128.

through the night. Mauricio Solaún, the U.S. ambassador to Nicaragua, wrote in a January 11 1978 report to the U.S. Department of State that there was no evidence that Somoza had been involved.⁵² Solaún suggested that the murder could plausibly have been committed by the FSLN as an attempt to promote further polarisation and violence.⁵³ Nevertheless, crowds destroyed twenty-five buildings and battled with police forces for hours.⁵⁴

In the United States, the Carter administration recognized that the Somoza regime was in crisis, and cut all military and economic aid to Somoza, putting its support behind the formation of a Broad Opposition Front (FAO) in February 1978.⁵⁵ This united various anti-Somoza groups, unions and social organizations, and demanded democracy through strikes and civil disobedience. It hoped to end the dictatorship without the need for force, relying instead on economic pressure and U.S. support.⁵⁶ However, many Nicaraguans saw the moderate FAO as Somocism without Somoza.⁵⁷ Instead, students, peasants, and workers allied with the Sandinistas and began levelling political and military attacks against the regime.⁵⁸

Support for the Sandinistas continued to grow through the summer and on August 25, 1978, the Terceristas launched a major attack. Twenty-four members, disguised as National Guardsmen, captured the National Palace in Managua while the National

⁵² DNSA, Nicaragua Collection, NI00029, United States Embassy Cable on Post-Assassination Rioting January 12, 1978.

⁵³ Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall*, 316.

⁵⁴ DNSA, Nicaragua Collection, NI00027, United States Embassy Cable on Chamorro Assassination Developments, January 11, 1973.

⁵⁵ Stephen E. Ambrose, *Rise to Globalism: American Foreign Policy since 1939*, Fifth Revised ed. (New York: Penguin Books, 1988), 302.

⁵⁶ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 60.

⁵⁷ Brands, *Latin America's Cold War*, 169.

⁵⁸ DNSA, Nicaragua Collection, NI02550, United States Department of State Report, "Revolution Beyond Our Borders: Sandinista Intervention in Central America," September 1985.

Congress was in session.⁵⁹ All the congress members were taken hostage. By itself this attack would have been an enormous coup for the Sandinistas, but its importance is compounded even further by KGB files which show the guerrillas had been trained and financed by the Soviet Union, which had codenamed them ISKRA (spark). In fact, this was the same codename the KGB had given the Sandinista guerrillas fourteen years prior. The day before the attack took place, Vladimir Kryuchkov, head of the First Chief Directorate of the Committee for State Security (FDC) was briefed on the attack plans, further solidifying the connection between the Soviet Union and the attacks on the Somoza government. As a result of the raid, the Somoza government was forced to pay a large ransom and release 549 Sandinistas prisoners.⁶⁰

In September insurrections broke out across the country, causing 6,000 casualties and 30,000 refugees. The guerrillas were winning the hearts and minds, but the Somoza government still had the power to crush the urban uprisings. The FOA scrambled to find a diplomatic solution through negotiation, but when that failed its members began to openly support the Sandinistas.⁶¹ The three highest-ranking Sandinista, Umberto and Daniel Ortega Saavedra and Tomás Borge, met with Castro in Cuba, and from November 5 to 11, Cuban arms began reaching rebel forces via Panama, paving the way toward an open offensive.⁶² Castro had done much to unite the three factions of the Sandinistas. Their campaign of violence, suppressing its communist roots at Castro's suggestion,

⁵⁹ Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall*, 316.

⁶⁰ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 117.

⁶¹ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 60.

⁶² *Ibid.*, 316.

appealed to such a wide base of opposition to the Somoza government that it became an overwhelming force.⁶³

In the early part of 1979, the Cuban Departamento América (DA) helped the Sandinistas establish a base in Costa Rica from which to launch attacks on government forces.⁶⁴ In February the National Patriotic Front (FPN) was formed, uniting the FLSN, and in May the offensive began in earnest.⁶⁵ A press release dated the 10th of May expressed concern over the involvement of the Panamanian government in aiding the Sandinistas, and on the 29th of that month, aid from Costa Rica, Panama, Venezuela, and Cuba arrived.⁶⁶ Arms had been smuggled in through Panama for months in various quantities but were often intercepted. On March 13 and 15, two caches of weapons in trucks were seized by Nicaraguan border guards, who found US-made M1 carbines and Belgian-made FAL rifles, in addition to rocket launchers and automatic weapons. Somoza claimed the weapons were of Cuban and Venezuelan origins, and were intended for Sandinista forces. The government held several hearings, but not until June 6, by which time the National Guards had suffered numerous defeats.⁶⁷ In direct clashes, 5,000 Sandinistas, supported by popular militias, gained repeated victories over government forces.⁶⁸ On June 2, Somoza gave a press conference stating his desire to launch offensives against Costa Rica, Panama, and Venezuela, blaming them for their role in supporting and enabling the Sandinistas. Somoza stated that only the OAS prevented him from declaring open war with Costa Rica. He maintained that Costa Rican vehicles

⁶³ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 118.

⁶⁴ *Ibid.*, 117.

⁶⁵ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 60.

⁶⁶ Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall*, 316., NI00706

⁶⁷ DNSA, Nicaragua Collection, NI00736, United States Embassy Cable on Hearing of the Panama Canal Subcommittee on Gun-running, June 7, 1979.

⁶⁸ Gorman, "Social Change and Political Revolution: The Case of Nicaragua," 60.

continued to enter the country to supply the rebels, and that Costa Rican helicopters were evacuating FSLN wounded to clinics in La Cruz. The role of Venezuela and Panama in arming the rebels and Costa Rica in giving them a safe haven could only have taken place with the complicity of the governments there.⁶⁹

In addition to a closer relationship with Cuba, the Cuban Revolution also changed the Soviet Union's relationship with Latin America. During the preceding Stalinist era, Soviet interest in Latin America was limited in scope to the intelligence operation that assassinated Trotsky. During the 1950s, the region was dismissed as firmly under American control, and the Soviet Union had diplomatic missions and KGB residencies in but three capitals, Mexico City, Buenos Aires, and Montevideo. It was the rise of revolutionary leaders like Castro that put Latin America on the map of Soviet interests by demonstrating the plausibility of communism in the West.⁷⁰ The result of this was that the Soviet Union and the nascent communist government of Cuba sought through much of the following decades to aid, financially and militarily, the rise of other communist governments. For Latin America as a whole, the revolution meant in many ways an exacerbation of existing problems. As had been the case for much of the nineteenth century, internal instability meant external intervention. External intervention seemed to lead to a groundswell in anti-Americanism, often because external intervention from the communist camp supported and buoyed that Anti-Americanism. In Nicaragua, Sandinista rebels, groomed by Cuba since the 1960s, led a communist coup against the American-allied Somoza government in 1979. When the Reagan administration claimed in 1981 that Carter was wrong, and that the Sandinistas represented a powerful force for

⁶⁹ DNSA, Nicaragua Collection, NI00727, United States Embassy Cable on Somoza Press Conference of June 2, June 4, 1979.

⁷⁰ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 27.

communism on the continent that was aggressive, expansionist, and backed extensively by the Soviet Union, he was constructing a discourse which followed the well-heeled path set by Kennedy after Cuba, and closely adhered to by American policy-makers since then. Furthermore, the threat he perceived in Nicaragua had more in common with the Cuban revolution than any of the previous communism scares of the 1960s, many of which the United States had responded to in a similar manner.

Chapter 2: From Revolution to Rivalry: The Development of the Contra War

The U.S. response to the Sandinista Revolution was mixed. The Somoza government had continued to lose its legitimacy in the eyes of many Nicaraguans through the 1970s, and the revolution was hardly a surprising one, though perhaps the extent of its success was unexpected by many, especially given the lacklustre intelligence information possessed by the United States. Despite being concerned by its links to communism, the Carter administration initially continued to aid to the new state, but as opposition began to form in Nicaragua, many in Washington began to put their hopes in the counter-revolutionaries, or the Contras. Increasingly close relations with Cuba and the Soviet Union alarmed many, who worried that the Nicaraguan government would work to export revolution to other vulnerable nations, particularly El Salvador. In the context of the revived Cold War following the 1979 Soviet invasion of Afghanistan, it is hardly surprising that two things happened: first, a rebirth of earlier Cold War absolutist arguments reflecting a fear of communism perhaps unseen since the early days of the Castro government; and second, the ossification of American political debate. The viciousness with which Republicans and Democrats debated the appropriate response to the Sandinista revolution obscured the reality of military threat, and the different nature of Nicaragua as compared to every other Latin American communist movement outside of Cuba. With Nicaragua, the question was not whether the Sandinistas were communist – those links were widely accepted – but whether those realities legitimized the nature and degree of American action in Nicaragua.

Much of the debate over Reagan's policies toward Nicaragua has revolved around a chicken-and-egg dilemma. Did aggression against the Sandinistas prompt Nicaragua to build up its military as a defensive response, or did Sandinista aggression pre-date American involvement? In many ways the answers to this question have mirrored political divisions. Opponents of the Reagan administration generally argued that the Sandinista government was a victim of Cold War American jingoism and overzealous persecution. On the other side, supporters accused the Sandinistas of turning Nicaragua into a Soviet base from which to spread revolution. In resolving this issue, it is crucial to note that the Sandinista government was, in many ways, acting provocatively by smuggling arms and developing an army in 1979, two years before Ronald Reagan took office. While the growth of the Sandinistas army was not in itself a sign of aggression, it posed a potential threat to American allies in Central America.

This chapter discusses not only how the Sandinistas managed to take over power, but also their intentions compared to the claims made by the Reagan administration. It argues that many in the administration perceived a large number of similarities between the new Nicaraguan government and the government of Fidel Castro in Cuba twenty years prior. These similarities included the development of a large standing army, growing ties to the Soviet Union, as well as links to ideologically similar groups in neighbouring countries. Given these realities, it is hardly surprising that many in Washington perceived a genuine risk from Nicaragua, and reacted to it. From 1981 to 1984 the Reagan administration tried to convince the American public of the threat of destabilization in Central America. These claims were supported by the civil war in El Salvador, concurrent to the Contra war in Nicaragua and related to it.

While the development of the Iran Contra scandal severely damaged the credibility of the administration, there was a genuine military threat in the region, and many of the claims Reagan initially made about the Sandinistas proved to be correct, and lends some credence to the alarm of many in Washington. Much of the evidence now available supports Reagan's arguments that the Sandinista government continued to export weapons to revolutionaries in neighbouring countries and had begun doing so before Reagan took office. Evidence also demonstrates a clear build-up in the size and defensive capability of the Nicaraguan national army, far beyond those of its neighbours, many of whom expressed fear of Nicaraguan aggression. Finally, Soviet documents also bear out Reagan's argument that Nicaragua received hundreds of millions of dollars in loans from Cuba, the Soviet Union, and Eastern Bloc countries – a fact that proved vital to Reagan's repeated requests to Congress for further aid to the Contras as a balance. This evidence shows that, despite his ideologically charged rhetoric, Reagan was not inventing a military threat out of whole cloth. Rather, he was acting in a manner consistent with the precedent set by Cold War presidents who had for decades struggled to deal with the legacy of the Cuban revolution in similar ways.

In the face of the broad-based opposition assembled by the Sandinistas, the military strength of the Somoza regime crumbled. On June 18 a junta led by the FSLN took power. This displeased the Carter administration somewhat, which was loath to accept a Marxist government.⁷¹ Moscow also delayed recognition for some time, only recognizing the government on July 20, a day after the FSLN entered Managua and took control. The war had left 40,000 dead, and destroyed a third of the Nicaraguan economy. Somoza fled to Miami that month, and the U.S. government, which called for Somoza's

⁷¹ Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall*, 316.

resignation in June, recognized the FSLN and extended 16 million dollars in economic aid, an amount they increased to 75 million the following year.⁷²

The military success of the FSLN took both the KGB and the CIA by surprise. Costa Rican president José Figueres claimed it had only been possible because of the Cuban aid and Costa Rican support. The relationship with Cuba was quickly cemented in an official sense, with a Sandinista delegation to Havana, and in August the Cubans began to advise the Sandinistas on how to best transform guerrilla forces into a regular army, as had been predicted by the CIA. The KGB also acted quickly to cement relations with the new government. The first official to arrive from the USSR was KGB Latin-American specialist Nikolai Leonov, who reported to the KGB on October 12 that the Sandinistas would transform themselves into a Marxist-Leninist Party.⁷³

KGB reports suggest that the Soviet Union fully intended to support other leftist rebels in neighbouring nations. In a meeting of August 1979, reports document plans to send arms and support to revolutionaries in El Salvador, and arms began to make their way to rebels in Honduras and Guatemala.⁷⁴ However, much of this support came from Cuba and not from the USSR. While Cuba vigorously supported other revolutions in Central America, Moscow did not have the same enthusiasm. Instead, the build-up to the invasion of Afghanistan, which took place in December, occupied a much higher position on the list of Soviet commitments. The Soviet Union, while eager to exploit an American weakness, was also wary of an American response, and so was mostly satisfied to leave the visible role to Fidel Castro.⁷⁵ Although Soviet leaders hailed the new government as a

⁷² Ambrose, *Rise to Globalism: American Foreign Policy since 1939*, 302.

⁷³ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 120.

⁷⁴ Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall*, 316.

⁷⁵ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 122.

victory for global communism, Soviet leaders did not visit Managua until Boris Yeltsin's visit in 1987, eight years after the overthrow. This was partly because the ailing Soviet economy prevented the same level of aid Cuba had enjoyed in a previous, richer decade.⁷⁶ Nevertheless, the entire affair did have the curious effect of somewhat reversing Moscow's dour opinion of Central America. It had demonstrated success, and shown that perhaps prospects of further revolution in the West were not as dim as they had seemed during the long years of repeated Sandinista failures that preceded their victory.

The relationship between the United States and Nicaragua did not immediately collapse after the revolution. For its part, the FSLN was careful to avoid any outward claims of communism, and its domestic policies initially stayed well clear of large-scale nationalization.⁷⁷ Some Somoza family assets were seized, but a single-party monopoly was not established, and the government supported democratic institutions and a mixed economy. Unlike in Cuba in 1960-1961, the Nicaraguan business class did not flee the country. Also unlike in Cuba, Nicaragua lacked a large, unionized working class, and the communist party had suffered repressions that had kept it small and lacking influence. A social base for widespread communism did not exist in the Nicaraguan community to the same degree, so it was easier to put forth a non-aligned stance for the international community. As a result, Nicaragua was able to quickly secure not only American aid, but also help from the Soviets. In addition, Canada, Japan, Mexico, Venezuela, and a number of Western European countries all contributed to the new state.⁷⁸ Initially, Washington

⁷⁶ Jan S. Adams, *Foreign Policy in Transition: Moscow's Retreat from Central America and the Caribbean, 1985-1992* (Duke University Press, 1992), 107-08.

⁷⁷ Although the governing Sandinistas were not particularly secretive about their own ties to communism, a centrist facade was maintained in part by protection granted to the other political parties of Nicaragua at the time, which were allowed to continue to exist.

⁷⁸ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 178-79.

seemed to accept the FSLN, despite its Marxist roots, and it quickly became the largest single contributor of aid.⁷⁹ It was clear that good relations benefited both countries. The Sandinistas needed foreign aid to help institute their social mandates, including social welfare, a national literacy campaign, and national healthcare and education policies. For the United States, although the Sandinistas had won, Nicaragua need not necessarily be lost. Carter believed that it might still be possible to prevent direct alignment with the Soviet Union. Comparisons were made to the fall of Cuba, where a violent response helped push Castro away from American control. To this end, the United States contributed 10-15 million dollars in aid to help feed and house displaced refugees from the conflict, and in September 1979, it gave an additional 8.5 million dollars.⁸⁰

However, a major condition of this American aid was that Nicaragua not try to overthrow neighbouring states, especially El Salvador. There, in October 1979, reformist junta had taken control, but Salvadoran officers remained committed to their “dirty war” against communism.⁸¹ Aligned ideologically with compatriots in Guatemala, Salvadoran officers, backed by American support, organized a campaign of terror in the cities with a monthly death toll of 800 by the end of the year. This conflict, organized and operated by the Salvadoran army, took place with the tacit support of the American embassy, although a domestic fiction was maintained in the U.S. that mysterious and unknown vigilantes conducted the violence.⁸² Given the overwhelming costs, both in dollar signs and in lives, by the early 1980s the Salvadoran Civil War actually eclipsed affairs in Nicaragua. The casualties there eventually amounted to 100,000 over 12 years, and the

⁷⁹ Turner, *Nicaragua V. United States: A Look at the Facts*, xii.

⁸⁰ LeoGrande, *Our Own Backyard: The United States in Central America, 1977-1992*, 30.

⁸¹ Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 329.

⁸² Mark Danner, *The Massacre at El Mozote* (New York: Vintage Books, 1994), 25-27.

United States spent over 5.5 billion dollars in support of Salvadoran government.⁸³ As the situation worsened, the victory of the Sandinista rebels over the previously stable Somoza regime, which had been a close ally to the United States for virtually its entire 43 year history, shocked American politicians, who now suddenly became aware of the very real possibility that the Salvadoran government could be brought down in a similar manner.⁸⁴

In Nicaragua, that revolution meant an overhaul of the system. The Somoza family holdings became state-owned and agricultural exports and banking were nationalized. State farms were formed, which were voluntary collectives. Social services built around literacy crusades and healthcare services were instituted. Politically, the Government of National Reconstruction, appointed by the Sandinista National Directorate, governed and the National Guard was disbanded and replaced by the Popular Sandinista Army. Additionally, the Sandinista Defense Committee was founded to recruit militias.⁸⁵ However, the unity of this new government quickly began to crumble. In April 1980, moderate opposition leaders Violeta Chamorro and Alfonso Robelo resigned over disagreements.⁸⁶

Meanwhile, the situation in El Salvador escalated, leaving the United States scrambling to ascertain the intentions of the new Nicaraguan government. The left-wing Sandinistas wanted to aid the Salvadoran guerrillas, and in May 1980, began doing so.⁸⁷ Both Cuba and the Sandinistas started training thousands of guerrillas, and Soviet documents show the goal was to defeat the Salvadoran government before Reagan was

⁸³ Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 327.

⁸⁴ Gomez, *Human Rights in Cuba, El Salvador and Nicaragua: A Sociological Perspective on Human Rights Abuse*, 129.

⁸⁵ *Ibid.*, 61.

⁸⁶ Gomez, *Human Rights in Cuba, El Salvador and Nicaragua: A Sociological Perspective on Human Rights Abuse*, 136.

⁸⁷ Ambrose, *Rise to Globalism: American Foreign Policy since 1939*, 302.

inaugurated. This involved providing support and aid to ideologically similar groups fighting in El Salvador before the U.S. could provide enough support to adequately defend the status quo. In this respect Reagan's claims would prove to be correct – there was a threat of Communism spreading across the region, and Carter's policies did help accelerate this process. KGB documents show that, with Nicaraguan, Cuban, and Soviet support, hundreds of thousands of rounds of ammunition, 10,000 uniforms, 2,000 medical kits, 300 German Second World War-era machine guns, and 700 automatic weapons were smuggled to Salvadoran guerrillas, who formed the Farabundo Martí de Liberación Nacional (FMLN) by October. According to a KGB report, the Cubans were confident of a successful revolution by the end of 1980. The Sandinistas themselves benefited from a visit to Moscow in May 1980, wherein the Soviet Union assured it of large-scale military aid to be put toward the Sandinista army as well.⁸⁸

While the details of these arrangements remained unknown to American statesmen, the rapid increase in violence in El Salvador became hard to ignore. In a January 1980 memorandum Stansfield Turner, head of the CIA, relayed to the National Security Council that the Salvadoran rebels were making both military and political gains, and that the Salvadoran government was at risk of falling. The military and security forces there were insufficient to face the ever-increasing number of armed guerrillas, and required further American support.⁸⁹ A rally in San Salvador on January 22 to celebrate unity numbered 80,000. The CIA believed that the rebels were well funded, and being trained in El Salvador, Nicaragua, and Cuba, giving them increasingly sophistication and armament capability. In this particular document, the source of this

⁸⁸ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 123.

⁸⁹ DNSA, El Salvador Collection, EL00023, CIA Alert Memorandum on Threat of a Leftist Extremist Takeover in El Salvador, January 24, 1980.

funding is censored, but another memorandum from the CIA dating from roughly the same time-period cites ransoms as a main source of income. Politically, rebel propaganda was winning some support, and rebel numbers had increased from 200-300 in 1977, to 700 in late 1978, to over 2,000 in 1980. Ransom revenues in 1979 were estimated at \$40 million, with a war chest of \$20 million.⁹⁰ While Turner judged that the rebels were not yet capable of prolonged engagements against government forces, he nevertheless believed that Cuban assistance in supply logistics and support made them a risk to the already weak and disparate junta. Turner judged the overall situation as precarious enough that he believed the left would likely prevail in a civil war there.⁹¹

These requests for further support were countered by a more moderate assessment from the Bureau of Intelligence and Research. This office believed that the Soviet Union was cautious to avoid confrontation after the 1962 Cuban Missile Crisis. In that regard Cuba had been as much of a lesson to the Soviet Union as it had been to the United States.⁹² Washington felt that Moscow had accepted American control of Latin America in the 1970s, but increasing anti-Americanism emboldened Moscow. The bureau theorized that the USSR needed markets to sell equipment, to help rectify its trade imbalance. Latin Americans generally preferred Western goods, which limited the Soviet Union to a cultural exchange program, training students and technicians. Therefore, it was primarily the Cubans, and not the Soviets, who pushed for the radical expansion of communism on the continent. This was supported by evidence that the Cubans were using Costa Rican planes to send shipments to Salvadoran rebels. Sandinista support for

⁹⁰ DNSA, El Salvador Collection, EL00019, CIA Interagency Intelligence Memorandum on Growth and Prospects of Leftist Extremists in El Salvador, January 1980.

⁹¹ DNSA, EL00023.

⁹² DNSA, Nicaragua Collection, NI01109, United States Department of State Report on the Soviets in Latin America: Trends and Prospects, January 25, 1980.

Salvadoran rebels, in comparison, was restricted to limited training and some arms. Essentially, it seems that certain factions of the intelligence community in early 1980 judged that communism was being spread on the continent, but that it was the Cubans, and not the Soviet Union or the Sandinistas, who took the lead in this.⁹³ Based on this report, on September 12 Carter certified that Nicaragua was not cooperating with or harbouring terrorists, and that it was not exporting violence to other countries, though he issued a warning against doing so.⁹⁴

By January 1981, the Salvadoran rebels had made significant gains. In response to a major offensive, the Carter administration in its dwindling days revoked its aid restrictions to the Salvadoran government. Repressive dictatorship though it might be, it was nonetheless a better option than another communist government in Central America. Revolution in Nicaragua had set off renewed worries of domino theory, and the fall of El Salvador might mean a similar situation in Guatemala, Honduras, and others.⁹⁵ Testifying before the House Foreign Affairs committee in mid-March, Reagan's Secretary of State Alexander Haig said that El Salvador was the first on "a priority target list – a hit list, if you will, for the ultimate takeover of Central America."⁹⁶ According to Haig, Nicaragua had been the first target, and had successfully fallen. Next would come El Salvador, followed by Honduras and Guatemala. Unless the U.S. took action to stop the spread of communism, he claimed "we will find it within our own borders tomorrow."⁹⁷ Aid to Nicaragua continued until April 1981, when it became clear that the Sandinistas were

⁹³ DNSA, EL00019.

⁹⁴ LeoGrande, *Our Own Backyard: The United States in Central America, 1977-1992*, 31.

⁹⁵ Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 334.

⁹⁶ Norman A. Graebner, "American Foreign Policy After Vietnam," *Parameters, Journal of the U.S. Army War College* XV, no.3 (Autumn 1985): 50.

⁹⁷ "Salvador No 2 on Soviet takeover hit list, says Haig," *Montreal Gazette*, March 19, 1981, World Section, 13.

providing arms shipments to guerrilla operations in El Salvador. This revocation of American aid pushed the Soviets into donating 20,000 tons of wheat, and the Soviet bloc began supplying Western arms to Nicaragua, but to Washington, it seemed as if the generosity of the FSLN's communist allies was vast, and all the continent a ripe plum, ready to fall into the outstretched and waiting hands of Marxism.⁹⁸

As early as the March after his inauguration, President Ronald Reagan began arguing to the American public that the Sandinista government was a threat to the United States and its allies. However, he very specifically denied any similarity to Vietnam. In an interview with Walter Cronkite in March 1981, Reagan argued that there was no parallel between military assistance to El Salvador and Vietnam, saying, "The difference is so profound. What we're actually doing is, at the request of a government in one of our neighboring countries, offering some help against the import or the export into the Western Hemisphere of terrorism."⁹⁹ By this time, however, this perception of military threat represented more than simply opinion. The Nicaraguan army had increased drastically in size, and was also increasingly funded, supplied, and trained by Havana and Moscow.¹⁰⁰ In a cable document from the Department of State to the U.S. embassy in Nicaragua, Secretary of State Haig expressed concern over the development of Nicaraguan military equipment, which might include some Soviet tanks.¹⁰¹ While this warning does not seem particularly serious, another cable document a month later stated that the size of the Nicaraguan army had reached 25,000, with an additional 50,000

⁹⁸ Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall*, 330.]

⁹⁹ Ronald Reagan, Interview by Walter Cronkite, March 3, 1981

<http://www.presidency.ucsb.edu/ws/index.php?pid=43497&st=nicaragua&st1=#ixzz1JInRZGIK>.

Ironically, this is exactly how Vietnam was explained.

¹⁰⁰ Whether a threat to American interests in the region actually meant a threat to the security of the American southern border, as Kissinger believed, is another matter entirely.

¹⁰¹ DNSA, NI01338.

militia, that Nicaragua now possessed 20-30 Soviet tanks, and that Nicaraguan pilots were being trained in the Soviet Union. Furthermore, the Soviet Union and Cuba were training and advising in Nicaragua, and that the Nicaraguan army was supporting an insurgency in El Salvador through the trafficking of arms. All of this, Haig concluded, was far in excess of what could be justified by Nicaraguan defence needs alone, and instead represented continued efforts to support the insurgency in El Salvador through arms trafficking. The details of this buildup formed the core idea of constructing an enemy in the discourse that could then be said to be both threatening and expansionistic.

The situation was compounded that winter as Sandinista forces began destroying the villages of Atlantic coast Indians, forcing 20,000 of them to escape to Honduras, which responded by establishing a self-defence collective with El Salvador.¹⁰² The Sandinistas claimed they had acted against the Atlantic coast Indians because they sought to respond to the escalating violence of the Contras in that area. The stated goal of the Nicaraguan government was to evacuate 12,000 Mosquitos from Coco River villages on the Honduran border. This was intended not only to protect the Mosquitos, but also to reallocate the population in order to prevent the Contras from recruiting them. However, the United States and the Contras took advantage of the reallocation to claim that the Sandinistas were repressing segments of the population.¹⁰³

A January 1981 defeat forced the rebel FMLN fighters in El Salvador to retreat into the mountains. Soviet documents show that, although Moscow sought to distance itself publicly from Latin America, it increased arms shipments to Cuba, with the

¹⁰² DNSA, Nicaragua Collection, NI01364, United States Department of State Cable on Assessment of Nicaraguan Situation, July 30, 1981. A very curious turn of phrase is used in this cable, which states that the build-up in Nicaragua “is not justified by Nicaragua’s defence needs.”

¹⁰³ Ivan Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict* (London: Pluto Press, 2001), 118.

intention that some of these would be funnelled into Central America. Following this, in May 1981 a joint Nicaraguan-Cuban-Soviet commission on the supply of Soviet arms to the Sandinista army met in Managua. An agreement was reached in June, and the first heavy weapons, including tanks and artillery, began to arrive in July. Although this caused some friction in the alliance, as Castro felt the Sandinistas were now dealing directly with the Soviet Union, instead of through him, Ortega and the USSR signed an arms treaty in November that ratified the continued supply of arms. With this increase in aid, Salvadoran rebels met in Managua with both the Sandinistas and six other revolutionary groups from Honduras, to discuss the possibility of further fighting in Honduras in support of the retreating FMLN. Although this provided unnecessary, and did not take place, it nevertheless helped cement the military alliance between Castro, the Sandinistas, and the FMLN.¹⁰⁴

After the Salvadoran victory, Reagan publicly announced his intention to draw a tougher line in Central America. The Americans claimed that the Sandinistas restricted the activities of political opponents and independent unions through mob violence and repressive laws. They also claimed that 10,000 Mosquitos had been forced to flee to Honduras to escape the forced reallocation, which instead of being peaceful came in the form of the total destruction of their villages along a 100 km-wide swath along the Coco River.¹⁰⁵ Those who did not flee were forced into detention camps, confined, guarded, and resettled.¹⁰⁶ As a result, the United States remained distrustful, and on March 10, the Washington Post revealed that Contras were being trained to destroy Nicaraguan power

¹⁰⁴ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 126.

¹⁰⁵ DNSA, NI01474.

¹⁰⁶ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 180.

plants and bridges, and to disrupt arms supplies to El Salvador.¹⁰⁷ Washington believed that even while the Sandinistas tried to convince the world of their non-aggression, they continued to act as a funnelling port for Soviet and Cuban arms. A tersely worded cable from Secretary of State Alexander Haig stated, “The Nicaraguans continue to support the insurgency in El Salvador. While arms trafficking has not reached the levels of the January “Final Offensive,” support activities for the Salvadoran insurgents continue. New, alternate routes of supply are probably being developed.”¹⁰⁸ Late in 1981 the FMLN had agreed with Castro on a scheme to disrupt elections in El Salvador scheduled for March 1982. To achieve this, Cuba sent Soviet arms through Nicaragua to Honduras and Belize, where rebel groups would block roads, destroy public transportation, and attack polling booths and public buildings. Although this attempt failed in its goal, and the election enjoyed an 80% turnout, it demonstrated to American policy-makers that the Sandinistas were aggressive and willing partners in the KGB plan to exploit civil war in El Salvador to discredit U.S. policy there.¹⁰⁹

Although American policy-makers believed that that the Sandinistas had initiated the cycle of border violence and aggression against its neighbours, their argument proved somewhat tenuous. For the Sandinistas, who faced food shortages and a reduction in international aid, continued sporadic violence along the Honduran border and a Contra attack on March 14 demonstrated the need for a more powerful defense.¹¹⁰ The Sandinistas found themselves in a somewhat precarious position. Although much of the

¹⁰⁷ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 130.

¹⁰⁸ DNSA, NI01364

¹⁰⁹ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 128. This turnout was no doubt improved by the fact that voting was mandatory.

¹¹⁰ DNSA, Nicaragua Collection, NI01619, CIA Special National Intelligence Estimate on Prospects for Escalating Hostilities between Nicaragua and Honduras, December 8, 1982.

international community continued to offer diplomatic support even after financial aid stopped, it was a different environment than the one in which Cuba had gained its independence. The Soviet Union was simply not willing or able to contribute the same level of support, and the Sandinistas were under constant pressure from its allies to compromise and negotiate. Not even the Cubans would urge the Sandinistas to follow in their footsteps and declare an openly socialist, one-party government.

Even without any open declaration of a one-party government, “arms trafficking”, along with the build-up of the Sandinista military, spurred interest by the United States in early 1982. Before that, the conflict had been purely a Latin American one, with the Cubans, Mexicans, and Panamanians supporting the Sandinistas, and the Argentines and other Central American nations supporting the Contras.¹¹¹ A May 11 cable to the Department of State warned the administration that new Soviet assistance to Nicaragua amounted to \$150 million in technical and economic assistance, with \$100 million earmarked for the purchase of machinery, and \$50 million for technical assistance in hydroelectric power.¹¹² While this might not be alarming on its own, a CIA report the month before had warned that the Sandinista army was now far bigger and better equipped than the National Guard under Somoza had been, and that it was funnelling its spare weapons to insurgents in neighbouring nations. Equally alarming, Cuban advisors were integrated in the Nicaraguan military from the general staff level down, and Soviet officers helped with military planning. Not only did the Sandinistas now have an army

¹¹¹ R. Pardo-Maurer, *The Contras, 1980-1989: A Special Kind of Politics* (New York: Praeger, 1990), 3. The Argentines had no real vested interest in events. They were more interested in currying American favour. This support was cut off during the Argentine war in protest when the United States sided with Great Britain.

¹¹² DNSA, Nicaragua Collection, NI01515, United States Embassy Cable on New Soviet Assistance to Nicaragua, May 11, 1982.

that was the largest and most heavily armed in Central America, destabilising the regional military balance, but they also had a number of Soviet and Cuban style military installations, including four new airfields capable of supporting military jets at Sandino International Airport, Puerto Cabezas, Montelimar, and Bluefields. Furthermore, their infantry were equipped with modern Soviet bloc small arms, including AK-47 assault rifles, Czech machineguns, and RPG-7 grenade launchers. The armour and artillery of the Nicaraguan army was equally expanded, and now possessed 57 mm antitank guns, 152 mm howitzers, T-55 tanks with 100 mm guns, armoured personnel carriers, and river-crossing equipment, giving them what the report termed “an offensive capability”. Defensively, the report claimed, the Nicaraguans were armed with antiaircraft guns and surface-to-air missiles, and Nicaraguan pilots were training on MiGs in Cuba and Bulgaria. The use of the word “offensive” in the report is an especially loaded one, given that there was no real prospect of a Nicaraguan invasion of its neighbours, as such a move would have been met with overwhelming American military power. The report emphasised the details of these weapons, therefore, because it fit into the discourse perpetuated by the administration.¹¹³

The report also emphasized that significant arms trafficking was taking place. In late march, 1981, Honduran guards at the Nicaraguan border intercepted a concealed shipment of 15,000 rounds of ammunitions, which the CIA believed was intended for Guatemalan insurgents in Honduras.¹¹⁴ Only weeks after taking power, Sandinista forces began helping Salvadoran, Honduran, and Guatemalan guerrillas make training camps and stage attacks. The Sandinistas delivered arms through aerial deliveries until January

¹¹³ DNSA, NI01474.

¹¹⁴ Ibid.

1981, after which time they shifted to overland routes from Nicaragua to El Salvador through Honduras, until this too was blocked off in November 1981. Once this happened, the delivery method shifted to shipping, from the southeast coast of El Salvador, and gradually moved further inland. In Early January 1981, Honduran police intercepted an arms shipment concealed in a large truck from Nicaragua, and found six members of the International Support Commission of the Salvadoran Popular Liberation Forces unloading weapons. These individuals were in possession of fake passports and identity documents, as well as 100 M16 assault rifles, 50 mortar rounds, 100,000 rounds of 5.56mm ammunition, machine gun belts, field packs, and first aid kits.¹¹⁵ Two months later, Honduran border authorities intercepted 15,000 rounds of ammunition concealed in a truck bound for a Guatemalan insurgent in Honduras. They intercepted another arms shipment on April 1981 crossing into Honduras from Nicaragua with ammunition and propaganda materials hidden in the side walls.¹¹⁶

Given this evidence, it is clear that substantial amounts of arms were being smuggled from Nicaragua into neighbouring countries, with the majority almost certainly intended for the FMLN in El Salvador. Additionally, guerrillas were trained in tactics, weapons, communications, and explosives in Nicaragua. They would then travel to Cuba from Nicaragua for further more specialized training, and then return to their home countries. In September 1981 a Salvadoran guerrilla who surrendered told officials that he had traveled to Cuba from Managua in May 1980, had trained there for six months in underwater demolition, and was tasked with going to El Salvador to sabotage naval vessels, bridges, hydroelectric plants, and port facilities. In a November 1981 raid of a

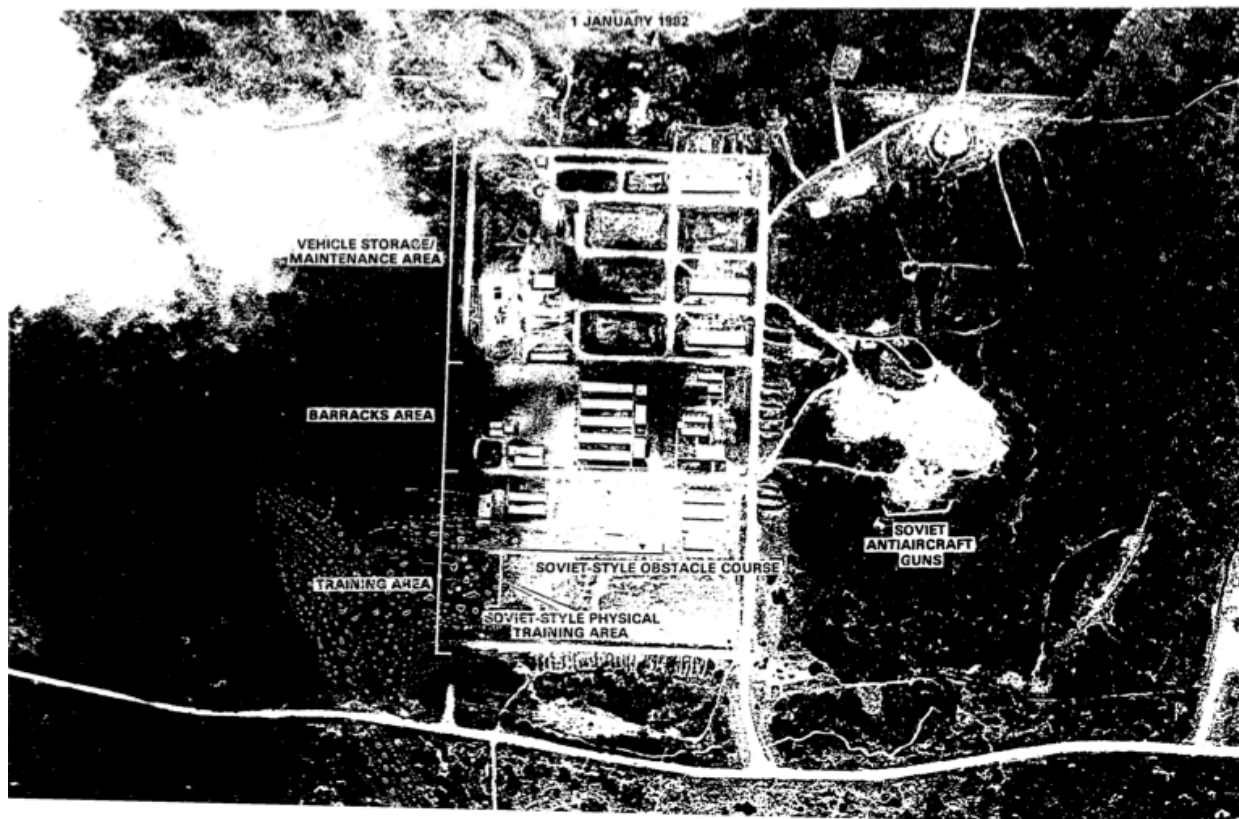
¹¹⁵ Ibid. Interestingly, half of those M16s were traced to U.S. weapons stocks in Vietnam

¹¹⁶ Ibid.

safe house in Tegucigalpa, Honduran police found evidence that the rebel group there had been formed in Nicaragua, and had been trained there and in Cuba. A Salvadoran group arrested in January 1982 in Costa Rica testified that they had spent six months in Managua training.¹¹⁷

These ominous reports were confirmed at least in part by photographs taken by American spy planes, which identified both heavy armaments and facilities, which appeared to be of Soviet and Cuban, origin in Nicaragua.

**CUBAN-STYLE BARRACKS AREA
VILLA NUEVA, NICARAGUA**



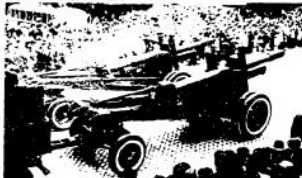
¹¹⁷ Ibid.

SOVIET BUILT EQUIPMENT IN NICARAGUA

T-55 TANK



152MM HOWITZER



HIP HELICOPTER



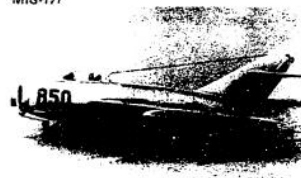
BTR-60 ARMORED PERSONNEL CARRIER



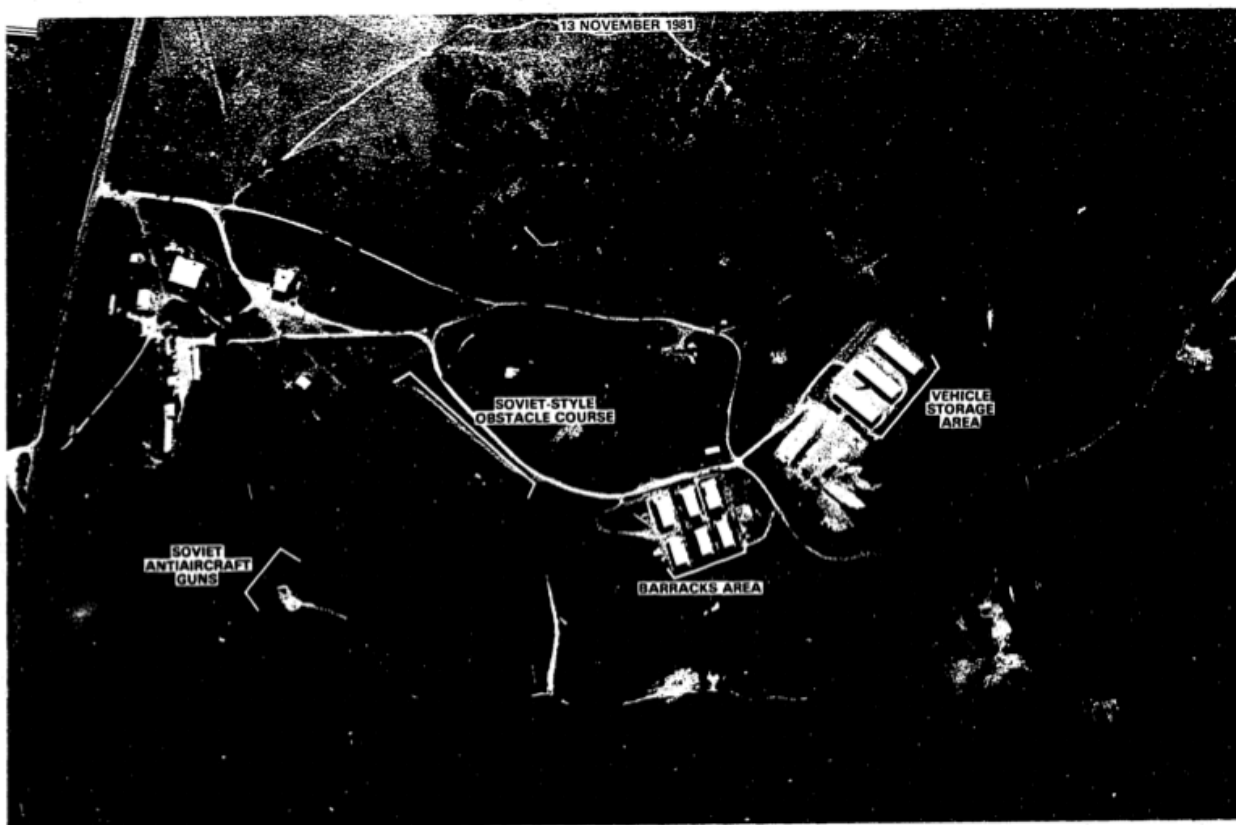
GSP HEAVY AMPHIBIOUS FERRY



MIG-17



CUBAN-STYLE MILITARY BARRACKS AREA CONDEGA, NICARAGUA



In these photographs, U.S. intelligence analysts identified Soviet equipment and Cuban training facilities, thereby corroborating the information presented in the CIA report, and validating the perception of threat held by the Reagan administration.¹¹⁸ On the danger of these facilities, a CIA report stated that, “the Sandinistas have built a heavily armed standing army supplemented by militia and reserve elements [excised]. It outstrips every other Central American army in manpower. It has alarmed Nicaragua’s neighbors, and it has become a major destabilising factor in the regional military balance.”¹¹⁹

The precise extent of Soviet and allied aid (including Cuba and the Eastern Bloc) to Nicaragua was difficult for the Americans to ascertain at the time, but the rate of Soviet arms delivery to the Sandinistas alarmed the Americans, as well as the Costa Ricans, Salvadorans, and Hondurans who feared that it would be used by guerrillas inside their own borders. As such, the Salvadoran government asked the United States for help in preventing this flow of arms from reaching Nicaragua, and then being used against El Salvador.¹²⁰ The Americans acquiesced and promised significant aid to the Salvadorans if they met the conditions for Congress’ human rights “improvement” certification by focusing on human rights, economic development, and land reform. In exchanged the Americans increased their aid to \$82.5 million in 1982, which allowed the ESAF to grow to 42,000 by 1984. The Americans also trained the Salvadorans in counter-insurgency techniques and flight training.¹²¹

¹¹⁸ DNSA, Nicaragua Collection, NI01456, United States Department of State Presentation on Evidence of Military Build-up in Nicaragua, March 1982.

¹¹⁹ DNSA, NI01474.

¹²⁰ DNSA, NI01515.

¹²¹ Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 333.

Part of the reason for this build-up in military forces on both sides was increasing tension between the United States and the Soviet Union in early 1983. Daniel Ortega visited the Soviet Union in March, and was pressured by Moscow to declare that Nicaragua no longer required aid from the USSR to defend itself. In the Soviet Union, a tense attitude encouraged by a growing fear of the United States led to a warning to the Sandinistas: the Soviet Union would not act if the Americans invaded directly. The Star Wars program and Reagan's declaration of the USSR as an "evil empire" convinced Soviet leaders that the United States was preparing for a confrontation with Moscow, which Andropov termed an "outrageous military psychosis" in the US.¹²² This Soviet hesitancy was compensated for by Cuba, which contributed to the build-up by sending an estimated 2,000 Cubans, whom the Americans believed to be military advisors, and part of a larger contingent of over 6,000 Cubans who operated in every government agency in Nicaragua. Included in this group was General Arnaldo Ochoa, deputy to Raul Castro. He had been credited with the arms build-up in Angola in 1976 where Cuban had helped rebels defeat South African-supported militants. He had also done similar things in Ethiopia in 1977, and his presence made the United States uncomfortable. A \$247 million dollar loan made available from East Germany, and additional sums offered by the Soviets only compounded the danger Washington perceived from Ochoa and the Cuban contingent.

Despite the unease in Washington this created, Reagan claimed that he had no intention of sending combat forces to Nicaragua in a speech on March 11. He also claimed that the U.S. would have no direct role there, and that he sought other means to

¹²² Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 131. Even though there is no indication that Reagan was actually preparing for a nuclear war, it seemed to be a concern to the Soviet leaders at the time, who perceived the United States as being quite aggressive.

support the Contras, the primary gist of which would be economic action.¹²³ The United States began to block loans from the International Monetary Fund, the World Bank, and the Inter-American Development Bank. The United States possessed the capability to prevent loans because it was the principal contributor to all of these organizations, and thus possessed significant influence.¹²⁴ In March Reagan reduced the amount of sugar the United States purchased from Nicaragua by 90%, and instituted a full trade embargo in May, and in June all six American consulates were closed, the day after Nicaragua expelled three American embassy employees for spying.¹²⁵

Reagan also began to focus political pressure on the issue by shaping the discourse through the press and in speeches, reinforcing the threat he believed the Sandinistas posed to Central America. At the same time, Reagan continued to argue that the Sandinistas were a serious threat to the region. In an address to a joint session of the Congress on Central America on April 27, Reagan claimed that the situation in Nicaragua directly affected the security and well being of the United States. He argued that the region possessed a vast strategic importance, in terms of foreign trade passing through the region, but also for supplying military equipment to NATO through the Panama Canal. "It's well to remember, " Reagan reminded the Congress, "that in early 1942, a handful of Hitler's submarines sank more tonnage there than in all of the Atlantic. And they did this without a single naval base anywhere in the area. And today, the situation is different."¹²⁶ Reagan stressed that he had no intention of overthrowing the Nicaraguan

¹²³ Ronald Reagan, Remarks and a Question-and-Answer Session With Reporters on Domestic and Foreign Policy Issues, March 11, 1983

<http://www.presidency.ucsb.edu/ws/index.php?pid=41041&st=nicaragua&st1=#ixzz1JIoXgO32>

¹²⁴ Burns, *At War in Nicaragua: The Reagan Doctrine and the Politics of Nostalgia*, 30.

¹²⁵ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 115.

¹²⁶ Ronald Reagan, Address Before a Joint Session of the Congress on Central America, April 27, 1983
<http://www.presidency.ucsb.edu/ws/index.php?pid=41245&st=nicaragua&st1=#ixzz1JIosTV7b>

government, and only wanted to help protect its neighbours from an ideology that sought to “infect its neighbours” through violence. However, the United States supplied only enough money to train a tenth the number of Salvadoran soldiers required for an adequate defense against this threat. The Nicaraguans, in contrast, had built 36 new military bases, and now possessed a 25,000-man army with a 50,000-man militia. This army, supported by 2,000 Cubans, had moved its heavy tanks to the border with Honduras, and Reagan warned the Congress that all this spoke heavily of outright war in the region that he called the most vital for North American security. The rhetoric of military buildup therefore served to help justify the administration’s policies, while also sidestepping discourse on the specific details of American involvement there.¹²⁷

Reagan made a further attempt to convince the public, arguing in a speech to the International Longshoremen’s Association on July 18 that the Soviets and Cubans were aggressively operating on the American mainland through Nicaragua.¹²⁸ However, similarities between Nicaragua and Vietnam seemed all the more difficult to escape when Contra forces supported and trained by the United States crossed the border from Honduras and began waging war against the government.¹²⁹ In July 1983 a report from Lt. Col. North and others to William P Clark, Deputy Secretary of State, asked for funding from the agency’s contingency reserve to defray the increasing costs of Contra operations. It seems that some activity, censored in the documents, appeared to be resulting in unexpectedly heavy expenditures. However, Congress continued to frustrate

¹²⁷ Ronald Reagan, Address Before a Joint Session of the Congress on Central America, April 27, 1983 <http://www.presidency.ucsb.edu/ws/index.php?pid=41245&st=nicaragua&st1=#ixzz1JlosTV7b>; LaFeber, *Inevitable Revolutions: The United States in Central America*, 5.

¹²⁸ DNSA, Nicaragua Collection, NI01768, Presidential Address before the International Longshoremen's Association in Hollywood on Saving Freedom in Central America, July 18, 1983.

¹²⁹ Ambrose, *Rise to Globalism: American Foreign Policy since 1939*, 330.

the administration; North argued the money should be granted immediately, saying it had already been set-aside for that year in a contingency fund, and so required no additional allocation of funds. This was the second request for additional funding that year alone, and the administration stressed that authorizing money would be an important public announcement of support for the Contras. However, a request for permission to enlarge the overall size of the Contras was deferred pending an analysis of long-term goals and the potential outlook for the insurgency.¹³⁰

Despite Reagan's assurances, comparisons between Nicaragua and Vietnam continued to worry critics of the administration. This worry was exacerbated in July, when Washington announced new exercises in Honduras. Henry Kissinger, who had played such a central role in American involvement in Vietnam, was appointed to head a commission to report on U.S. policy in Central America, and rumours began to circulate of an American invasion plan titled Operation Pegasus, but were officially denied by the administration.¹³¹ For Reagan's opponents, this invasion plan seemed far too reminiscent of Vietnam, and Congressional memory feared that military aid would quickly turn Central America into another inescapable but expensive jungle deathtrap. In December of 1982 Congress had passed the Boland Amendment, which outlawed any U.S. assistance for the purpose of overthrowing the Sandinista government. Critics of the administration argued that the United States should attempt to compromise and work alongside the Sandinistas, rather than in opposition to them, in order to better promote democracy and stability. Many argued that the Sandinistas had no intention of invading El Salvador, and

¹³⁰ DNSA, Nicaragua Collection, NI01757, United States National Security Council Memorandum on Increased Funding level for Nicaraguan/[Excised] Covert Action, July 11, 1983; Michael J. Schroeder, "Bandits and Blanket Thieves, Communists and Terrorists: The Politics of Naming Sandinistas in Nicaragua, 1927-36 and 1979-90," *Third World Quarterly* 26, no. 1 (2005): 68.

¹³¹ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 188.

that their army had been moved to the Honduran border to act as a deterrent to the Contra and U.S. troops based there. Economic aid would achieve more than military aid, and would help prevent creating waves of refugees that would destabilize the region further.

Despite opposition from Congress, Washington increased its activity in Nicaragua throughout the fall. In September, CIA director Bill Casey authorized covert action to “oppose the immediate and serious threat to Western Hemisphere peace caused by the encroachments by the Soviet Union, Cuba, and their surrogates.” This “deteriorating” security situation would be met by arming and supporting the Contras further, and on September 19 Reagan issued a “finding” to induce the Sandinistas and Cubans to cease their support for insurgencies in neighbouring countries.¹³² Casey, and other conservatives in the administration like Defense Secretary Caspar Weinberger, opposed negotiating with Moscow. Reagan increased pressure on the Sandinistas through the fall, and Contra activities continued apace, bombing oil storage and other facilities. From September 1983 until April of the following year, American-backed assets in the region conducted twenty-one direct attacks on economic targets, including port infrastructure, grain storage facilities, waterways, and shipping.¹³³ The U.S. army, on manoeuvre in Honduras, began building a permanent military base near the Nicaraguan border. Though neither Congress nor the public had been fully convinced, and funds for the administration were short, Reagan could not be entirely handicapped from supporting the

¹³² DNSA, Nicaragua Collection, NI01758, Memorandum from the Executive Office of the President on Central America, July 12, 1983.

¹³³ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 119.

Contras as he saw fit and for the 1983-1984 fiscal year (which runs from October 1 to September 30) the Contras were granted an additional \$24 million in funds.¹³⁴

The U.S. invasion of Grenada in October threw yet another wrench into the gears of peaceful diplomacy. The operation was a rousing success for the American forces, and following American victory on the 23rd, Reagan explicitly linked Grenada to the Nicaraguan “threat.”¹³⁵ The Soviets took the operation as proof of their fear that the United States intended to escalate, and the Soviet press painted Reagan as a madman. Vice President Vasili Kuznetsov said the Reagan administration was “making delirious plans for world domination,” and “pushing mankind to the brink of disaster.”¹³⁶ Many in Moscow and Washington now felt that an invasion of Nicaragua would follow shortly, rumours of which had been swirling all summer. However, a similar operation in Nicaragua would have required a vastly different level of commitment from the United States. Nicaragua was 400 times larger than Grenada and had twenty times the population. Its army of 30,000, with a militia of an unknown size that at least doubled the size of the army, made it a far more difficult target for invasion. Lt. Colonel John Buchanan estimated that it would cost sixteen billion dollars, and require 125,000 American troops. But the problem with a direct American invasion went deeper than simply the cost: what would come next? In Grenada, the junta the U.S. had removed lacked widespread support, but in Nicaragua the Sandinistas had come to power in a popular revolution with a wide base of support.¹³⁷ Polls in the United States showed the

¹³⁴ Ambrose, *Rise to Globalism: American Foreign Policy since 1939*, 331-37; Coatsworth, *Central America and the United States: The Clients and the Colossus*, 183.

¹³⁵ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 189.

¹³⁶ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 139.

¹³⁷ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 92.

American population did not favour military involvement.¹³⁸ Even Eden Pastora, leader of the ARDE Contras based in Costa Rica, warned that an American invasion would lead to a national patriotic war against the United States.¹³⁹

An outright invasion was never very likely, then, unless the Sandinistas invaded Honduras. Even if the United States demolished the Sandinista army and won a war against the populace, any regime it established would require an American occupation to survive. Low intensity conflict, however, would prove more achievable. The same month, the Contras began an offensive involving 15,000 fighters across a three-front war, supported extensively by the CIA. The Fuerza Democrática Nicaragüense (FDN) fought in the mountainous northwest, the Mosquito Indians on the Atlantic coast, and Pastora and the Alianza Revolucionaria Democrática (ARDE) in the south. Their goal, as established by Duane Clarridge, the CIA official in charge of Contra operations, was to seize territory in preparation for further operations in January.¹⁴⁰ The American strategy was to provoke the Nicaraguans into cross-border attacks, which would demonstrate their aggression for the global community, and allow the United States to become involved under the collective defense provision of the Organization of American States. It was also hoped that the Sandinistas would be forced to revoke civil liberties in response to the invasions, which would help tip the balance of public opinion against them and lead to internal dissent. The Contras would therefore be able to continue fighting against the Sandinistas, which would prevent the need for an American invasion.¹⁴¹

¹³⁸ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 189.

¹³⁹ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 92.

¹⁴⁰ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 188.

¹⁴¹ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 116.

In the face of the new Contra offensive, the Sandinista government sought to assuage Washington somewhat, expelling Salvadoran exiles, including the leaders of the Frente Farabundo Martí para la Liberación Nacional (FMLN) and Frente Democrático Revolucionario (FDR).¹⁴² This was, in effect, a Nicaraguan admission that, although they supported the Salvadoran rebels, they would not provide them with significant support.¹⁴³ U.S. officials seemed to reciprocate; while there were some continued calls for further American action, and in November Ambassador John Negroponte asked to increase the weapons issued to the FDN, there was an overall slowdown after the October offensive.¹⁴⁴ In November the Sandinistas sent 1,000 Cubans home, and announced national elections that had been scheduled for 1985 had been moved to November 1984. In December the Americans responded by scaling back the military exercises planned for January, and Reagan toned down his rhetoric somewhat. In January, U.S. intelligence had estimated that the Sandinistas enjoyed overwhelming popular support, and by the end of the year there was no evidence that that had changed.¹⁴⁵ American intelligence gave every indication that the Contras had little chance of defeating the Sandinistas outright, and even if they did somehow, 80% of the Nicaraguan population would continue to support the Sandinistas regardless of the outcome.¹⁴⁶

Given the lack of clear resolution at the end of 1984, the 1979-1984 period proved a shocking and contentious time for American policy-makers. Following his inauguration in January 1981, Reagan embarked on a series of aggressively anti-communist policies in

¹⁴² Coatsworth, *Central America and the United States: The Clients and the Colossus*, 181.

¹⁴³ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 133.

¹⁴⁴ DNSA, Nicaragua Collection, NI01880, United States National Security Council Memorandum on Support for the Nicaraguan Democratic Opposition, November 7, 1983; DNSA, Nicaragua Collection, NI01879, United States National Security Council Memorandum on Support for the Nicaraguan Democratic Opposition, November 4, 1983.

¹⁴⁵ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 190.

¹⁴⁶ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 92.

Latin America and around the globe. While many judged his policies in Nicaragua to be unjustified and overly aggressive, Reagan argued that the region represented a vital part of American strategic interests, which meant the United States had a responsibility to ensure stability and security there. To many of his opponents, this appeared to be little more than political posturing. Given the tough-on-communism position he had used to oust the incumbent president Jimmy Carter, and his virulently anti-communist personal beliefs, critics questioned the validity of Reagan's policies. However, many of these critics overlook the background with which policy-makers grappled. The fears of the 1960s and 1970s had proven constant reaffirmation of the argument that communism was a threat to American security. The evidence presented to many in Washington on the nature of the Sandinista military build-up, and their support for ideologically similar revolutionary groups in neighbouring countries, often paid for with vast quantities of aid from Cuba and the Soviet Union, proved alarming. In this period, the Sandinistas had achieved a victory over an entrenched American ally, and seemed poised to foster similar revolutions in a strategically vital region of American influence. Given these realities, it is hardly surprising that Reagan and his advisors saw a staunch and vehement opposition to the Sandinistas as their only option and worked hard to construct the Sandinistas as a legitimate enemy in the political discourse.

Chapter 3: Faltering Facts: The Gradual Shift from Interdiction to Overthrow to Treason

The mid 1980s proved a frustrating period for the Reagan administration's Nicaragua policy. Although the size of the Sandinista army had continued to grow, with the backing of Cuba and the Soviet Union, the administration still struggled to convince the American public of the danger in Central America. By 1984, the credible threat from Nicaragua seemed to have declined. A sort of detent had been reached, and, given the popular support enjoyed by the Sandinistas, the removal of that government seemed unlikely. Nevertheless, Washington continued to press its campaign there. Since the early part of the decade, Reagan had sought to reorganize the CIA and expand its paramilitary capability, which involved developing its unconventional warfare techniques. Low intensity warfare allowed this, and by 1984, there were more than 50 covert operations in progress, half of which were in Latin America, a 500% increase in operations since Carter's last year.¹⁴⁷ Guerrilla warfare was a much more cost-effective system of operation for the Americans, because, as they had witnessed in Vietnam, an established government was generally perceived as requiring a manpower ratio of 10:1 in order to be successful. However, these operations had to be curtailed somewhat in early 1984 when Congress cut off aid with the second Boland Amendment. The presidential elections began to gain momentum, and the idea of direct intervention remained deeply unpopular with the American public.¹⁴⁸ The Reagan administration recognized this, and effectively remained mute on the issue until it had won its second term. Even neo-conservatives such as Jeanie Kirkpatrick recognized the folly of escalation, when in March she vetoed a plan

¹⁴⁷ Ibid., 67.

¹⁴⁸ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 185.

by SOUTHCOM commander General Paul Gorman that called for CIA-operated AC-130 surveillance planes attacking guerrilla strongholds in El Salvador.¹⁴⁹

As a result, the period marked one of drastic change, both in the way the Sandinistas and the Contras were perceived by the administration, by Congress, and by the American public. The Contras themselves were a varied group, and included the FDN, ARDE, Frente Revolucionario Sandina (FRS), Fuerzas Armadas Revolucionarias Nicaragüenses (FARN), Kus Indian Sut Asla Nicaragua ra (KISAN), Misura, and Bloque Opositor del Sur (BOS). Their political views ranged from Catholicism to Trotskyism. The FDN was the largest group, but was poorly formed and had little discipline. Though the administration worked hard to put forth an image of the Contras as freedom fighters, and the Sandinistas as threatening terrorists, this became more and more difficult to sell. After the Iran-Contra scandal broke in late 1986, the task became all but impossible, and many felt the administration's claims had lost all legitimacy. Even before that point, however, Congress remained sceptical of President Reagan's claims, and was often reluctant to release the funds requested by the administration in support of the Contras.

A critical component of the White House's public relations campaign appeared in January 1984: the *Report of the National Bipartisan Commission on Central America*. The commission had been established by the president, was headed by former Secretary of State Henry Kissinger, and was tasked with understanding and advising on "a long-term United States policy that will best respond to the challenges of social, economic, and democratic development in the region, and to internal and external threats to its security."¹⁵⁰ The report was the product of months of research with hundreds of experts,

¹⁴⁹ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 96.

¹⁵⁰ Letter from Kissinger to Reagan, January 10, 1984

and its conclusions emphasised the importance of Central America in the broader hemisphere. Specifically, chapter six examined the security dimensions of the crisis in Nicaragua. The report argued several points: first, there existed a clear and present danger in Central America; and second, it was the external support of the Soviet Union that made the threat so large.¹⁵¹

The commission concluded that “indigenous change, even revolutionary change” alone did not constitute a threat to the security of the United States.¹⁵² Rather, it was the combination of native reforms and Soviet presence and influence, which increased the risk level to that of a direct threat to the United States. Indeed, it argued, this foreign presence in effect meant that the war in Nicaragua was an entirely new kind of conflict, the violence of which could only be prevented by the cutting off of foreign support. In the years following the Bay of Pigs, the influence and strength of the Soviet Union in the Caribbean region increased greatly. The report quoted Khrushchev as having claimed it had even brought the Monroe doctrine to its “natural death”.¹⁵³ While the Cuban air force and navy have been upgraded and reinforced by Soviet technology, the United States’ military presence in the Caribbean was actually being scaled back, in part as a response to increased international and domestic public hostility following the defeat and withdrawal in Vietnam. Soviet military aid to Cuba spiked in the early 1980s, and it noted that the Cuban army had grown in the two decades since 1960. Additionally, the Cuban air force possessed 200 modern combat jets, placing them in close competition with Brazil as the most powerful nation in Latin America. And, finally, as the Cuban missile crisis had

¹⁵¹ Henry A. Kissinger, et al, *Report of the National Bipartisan Commission on Central America* (January 1984), 1-2.

¹⁵² *Ibid.*, 15.

¹⁵³ *Ibid.*, 88.

demonstrated, perhaps the most severe threat from Cuba was the influence it would allow the Soviets to levy over the United States through its proximity – Moscow had explicitly sought to “[exploit] opportunities for the expansion of Soviet influence.”¹⁵⁴

The commission spelled out very unequivocally that Cuba, therefore, possessed significant military capability, and was an actual and real threat to the region. The report claimed that Nicaragua was also of vital importance, because it represented a crucial stepping-stone for Cuba and the USSR as a means of promoting insurgency in Central America. And with insurgency in Central America came more than simply danger to American allies – rather, the Commission argued, it represented a threat to the United States itself in two main ways. First, any communist stepping-stone on the continent itself would cause instability to the United States, because it would require a drastic increase in American land border security. The resources required to achieve this would therefore no longer be available for use in projecting U.S. influence globally. Second, instability in Central America threatened American shipping to both Asia and Europe via the Panama Canal. Those sea lanes, of vital importance should either theatre require reinforcement in case of war, were vulnerable. Kissinger directly compared the Soviet ability to interdict American shipping to that of Nazi Germany during the Second World War, a remark reminiscent of Reagan’s use of the same trope the previous year.¹⁵⁵

It was little surprise, then, that the Kissinger commission suggested wholehearted military support for American allies in the region. Critically, however, it did not recommend that monies be given to the Contras, necessarily. It argued it was the Salvadorans who required additional resources to meet their defensive needs. Without

¹⁵⁴ Kissinger, *Report of the National Bipartisan Commission*, 84-91.

¹⁵⁵ *Ibid.*, 91-92.

this, the Salvadorans would not be able to effectively conduct modern counter-insurgency operations and defeat the guerrillas. Instead a protracted conflict would continue to devastate the Salvadoran economy. Furthermore, without additional strength, none of the Central American states would be powerful enough to repel the rapidly expanding Nicaraguan army, should it decide to invade. This was a particular worry in Honduras, where the report argued, “Although it is questionable whether Nicaragua as yet has the logistical and other capabilities needed to mount a conventional cross-border attack, the build-up points in the direction of their acquiring such capabilities.”¹⁵⁶

Despite its measured tone, the report distorted the military balance in Central America. Though the commission warned of Salvadoran weakness, forces there already outnumbered rebels four-to-one, and had received far superior training and equipment from the Americans.¹⁵⁷ The report claimed the Sandinistas were building a modern air force, but Mig-21s the Soviets had promised for Nicaragua in 1981 were never delivered. Fidel Castro feared the jets would antagonize the United States, and recommended helicopters in their place. Soviet bloc economic aid through the early part of the 80s had fluctuated between 150 million and 400 million a year in trade credits, but these were not loans, and became increasingly difficult for the struggling economy of the USSR to sustain.¹⁵⁸ And yet, backed by the conclusions of the Kissinger report, the administration continued to conduct CIA operations in Central America.

In order to continue these CIA operations, Reagan needed Congressional approval of funding. In a National Security Planning Group meeting of February 21, Reagan

¹⁵⁶ Kissinger, *Report of the National Bipartisan Commission*, 100.

¹⁵⁷ Corum and Johnson, *Airpower in Small Wars: Fighting Insurgents and Terrorists*, 335. Admittedly, Kissinger’s complaint here was based on the accepted rationalization that a ratio of 10:1 was required to defeat an insurgency.

¹⁵⁸ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 133.

pointed out that funding had been limited by the FY-84 Defense Appropriation and Intelligence Authorization Acts to a mere \$24 million. \$14 million more would be required for the campaigns to be fungible past May or June of that year. If this extra funding was not forthcoming, Reagan warned the U.S. would lose its “principal instrument for restraining Sandinista efforts to export revolution.”¹⁵⁹ Reagan claimed that in order to protect El Salvador and Honduras, it was essential that they obtain more money from Congress.

The remaining funds of the CIA budget were spent on the night of February 29, when four magnetic mines were placed in the harbour of Corinto. ARDE’s Barracuda Commandos took credit, declaring the Nicaraguan littoral to be part of the warzone. This attack was intended to curtail the flow of fuel into Nicaragua. Insurers would refuse to cover ships going into the mined waters of a warzone, bringing to a halt naval commerce with all but the most sturdy and stalwart of vessels. Without this fuel, the mobility of the Nicaraguan army would be seriously hampered. Essentially, though, the specific details of the plan, including its target, and the decision to destroy the tankers rather than block their passage in some way, had come from American advisors. In Oliver North’s March 2nd report on the attack, he claimed that no American citizens were directly involved, and that no casualties were suffered because the Sandinista military had a tendency to retreat and not fight under fire.¹⁶⁰

¹⁵⁹ DNSA, Nicaragua Collection, NI01987, United States National Security Council Memorandum from Robert C. McFarlane to Ronald Reagan on Central American Legislative Strategy – Additional Funding for Anti-Sandinista Forces, February 21, 1984.

¹⁶⁰ DNSA, Nicaragua Collection, NI01994, United States National Security Council Memorandum From Oliver North and Constantine C. Menges to Robert C. McFarlane on Special Activities in Nicaragua, March 2, 1984.

Although the attack was successful, its consequences proved devastating for the administration's goals. When Congress learned of the mining, it passed a further Boland Amendment in October, which prohibited all but humanitarian aid, banned CIA links to the Contras, and called on the administration to negotiate with the Sandinista government. The Contras were forced to retreat back into Honduras to avoid destruction.¹⁶¹ In fact, the only success brought by the mining campaign seemed to be an occasion on the 20th of March when the Soviet vessel *Lugansk* fell afoul of a mine while entering Puerto Sandino. The damage to the vessel was limited, and the ship was able to begin discharging its cargo, but five Soviet crewmen were hurt, two of whom required hospitalization.¹⁶² In response Ortega curtailed a visit to Mexico and called for the global community to speak out against American policies that threatened peace in the region. The Soviet Union blamed the United States for the affair and reemphasised its solidarity with Nicaragua.¹⁶³ On March 28 a mine in the port of Corinto hit the *Inderchaser*, which flew the Liberian flag and sailed under a British crew, and which was carrying a full cargo of molasses. The Nicaraguan government accused the Americans, claiming the mine was placed with full complicity of the CIA, and repeated its requests for international assistance for the sake of defense. However, American reports of the 29th suggest the ship was not damaged, none of its crew were harmed, and that it was able to set sail for Panama the day after the explosion.¹⁶⁴

¹⁶¹ Pardo-Maurer, *The Contras, 1980-1989: A Special Kind of Politics*, 7.

¹⁶² DNSA, Nicaragua Collection, NI02017, United States Embassy Cable on Soviet Ship Damaged by Mine at Puerto Sandino, March 21, 1984.

¹⁶³ DNSA, Nicaragua Collection, NI02021, United States Embassy Cable on Ortega, USSR Ambassador Condemn USG for Mining Incident, March 22, 1984.

¹⁶⁴ DNSA, Nicaragua Collection, NI02031, United States Embassy Cable on Liberian Ship Triggers Mine in Corinto, March 29, 1984.

In the face of this political setback, the Reagan administration's message to the American public remained unwavering.¹⁶⁵ In a radio address to the nation on April 14, he claimed the Soviet bloc and Cuba threatened democracy in Central America. The Sandinista government, with its expansive army (which he claimed now numbered roughly 100,000) had been given 100 million dollars in military hardware in 1983 alone, including artillery, rocket launchers, and tanks. 40 new military bases, an investment of 300 million dollars, meant that violent aggression could spill over the borders into Honduras, Costa Rica, and El Salvador at any time. This was made even more dangerous by the presence of 2,500 Cuban and Soviet military personnel, and 5,000 civilian advisors from other unnamed Eastern Bloc allies. This created an atmosphere of terrorism and violence that affected all of Nicaragua's neighbours: there were bombings in Costa Rica, and extensive attempts to penetrate El Salvador, which Reagan claimed was the primary target of Nicaraguan aggression. He went on to remind the public that, "despite promises to stop, the Sandinistas still train and direct terrorists in El Salvador and provide weapons and ammunitions they use against the Salvadoran people."¹⁶⁶ Reagan claimed they also conducted policies of terror aimed at Nicaraguan citizens, including the persecution of Christians and Jews, and censorship of the press. Of the announced Nicaraguan elections in November of that year, Reagan dismissively said, "don't hold your breath."¹⁶⁷

Reagan argued that, although the Nicaraguans engaged in "covert aggression", American policy had consistently worked for peaceful solutions. The U.S. sought a multilateral agreement that would stop the export of subversion, reduce the military of

¹⁶⁵ Ambrose, *Rise to Globalism: American Foreign Policy since 1939*, 331-32.

¹⁶⁶ Ronald Reagan, Radio Address to the Nation on Central America, April 14, 1984
<http://www.presidency.ucsb.edu/ws/index.php?pid=39777&st=nicaragua&st1=#ixzz1JIqeGLHj>

¹⁶⁷ Ibid.

Nicaragua, and expel the Cuban and Soviet military personnel. In response to this, the Sandinistas approached the International Court of Justice. Reagan argued that, “the Sandinistas, uncomfortable with the scrutiny and concern of their neighbors, have gone shopping for a more sympathetic hearing... This does little to advance a negotiated solution, but it makes sense if you’re trying to evade the spotlight of responsibility.” Nicaragua contained millions of people who wanted to be free, and Reagan stalwartly announced “we cannot turn our backs on this crisis at our doorstep,” an idealistic goal which could only be achieved with greater Congressional funding.¹⁶⁸

Reagan’s soaring rhetoric had only a moderate effect on convincing Congress. Although the Second Boland Amendment had prohibited military or paramilitary support for the Contra rebels by the CIA, the Department of Defence, or any other agency, Congress did allocate \$62 million in military assistance to El Salvador, though the administration pressed for an additional \$116.¹⁶⁹ Indeed, the White House remained frustrated by the distinction drawn by Congress between the threat levels in Nicaragua and El Salvador. An NSPG meeting of June 25, 1984 brought up the claim that between 7,000 and 8,000 Cuban troops were stationed in Nicaragua, where they trained and organised Sandinista military forces, and that the Cubans were also preparing for another offensive in El Salvador. Reagan argued that funding El Salvador was therefore an ineffective strategy of stabilisation if the United States did not also conduct operations in Nicaragua. Secretary of State George Shultz suggested the president make a credible proposal to the USSR that he knew the Soviets would refuse. This would allow the American public to be influenced into thinking the communist forces were the guilty

¹⁶⁸ Ibid.

¹⁶⁹ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 133. It was in the attempt to go around this amendment that the Iran-Contra scandal was conceived.

party. To maintain Congressional support of operations in Nicaragua, which were essential for preventing the export of subversion, halfway reasonable negotiations with Nicaragua had to be carried out. The planning group noted that the status of the Contras at that time was strong in the north under FDN, but in the south ARDE had been forced to retreat. CIA funds were down to only \$250,000. It had warehouses of arms and ammunition, but no food, the cost of which would amount to \$3 million in the next three months. This shortfall was to be met by soliciting donations from “third countries”.¹⁷⁰

Nevertheless, the Contra war continued unabated through the summer. Oliver North drew up plans to expand attacks to include not just economic targets, but also all reform and social welfare projects and peasant cooperatives. This included attacking schools, hospitals, and other services the Sandinistas had established, and which secured for them such strong public support. This strategy was counter-productive, and served only to further alienate the populace from the American viewpoint; atrocities, including torture, murder, and coercion had worsened the situation.¹⁷¹ The Contras themselves were ineffective fighters, and struggled to unify themselves. They fought amongst themselves, and this made it difficult for the Reagan administration to present them as a plausible replacement for the Sandinistas.¹⁷² The CIA began to grow impatient and frustrated by the repeated failures of the Contras, and began to rely more heavily on Special Forces like the Green Berets for supply, training, and even direct participation. Additionally, Unilaterally Controlled Latino Assets (UCLAs), or missionaries from other Central

¹⁷⁰ DNSA, Nicaragua Collection, NI02127, Minutes from United States National Security Planning Group Meeting, June 25, 1984.

¹⁷¹ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 116.

¹⁷² Pardo-Maurer, *The Contras, 1980-1989: A Special Kind of Politics*, 8.

American countries were used to operate alongside the Contras and perform actions, which could then safely be attributed to non-Americans.¹⁷³

As part of the general attempt at convincing the American public and members of Congress, the Reagan administration published a 57-page background paper titled “Nicaragua’s Military Build-up and Support for Central American Subversion” on July 18 1984 to outline the administration’s position. The paper claimed that the Sandinistas portrayed themselves as nationalist (and not communist) revolutionaries, but that this was inaccurate. Rather, the report claimed, the Sandinistas had every intention of creating a Marxist-Leninist dictatorship. However, in order to avoid provoking the United States, the report claims the Sandinistas masked their intentions while building up their armed forces and state apparatuses, in order to become the centre of support for subversive activities against neighbours. In less than five years, the Sandinistas had built up their military to include 240 tanks and armoured vehicles, surface-to-air missiles, 152 mm howitzers, 122 mm rocket launchers, and had 48,800 active soldiers in the army, with a total of 100,000 trained and ready to be mobilized. This gave Nicaragua a mobility and firepower that was vastly superior to those of its neighbours. The Sandinista air force had “120 Soviet-made anti-aircraft guns and at least 700 SA-7 surface-to-air missiles.”¹⁷⁴ In comparison, Honduras had a total of sixteen armoured vehicles. All of these tools were being used, in collusion with the Soviet Union, the Eastern Bloc, and other communist dictatorships around the world, to destabilize the democracies of neighbouring countries. Of these, El Salvador was the principal target of over 10,000 guerrillas, but Costa Rica and Honduras also suffered from armed attacks, bombings, assassination attempts, and

¹⁷³ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 119.

¹⁷⁴ DNSA, Nicaragua Collection, NI02143, Background Paper on Nicaragua’s Military Build-up and Support for Central American Subversion, July 18, 1984, 9.

violent activities. In the case of the guerrillas, the report claims, “It is not popular support that sustains the insurgents... This insurgency depends for its lifeblood – arms, ammunition, financing, logistics and command-and-control facilities—upon outside assistance from Nicaragua and Cuba. This Nicaraguan-Cuban contribution to the Salvadoran insurgency is long-standing... It has provided... the great bulk of military equipment and support received by the insurgents.”¹⁷⁵

In contrast, the report stressed the goodwill with which the United States had first approached the Sandinistas. In 1979 the United States accepted Sandinista promises to be democratic and peaceful. Costa Rica and Panama had helped overthrow Somoza, and in 1979 and 1980 the U.S. government gave the new Nicaraguan government significant economic aid. However, the report claimed that the Sandinistas merely pretended to be moderate for two months before taking power. Although they had promised to be non-aligned in foreign policy, to guarantee human rights and permit private enterprise, and to hold democratic elections, they had not honoured these promises after assuming power. Instead they began to use force to spread communism across the region. The report issued a grave warning to not be fooled into accepting the illusory notion that the Sandinistas were still the idealistic and nationalist revolutionaries that they had portrayed themselves to be.¹⁷⁶

While the administration struggled to convince the world of its peaceful intentions, the Contras launched another attack on the first of September 1984. Three Cessna launched from a classified base attacked the Sandinista military school at Santa Clara with 2.75 inch rockets. The planes were accompanied by a 500-D helicopter for

¹⁷⁵ Ibid., 4.

¹⁷⁶ Ibid.

command and control, which carried a U.S. citizen who was killed when the helicopter was shot down by Nicaraguan small-arms fire. A report from the National Security Council claimed that the attack was not sponsored or directed by the CIA, but instead was launched after non-official Americans goaded the FDN leaders. Instead, Clarridge and North had met with Contra leader Adolfo Calero, and urged him not to attack, and so save his rockets for a future operation. Calero agreed, which suggests that either Calero lied, or the attack was performed without his authorization. The loss of the 500-D helicopter was an unfortunate one, as it was the only vehicle of its type on the northern front, and the CIA did not have the money to replace it. The report claimed that there were no civilian casualties, and that the resultant press coverage could be spun to demonstrate the lack of control the U.S. government had over Contras without greater funding available to it.¹⁷⁷

The National Security Planning Group (NSPG) met on September 11, 1984 to deliberate the issue. The group reaffirmed the role of the CIA as being strictly limited to providing intelligence, assistance, advice, and planning to the Nicaraguan Contras in their effort to destroy or capture Soviet arms deliveries. This would allow the Americans to improve the prospects of the operation, without becoming involved in the actual conduct of operations, and thus risk American military personnel in Nicaragua. Washington hoped that it would also allow the Americans to maintain a greater degree of control and influence over the activities of the resistance than they had enjoyed during the failed attack at the beginning of the month. The destruction of the 500-D helicopter had raised serious legal issues relating to the deaths of what a September 11 report revealed were

¹⁷⁷ DNSA, Nicaragua Collection, NI02193, United States National Security Council Memorandum on FDN Air Attack of 1 September, September 2, 1984.

two U.S. citizens. The two men had been employees of the private Alabama-based group Civilian-Military Assistance (CMA). CMA had been shipping arms to the Contras and training them without a license, which technically made the operation illegal arms exporting.¹⁷⁸

The Neutrality Act prohibited private support for or participation in military expeditions against foreign governments at peace with the United States, which made CMA in violation of that act. Furthermore, section 775 of the Defence Appropriations Act of 1984, which allowed only \$24 million, was broken as the presence of CMA counted as indirect aid. These issues had to be cleared up to allow the administration to claim it acted within the confines of the law. A specific number of solutions were therefore established. First, in order to get around section 775, additional support could be given by building airbases and support facilities as part of Department of Defense exercises in the region, and then made available to Contras without charge. Defense Department aircraft could be used to transport equipment and supplies for the Contras. Weapons and equipment could be transferred from the Defense Department to the CIA at reduced prices, before being passed on to the Contras. Finally, Section 21 (c) (2) of the Arms Export Control Act which required that the Administration notify Congress on hostilities within 48 hours if U.S. military personnel are in danger, which had been broken with the deaths of American personnel in the 500-D helicopter, could be circumvented by the claim that the attackers did not know they were attacking U.S.

¹⁷⁸ DNSA, Nicaragua Collection, NI02227, United States National Security Council Decision Directive on Arms Interdiction in Central America, October 9, 1984.

personnel. Thus, it did not constitute “significant hostilities” and Congress would not need to be informed.¹⁷⁹

Once such pesky legal issues had been dismissed, it became strategically necessary to combat the military infrastructure the Cubans had helped the Nicaraguans build. The creation of the four new airports, including one at Punta Heutea, attracted much attention when it was announced that the Bulgarians were delivering five L-39 aircraft to Nicaragua. The FDN believed these planes would pose a significant danger to the Contras, and so suggested they be destroyed immediately. The FDN hoped to attack the planes with American help while in transport before the Sandinistas had the chance to build and deploy them. The planning group debated whether the American public could be convinced that the delivery of the L-39 aircraft was enough of a threat to justify American participation in an attack. Given the estimated success rate of 50% and the death of American citizens only two weeks prior, the committee decided eventually to encourage the attack without U.S. personnel, and to simply not inform Congress of the operation.¹⁸⁰

Soviet arms deliveries to the Sandinistas continued at an increasing rate through the end of September and into October. This threatened the peace and stability of Costa Rica, El Salvador, and Honduras, and a top secret National Security Decision Directive of October 9 arrived at the conclusion that the U.S. had to improve the prospects of its operations, while minimizing potential risk to non-military personnel, and to restore a

¹⁷⁹ DNSA, Nicaragua Collection, NI02198, United States Congress Report on U.S. Policy in Central America: Against the Law? – An Analysis of Possible Violations of 30 United States and International Laws, September 11, 1984.

¹⁸⁰ DNSA, Nicaragua Collection, NI02199, Minutes for National Security Planning Group Meeting, September 11, 1984.

measure of influence over the Contra groups.¹⁸¹ The signing of the Boland amendment three days later, cutting off congressional funding for the Contras for the 1984-1985 fiscal year, made that goal seem frustratingly out of reach. When the Associated Press revealed on October 15 that the CIA had authored and supplied *Psychological Operations in Guerrilla Warfare* as a manual for the Contras, the kidnapping and assassination techniques described for use in Nicaragua shocked many, and appeared to be part of a plan to use terror to overthrow the government.¹⁸² This drove the administration to pursue its goals in ways that circumvented the law, leading into the Iran Contra scandal.

The scandal emerged from the effort to fund the Contras without Congressional approval. Oliver North, Admiral John Poindexter, Robert McFarlane, and William Casey began managing a project that sought to involve significant private-sector donors. It was overseen by the 208 Committee, which had representatives from the CIA, MSC, and the Departments of Defense and State. The National Security Planning group, including Reagan himself, ratified the decisions. The group lobbied the private sector for funds to go toward the planning and the coordination of operations. Reagan and McFarlane, who had begun campaigning for funds in April 1984, put John Singlaub as the chief fundraiser, who tapped sources like the World Anti-Communist League.¹⁸³ In addition to private sources, other countries also helped fill the budgetary gaps. Argentina, Israel, South Korea, Taiwan, Japan, Saudi Arabia, El Salvador, Honduras, and Panama all provided money. Honduras gave the FDN bases, arms, and training, while Taiwan and Guatemala contributed military supplies.¹⁸⁴

¹⁸¹ DNSA, NI02227.

¹⁸² Ambrose, *Rise to Globalism: American Foreign Policy since 1939*, 337.

¹⁸³ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 96-97.

¹⁸⁴ *Ibid.*, 120.

Reagan's re-election in November convinced Congress to approve an additional \$27 million in "nonlethal" aid for the 1985-1986 year, but the collapse of the southern front in late 1984 set the operation back somewhat. The CIA ended its support for Pastora, and many Indian factions began to seek peace with the government.¹⁸⁵ In December, Deputy Director for Intelligence Robert Gate warned Reagan that only overt American military aid would be able to save the Contras now. However, the president refused to implement that option, and instead chose to continue seeking private funding for the FDN, which had become the single remaining serious Contra faction.¹⁸⁶ It consisted of over 1,000 members in Central America, with 3,000 others in combat-ready groups, and was supported by the CIA and mercenaries from CMA, which began to take a greater role in training and special operations.¹⁸⁷ Despite this, however, the FSLN appeared to remain secure, and many who opposed the Sandinistas did not side with the FDN and their American backers.

When the Nicaraguan elections were held in November 1984, Constantine Menges glibly dismissed them in a diplomacy paper as "false soviet-style."¹⁸⁸ They did not satisfy Nicaraguan opposition to the Sandinistas, and in 1985 the United Nicaraguan Opposition (UNO) was formed, combining armed and unarmed resistance to the Sandinistas into a joint programme, which resembled the one that had previously overthrown the Somoza regime.¹⁸⁹ Over the course of the previous year, the extent of peace talks had been restricted to meetings in the Mexican town of Manzanillo beginning in June 1984. The United States took from June to September to prepare its proposal, and

¹⁸⁵ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 183.

¹⁸⁶ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 133.

¹⁸⁷ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 123.

¹⁸⁸ DNSA, NI02576.

¹⁸⁹ DNSA, NI00029.

demanded the Nicaraguans expel the FLMN and foreign advisors, and limit arms, but did not offer anything to the Sandinistas. A Nicaraguan response was offered in October that responded to the security issues and arms limits, but did not mention domestic issues, and Washington dropped the matter entirely following Reagan's inauguration in January 1985.¹⁹⁰

By 1985, the situation had begun to change for the administration. Within days of Reagan's inauguration, his administration broke off efforts to negotiate a peace with the Sandinistas. Although Reagan continued to publicly deny that the United States was waging economic warfare, on February 21 he admitted for the first time that his objectives were to remove the Sandinista government from power. The American media continued to frustrate the administration by revealing the details of American covert activity, which led to increasing opposition in the U.S. and internationally.¹⁹¹ Although Washington made overtures toward further peace proposals in April, little effort was put into making them realistic or acceptable to the Sandinista government. Of these intentionally aggressive proposals, Miguel D'Escoto, the Sandinista foreign minister said, "What president Reagan has said is 'you drop dead or I will kill you'".¹⁹² This allowed the Reagan administration to maintain a charade of soft diplomacy, ostensibly seeking democratic solutions while engaging in continued covert operations. This approach proved somewhat effective, and over the course of 1985, support for Reagan grew as

¹⁹⁰ Coatsworth, *Central America and the United States: The Clients and the Colossus*, 186.

¹⁹¹ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 96; Coatsworth, *Central America and the United States: The Clients and the Colossus*, 186.

¹⁹² Coatsworth, *Central America and the United States: The Clients and the Colossus*, 186.

public fears of communism increased, spurred on by events like the killing of U.S. soldiers in El Salvador, and a visit by Daniel Ortega to Moscow in April.¹⁹³

Although the administration's attempts to sway the American voting public seemed to be working, an increase in funding for the Contras was deferred pending an analysis of the long-term goals and costs of the project, as well as an assessment of the benefits of the proposed force increase for the insurgency. In a 1985 report to the administration, Lt. Col. North analysed the funds made available to the FDN. From July 1984 to February 1985, the FDN received \$1 million per month, totalling \$8 million. However, From February 22 to April 9, 1985, an additional \$16.6 million was received, for a total of \$24.5 million, \$17, 145, 594 of which was spent on arms, munitions, combat operations and support. This funding saw the expansion of that resistance group from 9,500 in June 1984 to 16,000 in April 1985, with plans to expand by 6,000 more in May 1985, and a total increase to 25,000 by midsummer.¹⁹⁴ All this was done through private funding, however, because section 8066 of the 1985 Continuing Resolution prohibited the use of any intelligence agency funds for support either direct or indirect against Nicaragua until February 28, 1985.¹⁹⁵

In April of 1985 the Senate denied Reagan \$14 million dollars, for paramilitary and military activities with the intention of overthrowing the Nicaraguan government. Attempting to spur on freer spending, Reagan asserted, "We're trying to out the Sandinistas."¹⁹⁶ The fact that this directly contradicted his previously oft-repeated

¹⁹³ Molloy, *Rolling Back Revolution: The Emergence of Low Intensity Conflict*, 96.

¹⁹⁴ DNSA, Nicaragua Collection, NI02434, United States National Security Council Memorandum on Nicaraguan Democratic Force Military Operations, April 11, 1985.

¹⁹⁵ DNSA, Nicaragua Collection, NI02343, United States National Security Council Memorandum on Nicaragua Operations, January 15, 1985

¹⁹⁶ A pronouncement to which the Nicaraguan government remained markedly unimpressed, and brought the remark up before the International Court of Justice as proof of American aggression.

statement that the U.S. had no intention of overthrowing the Sandinista government apparently did not trouble Reagan. The situation was only compounded in May 1985, when a statement by the Principal Deputy Press Secretary reported that Nicaragua had recently taken possession of a shipment of Soviet MI-8/17 helicopters, and were therefore a threat to U.S. security.¹⁹⁷ The administration continued to perpetuate the idea that there existed a very real threat to Central America, and therefore by extension to the United States itself. On June 5th of the same year, Reagan asked Congress for \$38 million for the 1985-1986 fiscal year, and on June 7th the Senate voted in favour of the request and authorized the money for CIA directed Contra activities. While Reagan publicly applauded the Senate, he asked the House of Representatives to approve a further \$27 million for “military and paramilitary activities against Nicaragua.”¹⁹⁸ Indeed, so frustrating was Congress financially, that the administration discussed the possibility of petitioning Congress to remove the prohibitions of Section 8066 in exchange for the CIA restricting its use of assets like planes and boats. Another alternative, in which the U.S. would only provide non-lethal assistance (such as cash infusions, medical aid, transportation and deployment technology, and food supplies) while a third country would be responsible for lethal assistance (like ordinance and munitions) was also suggested. Clearly, the administration saw the need for financial support of military

¹⁹⁷ Ronald Reagan, Statement by Principal Deputy Press Secretary Speaks on Economic Sanctions Against Nicaragua, May 1 1985

<http://www.presidency.ucsb.edu/ws/index.php?pid=38584&st=nicaragua&st1=#ixzz1JIsEc2i0>

¹⁹⁸ DNSA, Nicaragua Collection, NI02548, Nicaraguan Ministry of the Exterior Court Document to the International Court of Justice on Military and Paramilitary Activities in and Against Nicaragua, April-August 1985, September 1985, 10.

activities in Central America to be of top priority, a point to which Congress seemed frustratingly immune.¹⁹⁹

The dire language of the Kissinger report had demonstrated that there existed a genuine (and to some degree bipartisan) belief in some actual military risk in the region from insurgents and the Nicaraguan army, and that the threat was believed to reach the United States directly. Lt. Col. North reiterated this perception of threat in a declassified strategy paper on U.S. military strategy for Nicaragua, which outlined U.S. planning and the assumptions behind it. One of North's more curious assumptions is that the U.S. populace did not currently consider a full-scale invasion acceptable, but that public opinion would change if the Sandinistas invaded Honduras or Costa Rica. While a full-scale invasion had not taken place, part of the initial reason for antagonism toward Nicaragua was its continued support of the rebels fighting within the Honduran and Salvadoran, which failed to incite any particular interest among the American population. Another stunning assumption was his suggestion that public support of U.S. policy in Central America was increasing, as was support of the U.S. among Nicaraguans, as well as the flip side of that same coin, support for the Sandinista government among Nicaraguan people was declining. While North's claims of growing pro-U.S. sentiment were dubious, the document does demonstrate that a perception of military danger existed both in the political and in the military ranks of American leadership.²⁰⁰

In the face of this perception, the anti-Sandinista rhetoric would only become more threatening. Nicaragua was fitted into the wider scheme of "evil empire." In July 1985,

¹⁹⁹ DNSA, NI02343; DNSA, NI02548; DNSA, NI01987; DNSA, Nicaragua Collection, NI02431, United States National Security Council Report on FDN Expenditures and Outlays: July 1984 through February 1985, April 9, 1985.

²⁰⁰ DNSA, NI02516.

Reagan called Nicaragua part of a “confederation of terrorist states,” alongside Iran, Libya, North Korea, and Cuba.²⁰¹ The United States claimed that the Sandinistas were “Marxist-Leninist” and that the Soviet Union and Cuba were beginning a massive military build-up, whereby Nicaragua would become a secure base of expansion for the spread of communism to neighbouring states and throughout Central America.²⁰² In comparison, the portrayal of the Contras grew ever more positive. In fact, a public diplomacy paper on the Contras by the National Security Council explicitly stated that the overwhelming majority of Contra soldiers were workers, farmers, and other civilians, who possessed a carefully nurtured code of respect for the population, as well as preponderance for morality and good conduct. Reagan reiterated this in a February radio address, declaring:

These men and women are today the democratic resistance fighters some call the Contras. We should call them freedom fighters.

Sandinista propaganda denounces them as mercenaries and former National Guardsmen of the Somoza dictatorship; but this is a lie. The freedom fighters are led by those who oppose Somoza, and their soldiers are peasants, farmers, shopkeepers, and students—the people of Nicaragua. These brave men and women deserve our help. They do not ask for troops, but only for our technical and financial support and supplies. We cannot turn from them in their moment of need; to do so would be to betray our centuries-old dedication to supporting those who struggle for freedom. This is not only legal, it's totally consistent with our history.²⁰³

Reagan made a similar and now infamous statement a few weeks later in March, saying, “They are our brothers, these freedom fighters, and we owe them our help. I've spoken

²⁰¹ Ronald Reagan, Remarks at the Annual Convention of the American Bar Association, July 8 1985. <http://www.presidency.ucsb.edu/ws/?pid=38854>.

²⁰² DNSA, NI02343; Schroeder, "Bandits and Blanket Thieves, Communists and Terrorists: The Politics of Naming Sandinistas in Nicaragua, 1927-36 and 1979-90," 68-69.

²⁰³ Ronald Reagan, Radio Address to the Nation on Central America, February 16, 1985. <http://www.presidency.ucsb.edu/ws/index.php?pid=38231&st=brothers&st1=>

recently of the freedom fighters of Nicaragua. You know the truth about them. You know who they're fighting and why. They are the moral equal of our Founding Fathers and the brave men and women of the French Resistance. We cannot turn away from them, for the struggle here is not right versus left; it is right versus wrong."²⁰⁴

Yet, such claims belied the private U.S. assessments of the Contras, many of whom were indeed originally members of the old Somoza National Guard. In fact, North himself felt the Contras were greedy, violent, and thoroughly undesirable as leaders of an allied nation. This dichotomy can only be explained by an intentional manipulation of some of the most holy ideals held by Americans – a reverence of the Founding Fathers. Instead, the Reagan administration shamelessly used that terminology in the hopes that it would swing public support to the Contras among three key avenues: the American voting public, to whom Reagan was ultimately responsible; Congress, upon whom Reagan relied for funding; and the international community, the recognition of which any fledgling nation required for legitimacy. The international community, however, was unimpressed. Not only Cuba and the USSR, but also Holland, Spain, and Scandinavia, condemned the Contras who, they pointed out, engaged in attacks upon civilian populations, bombing bridges, power lines, schools, and healthcare facilities, bearing a striking resemblance to the terrorists they had been assembled to fight.²⁰⁵

By 1986, the Nicaraguan cause in the U.S. had lost much of its popular support, and the following year, the Iran-Contra scandal robbed the Reagan administration of

²⁰⁴ Ronald Reagan, Remarks at the Annual Dinner of the Conservative Political Action Conference, March 1, 1985 <http://www.presidency.ucsb.edu/ws/index.php?pid=38274&st=brothers&st1=>; Gomez, *Human Rights in Cuba, El Salvador and Nicaragua: A Sociological Perspective on Human Rights Abuse*, 128.

²⁰⁵ DNSA, NI02576; DNSA, NI02343; Schroeder, "Bandits and Blanket Thieves, Communists and Terrorists: The Politics of Naming Sandinistas in Nicaragua, 1927-36 and 1979-90," 69-70; Gomez, *Human Rights in Cuba, El Salvador and Nicaragua: A Sociological Perspective on Human Rights Abuse*, 128.

much of its legitimacy. Even had it not, the Soviet economy had declined to the position that it was no longer capable of providing significant aid to Nicaragua. By May of that year, Nicaragua owed the USSR 1.1 billion dollars, and although the Soviet Union continued to contribute army uniforms, food, and medicine to the Sandinista army for free, the leadership of the Soviet Union under Mikhail Gorbachev could no longer justify the expenditure.²⁰⁶ The American embargo had cut off much international trade, and the Sandinista government sought a resolution to its conflict with the United States. With the help of Costa Rican President Oscar Arias Sánchez, the Contras and the Sandinistas developed a peace plan that allowed for an internationally supervised election in February 1990. Although Reagan fiercely opposed the plan, the United States contributed 9 million dollars through bill H.R. 3385 for internal opposition. The bill, submitted on September 20th with the intention of “level[ing] the playing field” for the elections, distributed money to 13 opposition parties.

This American contribution bought the U.S. a significant say in the managing of the election. An amendment by Rep Durban, the Democratic representative from Illinois, to fund only the monitoring of the election, and not support for opposition group campaigns, was easily struck down 278-142. There would be no doubt that Washington intended to see its candidate, Violeta Chamorro, supported. Though officially the money was not to aid in the campaigns of candidates, in fact it went to supporting those same candidates by paying for their salaries, travel expenses, communication equipment, and general party infrastructure. The total of 9 million was broken down to five million for opposition parties (in addition to the 3.5 million awarded the previous year) and 4 million for the monitoring and support of elections, \$400,000 of which went to a Council headed

²⁰⁶ Matrokhin and Andrew, *The Mitrokhin Archive II: The KGB and the World*, 135.

by former president Jimmy Carter to observe. The seemingly undemocratic nature of this support for candidates preferred by the American Congress was countered by supporters who claimed that the Sandinistas had access to upwards of 500 million dollars they received in annual economic aid from the Soviet Union.²⁰⁷

Throughout the 1980s, the Reagan administration struggled with critics who charged that it recklessly sought to play on the anxieties of the American public, while ignoring the lessons learned in Vietnam. Many argued that the Contras had no realistic chance of overthrowing the Sandinistas, who were not only well-armed, but who also enjoyed widespread public support in a way the Somoza government had not. In this light, American backing of the Contras appeared to be an ideological position, and not a justifiable foreign policy. Given lessons of the Cuban revolution, which for the administration was the far more relevant parallel than Vietnam, Reagan responded to what became an increasingly genuine threat to American influence in the region with a combination of international sanctions, and American-backed military strategies, termed low intensity warfare. These were ultimately successful in combating the Sandinista government, an accomplishment that had proved impossible several decades before against Castro. Indeed, many of the claims made by Reagan in the discourse of constructing the enemy -- that the Sandinistas were exporting arms to revolutionaries across Central America, that they were aggressive toward their neighbours, and that they had build-up a significant army with the support of Cuba and the Soviet Union -- proved accurate.

²⁰⁷ DNSA, Nicaragua Collection, NI03199, United States Congress Memorandum on Funds for the Nicaraguan Opposition, October 6, 1989.

Conclusion

In the 1980s, American involvement in Nicaragua was most the debated policy of the decade. It took up a huge place in the national consciousness, not only because it revealed to many American citizens for the first time the extent of the violence their government supported, but also because that reveal nearly brought down the Reagan administration in scandal. It is hardly surprising, given the ideologically charged tone of the period that most of the accounts of Reagan's policies proved deeply polemical. Political opponents of the administration criticized Reagan's policies, with many pundits and journalists going so far as to accuse Reagan of promoting imperialism, and supporting terrorism. Yet, while much of this criticism had merit, it ignored the reality of the strategic and military threat the Sandinista regime posed to U.S. interests and how those realities were shaped into a discourse.

In creating that discourse of the Sandinista as the enemy, Reagan primarily faced the issue of causation: did the aggressive policies of his administration, elected on the premise of being tough-on-communism, harass the Sandinista government and force them to find refuge in an alliance with the Soviet Union, or did the new Sandinista government always intend to join with the Eastern bloc and foster revolution in Central America? Indeed, the United States under President Jimmy Carter did not initially resist the revolutionary movement. As Cuba had demonstrated twenty years prior, an unflinching loyalty to an increasingly illegitimate dictator would only drive the populace further from the clutches of American influence. Instead, the United States had encouraged the transition from the Somoza dynasty to a government of moderate oppositionists, and had

even continued to provide support and aid money following the revolution. However, two things occurred prior to the election of Reagan: first, evidence emerged that the Sandinistas were supporting rebel groups in neighbouring countries. Second, the Contras, who fought against the Sandinistas, formed and began fighting prior to Reagan's first term. It was in opposition to this international subversion that the Reagan administration ostensibly latched on to the Contra groups as a mean with which to moderate Sandinista control.

This is not to place the blame squarely on the Sandinistas, nor to justify the U.S. policies that brought about the deaths of dozens of thousands of Nicaraguans and devastated their national economy. Rather, it serves to demonstrate that the Reagan administration was not acting entirely out of ideology, or perhaps, that its ideology was not entirely incorrect. Given the obvious threat the Cuban Revolution, and especially the Missile Crisis had posed to the United States and the world, the presence of a communist beachhead on the continent seemed far too dangerous to allow. And, despite repeated warnings, the Sandinistas continued to support revolutionary groups in Honduras and El Salvador, which many policy-makers interpreted as necessitated extensive American funding there. The Sandinistas supplied weapons, ammunition, and training to these groups through the entirety of the 1980s, using money funnelled through Nicaragua from Cuba, the Soviet Union, and the Eastern Bloc. Although Moscow wanted to decrease tensions with the west, and Cuba primarily sought to seed revolution in Africa for the same reason, it is nonetheless also true that they helped support rebel groups in Latin America from the beginning of the Sandinista government.

This formed an essential part of Reagan's argument. The military and strategic threat posed to the United States did seem very real. Within the precedent of the Cuban revolution, the persistent development of communist states in Latin America did endanger the United States, and this was the narrative that the administration perpetually worked to create. While Reagan's critics continued to see Nicaragua within a Vietnam framework, the strategic context was quite different. Although the United States was pivotal in forming, arming, and directing the Contras, nothing the U.S. did in 1979 would likely have convinced the Sandinista government to align themselves with the United States. It would have been very unlikely for them to seek accommodation with Washington, because the Sandinista leadership saw the U.S. as having been responsible for the Somoza government the Sandinistas had worked so hard to break away from. The argument put forth by many of Reagan's critics that his policies pushed Nicaragua away, therefore, failed to recognize that, given its intrinsic agenda, Nicaragua was already irretrievable away.

Critics of the Reagan administration accused it of ignoring opportunities for diplomatic solutions, and this was often the case. Although Reagan claimed that the overthrow of the Sandinistas was not his goal, documents show that this was in fact a long-standing goal, and became one that was eventually admitted to publicly. For this purpose, it became essential to do more than simply pressure the Sandinista government to end aid to revolutionaries abroad, but also to fund covert operations that would significantly undermine their ability to govern, and eventually bring about the collapse of that popular support that made them all but undefeatable. Although initially the Sandinistas had aggravated their neighbours by supporting similar revolutions abroad, by

1984 this began to change. At this point, they sought diplomatic solutions including distancing themselves from Salvadoran rebels, which the Reagan administration refused to give serious consideration to, preferring instead to continue military operations and international sanctions. This comprised the overall Reagan doctrine that became known as low intensity warfare, and it allowed the United States to target all aspects of Nicaraguan society, military, economically, and politically without risking the same boots-on-the-ground quagmire that had tied up the United States in Iraq. And indeed, given the ultimately successful campaign of the American candidate Violeta Chamorro in the 1990 election, low intensity warfare proved a low-cost alternative, and in many ways it evolved into the doctrines responsible for the Gulf Wars and the War on Terror.

For Nicaragua, caught as it was in an attempt to assert its national destiny, the longer history proved important. The depth of its relationship with the United States, which reached back over a century and a half, demonstrated that, though many in the American government did not recognize it, the United States was not in fact the centre of events. Nicaraguan destiny could be influenced by the Americans, but not entirely decided by it. No direct intervention by the Americans appeared, though many predicted it was inevitable, because even the Contras did not desire it. Times had changed, and an extended American occupation of the nation was no longer feasible or desirable. The perception and reality of a genuine military threat to American interests had brought the attention of Washington down on Managua, but it had not led to an easy nor a total defeat. Although the Sandinistas were voted out in 1990, their leader, Daniel Ortega won the 2006 presidential election, and has brought a more moderate form of his old government back to power.

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