

## American Foreign Policy Fiascos: US Policy in Nicaragua as a Case Study

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### ABSTRACT

The US policy toward the Sandinista regime in Nicaragua represented one of the most complex and most controversial chapters in the history of American foreign policy. The tiny Nicaragua, a nation of 2.5 million, retained the complete attention of a superpower 100 times larger. In fact, few foreign policy issues commanded the attention of the foreign policy establishment as much as the Nicaraguan Revolution. For over a decade, US policy makers directed an exceptional amount of human and intellectual energy to design the lines of a complex policy. US efforts to contain the Nicaraguan revolution took the shape of an extended low-intensity conflict based on diplomatic pressure, economic pressure, intelligence operations, and a covert counter-revolutionary war, mixed with a colossal public relations campaign. The US-Nicaraguan relations stimulated severe political debates in Washington, caused one of the most noticeable Executive-Legislative disagreements, and even led to one of the most delicate presidential scandals in the political history of the United States. But why was Washington so worried about the Nicaraguan Revolution? Why did such a tiny country with no vital strategic resources, and with less than one percent of total US foreign investment, warrant so much attention from the American power elite? This article tries to offer some answers to the Nicaraguan issue through a description of the various strategies and instruments of policies used by the Carter, Reagan, and Bush administrations.<sup>1</sup>

**Keywords:** American Foreign Policy / Nicaragua / Iran-Contra Affair

The principal rationale behind the US long and painful interference in Nicaragua during the 1980s was that the Nicaraguan revolution was a threat to US strategic interests in the region. The ruling Sandinista Front for National Liberation (*FSLN*) established strong ideological and military ties with the Communist Bloc and offered support for revolution throughout Central America, which created an unprecedented threat to US security.<sup>2</sup>

The alternative argument disputes the notion that the US-Nicaraguan conflict resulted from the communist orientation of the *FSLN* regime. It sees, in contrast, US 'imperialism' and 'hegemonic perceptions' as the cause of hostilities.<sup>3</sup> The obsession of the US with the Nicaraguan revolution would then stem from 'the threat of the good example': a successful independent socialist revolution might offer an alternative to other Third World countries, and, hence, threaten the US global economic as well as political interests.

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<sup>1</sup> For a detailed analysis of US interferences in Latin America, see Wassim Daghrir, *The Fiascos of American Exceptionalism* (Saarbrücken, Germany: LAP Lambert Academic Publishing, 2017).

<sup>2</sup> Dario Moreno, *U.S. Policy in Latin America* (Lincoln: University of Nebraska Press, 1995), pp. 1-2.

<sup>3</sup> *Ibid.*

## HISTORICAL BACKGROUND<sup>4</sup>

The history of US involvement in Nicaragua stretches back to the middle of the 19<sup>th</sup> century. Fulfilling the doctrine of Manifest Destiny, the US sent the Marines to the Atlantic Coast to insure the subordination of the southern frontier -the latter being rather economic and, later, ideological than territorial. The first US interventions in Nicaragua came in 1853 when US troops arrived to settle a dispute between the American businessman Cornelius Vanderbilt and local Nicaraguan authorities. With the gunboat of the US government at the service of US Business, the 1853 intervention was a mere prelude to a long history of interventions and occupations, all destined to 'maintain order and stability'. When the American military forces finally withdrew in 1933, they left the task of ensuring Nicaraguan stability to the US-trained National Guard, under the commands of Anastasio Somoza. Three years later, Somoza took over the presidency, murdered the nationalist leader Augusto Sandino, and established a family dynasty which would rule over Nicaragua for the next forty-two years. The Somoza dynasty rested upon two pillars: the National Guard and the support of the US government, the latter being ensured by the Somozas' loyalty to the US ideological, strategic and economic interests.<sup>5</sup>

After more than forty years of Somozas rule, Nicaragua was characterized by some outstanding gaps between the rich ruling class and the impoverished population: 5 percent of the population owned 58 percent of the arable land, the Somoza family alone owned 23 percent; almost 60 percent of the people were unemployed, and 50 percent had a yearly income of \$90; about 80 percent of the population was illiterate.<sup>6</sup> Under such unequal conditions, civil conflict and social revolution were inevitable. The social and economic inequalities, the National Guard's violent repression, the 1972 earthquake, and the assassination of Pedro Chamorro -the popular opposition leader and editor of *La Prensa*-, strengthened the growing insurrection and radicalized the opposition. In July 1979, after a long period of political violence, a popular revolutionary movement led by the FSLN overthrew the Somoza dictatorship. The July 1979 revolution opened a new era for the US-Nicaraguan relations. It was the lead up to one of the most complex episodes of the history of inter-American relations.

### Carter's policy

When Carter came to office, Nicaragua was desperately rapt in total turmoil. The social revolution was moving forward, whereas the Somoza regime's human rights performances were deteriorating. Consequently, when the Carter Administration unveiled its human rights policy in 1977, Nicaragua became one of its principal targets. The absence of a coherent analysis of the Latin American events was prominent in the inconsistency that plagued the Carter Administration's Nicaraguan policy. The lack of consensus between the administration's liberal human rights advocates and the conservative cold warriors was converted into constant policy reevaluations and, hence, caused the administration to pursue contradictory policies at the same time. The administration's desire to promote human rights competed with resurgent concerns about National Security. The human rights advocates insisted that the US should not feel trapped by its past obligations to its ally and should, thus, keep the sanctions, maintain a consistent strategy, and work with the Nicaraguan moderates in order to avoid a radicals' victory in Managua. The cold warriors, on the other hand, were skeptical that much good could

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<sup>4</sup> See William LeoGrande, *Our Own Backyard* (Chapel Hill: The University of North Carolina Press, 1998), chapter 2.

<sup>5</sup> President Franklin Roosevelt's description of Somoza encapsulated the flavor of Washington's attitude: "Somoza may be a son of a bitch, but he's our son of a bitch" (William LeoGrande, *Our Own Backyard*, op. cit., p. 14).

<sup>6</sup> Michael Parenti, *Inventing Reality* (New York: St Martin's Press, 1993), p. 152.

come of the administration's human rights policy. To these traditionalists, Somoza was a loyal ally and a reliable bulwark against the Marxist guerillas.<sup>7</sup> The cold warriors slowly gained the upper hand. Fearing that further sanctions would destabilize Nicaragua and reinforce the specter of political and social chaos, Carter's conservative advisors, as well as the small but powerful Nicaraguan lobby in Washington, urged him to restore aid. Thus, Carter soon restored both economic and military aid to Somoza. Moreover, on June 30 1978, he sent a personal letter to the Nicaraguan dictator congratulating him for promising to improve human rights conditions in his country. The letter proved to be "the worst policy error made by the US during the Nicaraguan crisis".<sup>8</sup> It "brought home to the Nicaraguan opposition the unreliability of the Carter administration".<sup>9</sup> In fact, US reconciliation with Somoza demoralized most of the moderates and drove them into an alliance with the radical opposition. The letter convinced the Nicaraguan moderates that Carter lacked determination. It led them to conclude that their strategy of forcing Somoza's resignation with the help of Washington's pressure was sterile. In a word, because of its old Cold War reflexes, the US missed a historical opportunity to strengthen the moderate wing of the anti-Somoza movement and, maybe, prevent the radicalization of the revolution.<sup>10</sup>

In September 1978, violence and terror in Nicaragua reached their maximum level. The spectacle of Somoza's National Guard massacring its own citizenry convinced the Carter Administration that Somoza would never be able to restore stability and, thus, provoked another re-evaluation of US policy. The US decided that Somoza should be eased out of power and actively sought to arrange for a moderate civil opposition coalition to replace him. The White House's tacticians believed that the only option left was to encourage a peaceful political solution that would prevent a military victory by the Sandinistas. Accordingly, from the end of 1978 onward, the Carter Administration's unambiguous objective was to prevent the Sandinistas from coming to power. The National Security Council designed a policy that was described as 'Somocism without Somoza'. It was an attempt to resolve the Nicaraguan crisis by removing Somoza from the presidency and retaining the two main instruments of the regime: the Liberal Nationalist Party and the National Guard. The key was to keep the National Guard as a military bulwark against the Sandinist guerilla army. This was a notion remarkably insensitive to the deep hatred for the Guard felt by the great majority of Nicaraguans.<sup>11</sup> Consequently, Washington's confused and confusing policies failed to create a moderate alternative to the Sandinistas, irritated the rest of the moderate opposition, and strengthened the FSLN's position. On July 20, 1979, the Sandinistas drove into Managua in triumph despite the best efforts of the US to prevent such an outcome.

Having failed to prevent the Sandinistas from taking power, the Carter Administration sought to use economic assistance to moderate their behavior. Carter's advisors estimated it necessary to construct a positive relationship with the Sandinista-led government and to avoid a policy of hostility which would drive the FSLN toward the Communist bloc for assistance. The policy architects reasoned that "a 'second Cuba' might be avoided by not repeating the mistakes made first with Cuba".<sup>12</sup> In order to maintain its pre-revolution influence, the US

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<sup>7</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 19.

<sup>8</sup> *Ibid*, p. 20.

<sup>9</sup> Dario Moreno, *U.S. Policy in Latin America*, *op. cit.*, p. 54.

<sup>10</sup> Richard Fagen, "The Carter Administration and Latin America: Business as Usual?", *Foreign Affairs America and the World*, 1978, p. 663.

<sup>11</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 26.

<sup>12</sup> Dario Moreno, *U.S. Policy in Latin America*, *op. cit.*, p. 61

government embarked on a policy of cooperation and accommodation with the Sandinistas, which was favorably welcomed by the new government in Managua.

Nevertheless, this policy of accommodation was quickly made vulnerable by claims that the Sandinistas were supporting the Salvadoran resistance. The Carter Administration's consensus over economic assistance to Nicaragua broke down. Cold warriors within the administration argued that continuing US aid would only help the Marxists in consolidating their hold on the Nicaraguan government and in spreading their revolution throughout the region. The administration's conservative analysts viewed the Sandinistas' reported support for the Salvadoran rebels as evidence of a Nicaraguan collaboration with the Soviet bloc in fostering violent revolution in Central America.<sup>13</sup> This interpretation of Nicaraguan behavior was disputed by the liberals, who asserted that the US impotence in moderating the Sandinistas was due to the administration's inability to establish an adequate policy.<sup>14</sup> They pointed out that US policy was plagued by its inability to deliver the promised economic aid<sup>15</sup>, on the one hand, and by its refusal to respond favorably to the Sandinistas' pleas for military assistance on the other hand. According to the liberal view, US impotence increased suspicion among the Sandinista leadership that the US would never really support a revolutionary regime in Central America, and, so, pushed them toward the socialist bloc.<sup>16</sup>

The lack of consensus within the Carter team as well as within Washington's political elite caused a distinct cooling of the US-Nicaraguan relations, including a suspension of aid in January 1981.<sup>17</sup> But, in spite of this drift back to a traditional Cold War strategy, when Carter left office "US-Nicaraguan relations [while not perfect] were constructive and the radicalization of the revolution that Carter sought to avert had not happened. Nicaragua had not become another Cuba."<sup>18</sup>

### **Reagan's policy**

Reagan ran on a Republican platform that condemned the 'Marxist Sandinist takeover of Nicaragua'. In fact, long before his election Reagan made the downfall of the Sandinista government an all-but-explicit objective of his foreign policy. He thus came to office firmly committed to increasing the pressure on the sovereign government of Nicaragua. For the Reagan team, Carter's hesitant policy led to the fall of Somoza -a long-term US ally- and so caused serious harm to US security interests in its own backyard. Due to their ideological interpretations of the Latin American revolutions, Reagan and most of his advisers believed that the Sandinistas were devoted Marxists who intended to establish 'a second Cuba'. The threat to US interests, in the administration hard-liners' view, stemmed from the very existence of the Sandinista regime. Accordingly, the Reagan Administration was determined to replace Carter's policy of coexistence with one of hostility.

### **Early negotiations**

The US-Nicaraguan relations did not deteriorate dramatically from Reagan's very first day in office. In effect, during the opening weeks of the Reagan presidency, there was some support within the administration for a negotiated settlement with the Sandinistas. The advocates of

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<sup>13</sup> *Ibid*, p. 69.

<sup>14</sup> *Ibid*.

<sup>15</sup> For example, it took Carter almost nine months to deliver the long-promised \$75 million aid package.

<sup>16</sup> Dario Moreno, *U.S. Policy in Latin America*, *op. cit.*, p. 69.

<sup>17</sup> *Ibid*.

<sup>18</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 32.

the negotiations option, principally Ambassador Pezzullo and the head of the Latin American Bureau Thomas Enders, believed that Nicaragua's revolutionary commitment could be contained by a combination of US threats and promises. They proposed continuing aid because it provided the only real leverage Washington had over the Sandinistas. Accordingly, Thomas Enders developed a two-track approach for solving the Central American crisis: the administration would offer economic aid and trade in return for Nicaragua's pledge to stop aiding the Salvadoran opposition.<sup>19</sup>

Initially, the two-track approach seemed to be working. US intelligence reported that it had 'considerable evidence' that the Nicaraguan government had substantially stopped shipment of arms to the Salvadoran guerillas. President Reagan himself recognized that "there has been a great slowdown in arms channeling via Nicaragua".<sup>20</sup> Despite this progress, on April 1, 1981, Reagan surprised both his ambassador in Managua<sup>21</sup> and the Sandinistas by terminating aid.<sup>22</sup> Reagan's decision was influenced by his advisers' ideological suspicions. Even if the Nicaraguan government seemed responsive to US demands, the Reaganites regarded such moves as merely tactical -designed to buy time while Marxists consolidated themselves. In effect, "nothing the Sandinistas did could penetrate this seamless web of ideological certainty".<sup>23</sup>

Instead of the stick and carrot approach, the administration's hardliners called for a US policy of 'roll-back' -rolling back the forces of international Communism by getting rid of the Sandinista regime. Therefore, after a short period of indecision, the Reagan Administration commenced its 'undeclared war' against the Nicaraguan people. From then on, "the administration's covert and overt warriors replaced the diplomats".<sup>24</sup>

Thus, Nicaragua became the test case par excellence of the Reagan Doctrine. The administration's 'undeclared war' against Nicaragua was conducted at various fronts aimed at defeating the Sandinistas diplomatically, economically, and militarily.

### ***Diplomatic pressure***

On the diplomatic front, the US sought to isolate Nicaragua from its Central American neighbors and to reduce Western European support for it. The administration's policy architects put in place various complex diplomatic initiatives designed to discredit Nicaragua. Washington accompanied its diplomatic pressure by a constant opposition to a negotiated settlement for the crisis. For Washington's ideologues, negotiating with the Nicaraguan 'Marxists' was simply off the agenda. Yet, an opportunity to resolve the conflict peacefully was offered as early as February 1982 with the *Portillo Plan*. Mexican president José Lopez Portillo proposed a peace initiative to loosen the "three knots of tension" in Central America: the war in El Salvador, the conflict between Nicaragua and the US<sup>25</sup>, and the animosity between the US and Cuba.<sup>26</sup> While the Nicaraguans, the Cubans, and the Salvadoran guerillas accepted the mediation proposal, the US government tried to derail the peace process by adding issues related to Nicaraguan democracy to the agenda. US officials, who had expected the Sandinistas

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<sup>19</sup> *Ibid.*, chapter 5.

<sup>20</sup> Dario Moreno, *U.S. Policy in Latin America*, *op. cit.*, p. 98.

<sup>21</sup> When the administration decided to abandon the negotiations option, Ambassador Pezzullo resigned and left Managua.

<sup>22</sup> Dario Moreno, *U.S. Policy in Latin America*, *op. cit.*, p. 98.

<sup>23</sup> *Ibid.*, p. 109.

<sup>24</sup> Robert Pastor, *Condemned to Repetition* (New Jersey: Princeton University Press, 1987), p. 237.

<sup>25</sup> As far as Nicaragua was concerned, Portillo's Plan proposed three steps: (1) The US would renounce the use or threat of force against Nicaragua; (2) The Sandinistas would renounce to the acquisition of sophisticated weapons and reduce the size of their armed forces; (3) Nicaragua would conclude nonaggression pacts with the US and its neighbors.

<sup>26</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 287.

would never agree to negotiate with Washington about Nicaragua's internal affairs, were surprised to see Nicaragua consent to discuss all the issues raised by Washington. The administration's hardliners still opposed any negotiation. Washington rejected the plan, eschewed the peace talks, and continued its confrontational policy.<sup>27</sup>

Fearing direct US military involvement in the region, the Latin Americans intensified their diplomatic efforts. In January 1983, the foreign ministers of Mexico, Venezuela, Colombia, and Panama met on the Panamanian island of Contadora to converse about a common peace initiative. Initially, the Reagan Administration welcomed the initiative -mainly to silence congressional critical voices in an election year. Nevertheless, as the *Contadora Agreement* progressively gained international legitimacy and congressional support, Reagan's top advisers became increasingly worried about Washington's ability to control it.<sup>28</sup> Therefore, they exercised diplomatic and economic pressure on their allies, imposed exacting conditions on the Sandinistas, and actively worked for the plan's failure. It was among the objectives of the Reagan Doctrine to remove such 'Marxists' out of US own sphere of influence. So, any option that would keep the Sandinistas in power was simply off the Reaganites' agenda. In November 1984, an internal National Security Council paper noted that the US, through intensive lobbying efforts, had "effectively blocked" adoption of the treaty as it was written.<sup>29</sup> With the blocking of the Contadora Plan, the 'threat' of peace had been averted.

On several other occasions, the Nicaraguan government expressed its aspiration for constructive bilateral talks. In the wake of the Grenada invasion, for example, the Sandinistas sent several positive messages to Washington and expected a reciprocal gesture from the US government.<sup>30</sup> Instead of a positive constructive response, the administration's officials, who had interpreted the Sandinistas' peace offer as proof that the pressure policy had been working, rejected negotiations and reaffirmed their attachment to the hardline option.<sup>31</sup>

In spite of Washington's systematic opposition to the various regional agreements, Latin Americans had not abandoned their hopes for peace. In August 1987, a Central American Peace Accord, generated by President Oscar Arias of Costa Rica, was signed by El Salvador, Honduras, Guatemala, Nicaragua, and Costa Rica. The *Arias Plan* included (1) a cease-fire throughout the region; (2) negotiations between governments and rebels, especially in Nicaragua and El Salvador; (3) an interruption of aid from outside sources to rebel groups; and (4) the promise that all nations would move toward elections and political pluralism.<sup>32</sup> After signing the accords, the Nicaraguan government took decisive steps to comply with its requirements. Yet, Washington refused to give its approval to the plan despite its international popularity [President Arias won the 1987 Nobel Prize for peace]. Secretary of State George Schultz would later explain in his memoirs that the hardliners "wanted no part of a diplomatic effort... [because] to them diplomacy was avenue to 'accommodation'".<sup>33</sup>

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<sup>27</sup> *Ibid*, pp. 289-29.

<sup>28</sup> Dario Moreno, *U.S. Policy in Latin America*, *op. cit.*, pp. 350-351.

<sup>29</sup> William Blum, *Killing Hope* (Monroe: Common Courage Press, 1995) p. 298.

<sup>30</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 351.

<sup>31</sup> *Ibid*.

<sup>32</sup> Walter LaFeber, *The American Age* (New York: W.W. Norton and Company, 1983), p. 685.

<sup>33</sup> George Schultz, *Turmoil and Triumph* (New York: Scribner's, 1993), p. 305.

### ***Economic pressure***

The Reagan Administration developed severe economic measures to supplement its political and diplomatic pressures. The economic destabilization of Nicaragua was inextricably linked with the administration's 'low-intensity conflict' strategy. The administration exerted economic pressure against Nicaragua by lobbying the multilateral development banks and Western European governments to stop giving loans and aid to Nicaragua. Under US pressure, loans to Nicaragua from the World Bank, the IMF, and the Inter-American Development Bank sharply decreased. Moreover, the US government decided in 1983 to reduce by 90 percent Nicaragua's quota for sugar imports into the US, which severely crippled Nicaragua's ability to earn foreign currency.<sup>34</sup> Finally, the Reagan Administration imposed a full trade embargo on Nicaragua.

As the standard of living in Nicaragua deteriorated, the US government tried to disengage itself from responsibility for the resulting misery. In May 1985, the State Department released a report on US economic sanctions which concluded: "Depressed economic conditions in Nicaragua were, of course, due to disastrous economic policies adopted by the Sandinistas, and not to any actions by the US."<sup>35</sup>

### ***The Contras***

US economic warfare policy was conducted on two fronts: international economic pressure to cut off trade, loans, and credits to Nicaragua and a far more destabilizing Contra War. In effect, US covert support, equipping, and training of the Nicaraguan counterrevolutionaries was the cornerstone of Reagan's anti-Sandinista strategy. Reagan and his top advisers energetically defended the contra cause. They identified the contras as the soldiers of the Reagan Doctrine, the 'freedom fighters' who would protect US interests by containing the 'communist threat'. By supporting the contras, the Reagan Administration's hardliners believed that the US would demonstrate its resolve to roll back the communists even after they had come to power.

Initially, considerable disagreement existed within the administration over the method of military pressure that should be used to contain the Nicaraguan revolutionary spirit. Secretary Haig advocated direct military involvement, but the Pentagon expressed serious concern over another Vietnam. So, when the CIA developed the idea of forming and aiding the anti-Sandinista guerillas, a consensus emerged. CIA Director William Casey proposed that the US give material assistance to right-wing Nicaraguan exiles in order to destabilize the Sandinista regime. On December 17, 1981, President Reagan signed National Security Directive 17, which endorsed the program.<sup>36</sup> In order to sell the contra policy to Congress, Casey stressed the covert operation's modest objectives, calling the program "a limited attempt to interdict weapons and to put just enough pressure on the Sandinistas to keep them from delivering their revolution wholly to communism...Nobody is talking about overthrowing anybody".<sup>37</sup>

Counterrevolutionary activity commenced as early as December 1981 and then dramatically escalated throughout 1982. The contra group grew rapidly in size and became more and more militarily active. Nicaragua was soon transformed into a battleground, as the US-financed and

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<sup>34</sup> Dario Moreno, *U.S. Policy in Latin America*, op. cit., p. 108.

<sup>35</sup> William LeoGrande, *Our Own Backyard*, op. cit., p. 431.

<sup>36</sup> Dario Moreno, *U.S. Policy in Latin America*, op. cit., pp. 101-103.

<sup>37</sup> Cited in James Scott, "Inter-branch Rivalry and the Reagan Doctrine in Nicaragua", *Political Science Quarterly*, volume 112, number 2, 1997, p. 243.

CIA-directed guerillas engaged in sporadic but destructive attacks on a wide range of military and non-military targets.

By 1983, the goals of the contra policy turned out to be more ambitious. Originally designed as a pressure tactic to compel the Sandinistas to stop their arms shipment to the Salvadoran rebels, the contra objective unequivocally turned into the overthrow of the Sandinista government. In fact, the idea of bringing down the Nicaraguan regime was more and more popular within the administration, even though US congress had not authorized a covert action program to support acts of terrorism against the sovereign government of Nicaragua.

In 1983, outraged by the contras' failure to meet the US government's objectives, the CIA created a manual for the contras entitled *Psychological Operations in Guerilla Warfare*. It was a manual of sabotage tips, which focused mainly on "how 'Armed Propaganda Teams' could build political support within Nicaragua for the contra cause through deceit, intimidation, and violence".<sup>38</sup> The manual was full of instructions on psychological warfare, designed to train the contras on a selective and efficient use of violence. The CIA provided advice on political assassination, blackmailing ordinary citizens, kidnapping, etc. It also recommended hiring 'professional criminals' for especially unpleasant jobs.<sup>39</sup> The CIA's manual, financed by US tax-dollars in the name of the war against tyranny, was labeled as the CIA's 'Murder Manual'.

The Contra program's lack of popularity within US Congress, media, and public opinion did not lessen the Reagan officials' belief in the contra cause. Indeed, when Congress prohibited all legal aid to the contras, the administration soon established some alternative financial resources. The White House used its persuasive powers with private groups to subsidize actions that Congress meant to thwart. Consequently, a large number of conservative groups raised money and goods for the contras, and the program continued.<sup>40</sup>

In a word, in contradiction of national, regional, and international laws, the US government trained a mercenary group to sabotage the economy, terrorize the population, and destabilize a government with which Washington had diplomatic relations.

### ***Military pressure***

Washington's contra policy was depicted as an alternative to a direct military intervention. Yet, the military was not excluded from Reagan's 'low-intensity' strategy. Indeed, the Reagan government complemented the contras' military efforts with a series of joint US-Honduran military exercises near the Nicaraguan-Honduran border to project a strong US military presence in the region and, hence, intimidate Managua.<sup>41</sup> The US applied direct military pressure on the Sandinistas by conducting large-scale military exercises in the region. The exercises were carefully staged to create the impression that they were preludes to a US direct invasion of Nicaragua.

Despite its implicit threats, the Reagan Administration never resorted to direct military intervention in Nicaragua [because of the lack of consensus within the administration over direct military action, the lack of reliable support in Congress, and the lack of public support].

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<sup>38</sup> William LeoGrande, *Our Own Backyard*, op. cit., p. 363.

<sup>39</sup> *Ibid.*

<sup>40</sup> Dario Moreno, *U.S. Policy in Latin America*, op. cit., p. 125.

<sup>41</sup> Thomas Carothers, *In the Name of Democracy* (Berkeley: University of California Press, 1992), p. 84.



What the US strategy managed to do, however, was to create the fear of an invasion, and thus pave the way for conditions of instability and chaos in Managua. Furthermore, Washington's military strategy represented additional efforts to squeeze the Nicaraguan economy by forcing a massive diversion of resources into defense.

### ***CIA operations***

To back up the contras' guerilla activities and the US army's pressures, the CIA directly participated in the assaults against Nicaragua. The CIA's operations went from the collection of heavy intelligence in Nicaragua, and the financing of anti-Sandinista opposition and press, to the attacks on Nicaragua's oil storage facilities. One of the CIA's most significant operations was its mining of Nicaragua's harbors. The mining, which began in January 1983 and continued until Washington's role became public in early April, was one more attempt to blockade ships from carrying Nicaraguan exports and imports. The act explicitly aimed at crippling the already vulnerable Nicaraguan economy.

When Nicaragua denounced the sabotage act, Washington denied any connection to it. Despite consistent evidence, the US government insisted on the fiction that the mining was the work of the contras. A few weeks later, a Senate Intelligence Committee investigated the issue only to discover that the mining was a CIA operation from beginning to end.<sup>42</sup> Then, on April 6, 1983, a *Wall Street Journal* cover story made the affair public. The *Journal* revealed that the CIA had not only performed the operation, but had also instructed the contras to claim credit.<sup>43</sup>

### ***International condemnation of US hostilities***

The international community severely condemned the US repetitive violations of Nicaragua's sovereignty. At the UN, thirteen members of the Security Council voted for a resolution condemning the US for "the escalation of acts of military aggression" and calling for an end to "all threats, attacks, overt and covert hostile acts against the sovereignty, independence, and territorial integrity of Nicaragua, in particular, the mining of its main ports."<sup>44</sup> The US simply vetoed the resolution.

In June 1986, the International Court of Justice in The Hague voted that:

The United States of America, by training, arming, equipping, financing and supplying the contra forces or otherwise encouraging, supporting and aiding military and paramilitary activities in and against Nicaragua, has acted, against the Republic of Nicaragua, in breach of its obligations under customary international law not to intervene in the affairs of another state.<sup>45</sup>

The International Court esteemed the American 'undeclared war' against Nicaragua in violation of its obligations under international law and ordered the US to pay reparations. Without even defending its case, the US rejected the Hague's order and withdrew from the World Court.

### ***Domestic opposition to Reagan's policy***

The condemnation of US "acts of military aggression" was not limited to the international community. It was equally strong within the domestic political arena. In fact, "public and

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<sup>42</sup> *Ibid.*, p. 333.

<sup>43</sup> David Rogers, "US Role in Mining Nicaraguan Harbors", *Wall Street Journal*, April 6 1984.

<sup>44</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 338.

<sup>45</sup> John Dumbrell, *American Foreign Policy*, *op. cit.*, p. 93.

congressional reaction to the mining of Nicaragua's harbors and the US decision to withdraw from the World Court was almost uniformly negative".<sup>46</sup> But, national opposition to Reagan's Nicaraguan policy did not wait for the mining event to express itself. Indeed, a long and bitter division had afflicted the various foreign policy actors over the means that should be used to contain the Nicaraguan revolution. In spite of its frenetic lobbying efforts, the administration was not able to develop a nationwide consensus over its Nicaraguan policy. Indeed, despite the lack of detailed public knowledge, public opinion acted as a major constraint on the administration's policies.

Furthermore, the Reagan Administration almost never acquired the support it wanted for its anti-Sandinista policy from the Legislative branch. In effect, whereas the Reaganites were haunted by the fear of 'another Cuba', the congressional representatives were concerned with the threat of 'another Vietnam'. The contra issue was at the core of the Executive-Legislative dispute. There were several explanations for the congressional opposition to the contra policy: First, many liberal Democrats regarded the contras as criminal mercenaries. Second, conservative and moderate Democrats were wary about the administration's objectives and feared that the 'low-intensity' conflict would expand into a region-wide conflict. Third, most Congressmen were suspicious of a covert policy that excluded them from the policy-making process.

This congressional opposition to Reagan's confrontational policy translated into several legislations and amendments, the most famous of which were the Boland Amendments. In late 1982, Congress, disturbed by the accumulating evidence that the covert war was not just aimed at interdicting the flow of arms to El Salvador, responded with an amendment, sponsored by Representative Edward Boland, which stipulated that

None of the funds provided in this act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country's armed forces, for the purpose of overthrowing the government of Nicaragua or provoking a military exchange between Nicaragua and Honduras.<sup>47</sup>

With the Boland Amendment, Congress indicated that it would not allow the Executive to exercise unchallenged control over policy toward Nicaragua. Nevertheless, the Contras Program continued along the same lines as before. It only became much more covert. By the end of 1984, all legal expenditure of government funds to aid the contras ended. From then on, a US-financed guerilla war in Nicaragua would violate not only the UN Charter and the Charter of the OAS, but also US own domestic laws.

### ***Reagan's public relations campaign***

Reagan and his advisers were fully aware that the war against Nicaragua was a two-front war, with the war at home much more delicate than the one taking place in Central America. To counteract the congressional and public criticism of his policy, Reagan launched a frenetic public relations and lobbying campaign. The administration's architects were aware that more important than the reality in Managua was how US opinion leaders and public perceived that

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<sup>46</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 337.

<sup>47</sup> Cited in Marcienne Rocard, and Isabelle Vagnous, *Les États-Unis et l'Amérique Latine* (Nancy: Presses universitaires de Nancy, 1994), p. 92.

reality. “I think the most critical special operations mission we have today is to persuade the American people that the communists are out to get us”, Deputy Assistant Secretary to Air Force, Michael Kelly, explained in 1983, “If we win the war of ideas, we will win everywhere else”.<sup>48</sup>

To win the war of ideas, “the White House created a sophisticated apparatus that mixed propaganda with intimidation, consciously misleading the American people and at times trampling on the right to dissent”.<sup>49</sup> It was a well-orchestrated effort directed by the Office of Public Diplomacy for Latin America and the Caribbean (OPD), which was created especially for that purpose. The Reagan White House founded the OPD in January 1983 with the assignment to improve ‘public diplomacy’ in Central America, with a special focus on Nicaragua. Under the firm leadership of Cuban-American Otto Reich, the OPD organized speeches, published books, influenced media contents, intimidated journalists, etc. Pro-contra and anti-Sandinista ‘news’ stories prepared by the OPD were planted in major media outlets under the signatures of contra leaders or independent scholars. Private sector public relations experts, lobbying groups, and think tanks were also enlisted for the cause and paid large checks of taxpayer money to promote the OPD agenda.<sup>50</sup>

The OPD’s principal activity was to produce and disseminate one-sided publications on Nicaragua. The purpose was to place, in the public’s imagination, ‘black hats’ on the Sandinistas and ‘white hats’ on the contras.<sup>51</sup> Actually, the administration’s ‘public diplomacy’ machine was functioning so considerably and in such an organized manner that journalists Robert Parry and Peter Kornbluh talk about “America’s first peace time Propaganda Ministry”<sup>52</sup> In their 1988 *Foreign Policy* article, international affairs analysts Parry and Kornbluh provided a large amount of evidence to establish that

The [Reagan] administration was indeed running a set of domestic political operations comparable to what the CIA conducts against hostile forces abroad. Only this time they were turned against the three key institutions of American democracy: Congress, the press, and an informed electorate. [...]

Employing the scientific methods of modern public relations and the war-tested techniques of psychological operations, the administration built an unprecedented bureaucracy in the National Security Council and the State Department designed to keep the news media in line and to restrict conflicting information from reaching the American public.<sup>53</sup>

In other words, the administration’s critics argue that Reagan’s White House used the taxpayers’ money for some illegal operations meant to lobby the same taxpayers and their representatives in Congress.

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<sup>48</sup> Cited in Robert Parry, *Lost History*, *op. cit.*, p. 43.

<sup>49</sup> Robert Parry and Peter Kornbluh, “Iran-Contra’s Untold Story”, *Foreign Policy*, Fall 1988, p. 3.

<sup>50</sup> William Blum, *Killing Hope*, *op. cit.*, p. 301.

<sup>51</sup> In a secret memorandum, Walter Raymond, then the NSC’s director of international communications dispatched the following order: “In the specific case of Nicaragua, concentrate on gluing black hats on the Sandinistas and white hats on UNO [the contras’ United Nicaraguan Opposition]” (Parry and Kornbluh, pp. 5-6).

<sup>52</sup> Robert Parry and Peter Kornbluh, “Iran-Contra’s Untold Story”, *op. cit.*, p. 5.

<sup>53</sup> *Ibid*, pp. 4, 16.

### ***The Iran-Contra affair***

Out of their strong belief in the contras' utility, Reagan and his top advisers were determined not to renounce to the battle for the contra cause. For Ronald Reagan, the anti-Sandinista guerillas were the heroic soldiers who shouldered the burden of his doctrine. The White House's abandoning of the contras would, in a certain way, stand for its abandoning of the Reagan Doctrine itself. Accordingly, when the US Congress decided to pull out the purse reserved for the contra program, Reagan instructed his advisers to look for alternative financial sources in order to keep the contras together 'body and soul'. Consequently, from 1984 on, the National Security Council launched a complex secret operation to abide by the president's instructions.

On October 5, 1986, a US cargo plane was shot down over southern Nicaragua. Before the US services could perform any 'damage control', the Nicaraguans placed the sole surviving crewmember in front of television cameras to tell the world the story of a US government-sponsored covert arms resupply operation for the contras.<sup>54</sup> Trying to escape the political aftershocks of the revelations, President Reagan and his cabinet members volubly denied any US role in what they described as a "private" resupply initiative.<sup>55</sup>

A few weeks later, a Lebanese magazine, *Al Shiraa*, reported that the Reagan Administration had been secretly selling arms to Iran to secure the release of US hostages in Lebanon. The arms-for-hostages story was soon picked up by the US press thrusting the White House into its second political crisis in less than five weeks.<sup>56</sup> Trying to avoid what appeared to be his administration's worst public relations disaster, Reagan went on national television to admit that he had sold arms to Iran, though he continued to deny he had traded arms for hostages. "We did not -repeat- did not trade weapons or anything else for hostages nor will we", Reagan categorically stated.<sup>57</sup>

For most Americans, the Contra Affair -providing illicit paramilitary aid to the contras- and the Iran Affair -trading arms for hostages- were unconnected incidents. But, on November 25, 1986, President Reagan and Attorney General Edwin Meese "shocked the nation" by disclosing that the two operations were in fact interrelated.<sup>58</sup> The Iran-Contra Affair was, thus, born.

Following the *Al Shiraa* revelations, Attorney General Meese investigated the issue and discovered that profits from the arms sales were being diverted to the contras. Concerned that leaks about the diversion would lead to Reagan's impeachment, the administration decided to anticipate and to announce the issue before the press revealed it. In his November 25 statement, Reagan admitted his administration's implications in the affair, but added that he had not been "fully informed". Consequently, John Poindexter had resigned as National Security adviser, and Oliver North had been "relieved of his duties" on the NSC staff.<sup>59</sup>

The revelation of the diversion instigated a multitude of investigations. The Reagan-appointed Tower Commission, the Select Congressional Iran-Contra Committees, and the Lawrence Walsh independent commission conducted separate investigations, which -though never completely

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<sup>54</sup> Peter Kornbluh and Malcolm Byrne, *The Iran-Contra Scandal* (New York: The New Press, 1993), Introduction.

<sup>55</sup> *Ibid.*

<sup>56</sup> *Ibid.*

<sup>57</sup> *Ibid.*

<sup>58</sup> *Ibid.*

<sup>59</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 482.

conducted- caused significant political embarrassment to the Reagan presidency. For the Tower Commission, the Iran-Contra scandal was essentially the result of Reagan's "hands-off management style".<sup>60</sup> The Congressional Committees and Independent Counsel Lawrence Walsh went one-step further. Both concluded that "ultimate responsibility for the events in the Iran-Contra affair must rest with the president", although they agreed no direct evidence proved the president gave explicit orders to bypass Congress.<sup>61</sup> The Select Congressional Committees held the president accountable for both the policies and the lawlessness within his administration. "It was the president's policy -not an isolated decision by North or Poindexter- to sell arms secretly to Iran and to maintain the contras 'body and soul'", stated the final report issued in November 1987.<sup>62</sup> The Committees' report condemned Reagan's foreign policy apparatus for "secrecy, deception, and disdain for the rule of law".<sup>63</sup> It addressed the threat to the constitutional system of checks and balances. By usurping Congress's power of the purse in order to carry out activities "in direct contravention of the will of Congress", the administration had "undermined a cardinal principle of the Constitution" and set the nation on "a path to dictatorship".<sup>64</sup>

The Iran-Contra revelations were troubling for the Reagan Administration on at least two levels. On the one hand, they challenged President Reagan's highly publicized tenet that "America will never make concessions to terrorists"<sup>65</sup> and, hence, proved that the Administration was violating its own foreign policy principles. On the other hand, the revelations demonstrated that the Reagan White House had violated the core principle of checks and balances, on which the US Constitution is based. Actually, the true significance of the Iran-Contra episode lay in its implications for democracy and constitutional government.

In spite of the numerous similarities, Iran-Contra did not become Reagan's Watergate.<sup>66</sup> Fearful of the political consequences of another Watergate-style crisis, Congressional Democrats decided that the Iran-Contra investigation should avoid an impeachment drama. Indeed, the Congressional Committees deliberately avoided investigating the complex areas of the scandal that might have brought new charges of illegality into the oval office. Since Reagan remained politically popular, the Iran-Contra investigators avoided dealing with the scandal's profound policy and constitutional issues. Consequently, President Reagan escaped a serious impeachment crisis à la Watergate.<sup>67</sup>

The Iran-contra revelations did not completely wipe out the contra program. Reagan and his allies on Capitol Hill tried to isolate the contra aid program from the spreading contagion of the scandal, insisting that the merits of the policy were unchanged.<sup>68</sup> On December 4, 1986, a few days after his Iran-contra announcement, Reagan declared his 'unflinching' dedication to the contra cause, insisting that the Iran-contra scandal was irrelevant.<sup>69</sup> Moreover, Reagan asked Congress for more 'humanitarian aid' to the contras. He also appeared on national television,

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<sup>60</sup> Peter Kornbluh and Malcolm Byrne, *The Iran-Contra Scandal*, *op. cit.*, introduction.

<sup>61</sup> James Scott, "Interbranch Rivalry and the Reagan Doctrine in Nicaragua", *op. cit.*, p. 253.

<sup>62</sup> Peter Kornbluh and Malcolm Byrne, *The Iran-Contra Scandal*, *op. cit.*, introduction.

<sup>63</sup> Cited in William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 499.

<sup>64</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 499.

<sup>65</sup> Peter Kornbluh and Malcolm Byrne, *The Iran-Contra Scandal*, *op. cit.*, introduction.

<sup>66</sup> Larry Speakes, Reagan's press officer, called Iran-Contra rather the Administration's 'Bay of Pigs'.

<sup>67</sup> Peter Kornbluh and Malcolm Byrne, *The Iran-Contra Scandal*, *op. cit.*, introduction; - Robert Parry, *Lost History*, *op. cit.*, p. 132; - John Dumbrell, *American Foreign Policy*, *op. cit.*, p. 121.

<sup>68</sup> William LeoGrande, *Our Own Backyard*, *op. cit.*, p. 484.

<sup>69</sup> *Ibid.*

on the eve of the congressional vote of his aid request, to describe Nicaragua as a “beachhead for aggression against the US”, maintaining that the Sandinistas would never permit free and fair elections without military pressure from the contras.<sup>70</sup> In February 1988, Congress rejected Reagan’s first post-Irangate request for contra-aid by a 219-211 vote. What the narrow vote signified, however, was that the Nicaraguan issue was still unresolved.

### **Bush’s policy**

There was a slight but real difference between Bush’s and Reagan’s approach to the Nicaraguan crisis. The Reagan policy was rooted in the resurgent Cold War paradigm of the early 1980s. Accordingly, for Reagan, the very existence of the Sandinistas government was merely unacceptable. The Bush Administration, in contrast, came into power at a time of declining US-Soviet tensions. So, Bush was more or less prepared to coexist with the Sandinistas if they lived up to their commitments under the Esquipulas Agreement and held free and fair elections.<sup>71</sup> So, instead of the previous administration’s military efforts to overthrow the Sandinistas, the new administration would focus on political and diplomatic solutions.

The Bush Administration wanted to distance itself from the most controversial aspect of Reagan’s Central American policy: support for the contras. So, the Bush White House refocused Nicaraguan policy away from a military struggle and redirected it toward a political struggle. President Bush and his pragmatic Secretary of State James Baker learned a lot from the Executive-Legislative disagreements that had marked the Reagan presidency. Accordingly, the two key figures of the new administration showed a strong desire to forge a consensual bipartisan foreign policy. Bush and Baker, who perceived Nicaragua as a problem of declining relevance that they did not wish to devote much time and energy to, were particularly determined not to waste valuable political capital with Congress on disputes over the contra issue.<sup>72</sup> Therefore, on March 24, 1989, the Bush Administration and Congress signed a bipartisan agreement over Nicaragua. Under the ‘Treaty of Washington’, the US government would suspend military aid to the contras until after the 1990 Nicaraguan elections, support the Esquipulas peace agreement, and encourage the Nicaraguan election.

As it had failed to defeat the Sandinistas with the bullets, Washington was determined to defeat them at the ballots. To augment the pressure on the Sandinista government, the US put in place a two-level policy: an external international diplomatic and economic pressure coupled with an internal extensive support for the opposition. In order to prevent the Sandinistas from easing the population’s misery and, thus, raise the Nicaraguans’ dissatisfaction with the regime, the administration urged its European allies to withhold any significant aid to Nicaragua until after the elections. The White House also urged the Soviet Union to stop its economic assistance to Nicaragua by linking such an aid to the overall context of superpower relations. Anxious to prevent Central America from interfering with the emerging improvement of East-West ties, Moscow rejected a Sandinista request for emergency economic aid on the eve of the election.<sup>73</sup>

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<sup>70</sup> James Scott, “Interbranch Rivalry and the Reagan Doctrine in Nicaragua”, *op. cit.*, p. 256.

<sup>71</sup> *Ibid.*; -Thomas Carothers, *In the Name of Democracy*, *op. cit.*, p. 93.

<sup>72</sup> Thomas Carothers, *In the Name of Democracy*, *op. cit.*, p. 93.

<sup>73</sup> The Washington-Moscow deal on Nicaragua was an astonishing development. After all, it was officially the fear of Soviet penetration that had animated Washington’s anti-Sandinist policy since 1981. Now, the ‘evil empire’ itself was cooperating with Washington’s plans to bring Nicaragua back into the orbit of the US (William LeoGrande, *Our Own Backyard*, *op. cit.*, pp. 558-559).

During the autumn of 1989, a Canadian observer mission completed a four-week investigation of the election preparation in Nicaragua. Its conclusion was that the US “is doing everything it can to disrupt the elections set for next year [...]. American intervention is the main obstacle to the attainment of free and fair elections in Nicaragua.”<sup>74</sup> Indeed, the amount of US intervention was substantial. As the election approached, US officials maintained a tough anti-Sandinista stance. Secretary of State Baker insisted that the administration would make its own judgment of the election, and would not necessarily accept the conclusions of international observers. And President Bush promised “to lift the trade embargo and assist in Nicaragua’s reconstruction” only if the US-supported Chamorro won the election.<sup>75</sup> Such rhetoric was intended to influence the Nicaraguan electorate. A Sandinista victory, Washington was telling the Nicaraguan voters, would mean more war and economic misery.<sup>76</sup>

On February 25, 1990, Nicaraguan voters turned out to cast their ballots under the watchful eyes of some 2000 foreign observers. To everyone’s surprise, opposition candidate Violetta Chamorro took 54.7 percent of the vote to Daniel Ortega’s 40.8 percent. Contrary to the expectation of many US conservatives, Ortega accepted the results and peacefully handed over the reigns of power to Chamorro. Actually, the only obstacle to a peaceful transition did not come from the Sandinistas but from the continued existence of the contra army -which Washington had so vigorously resisted demobilizing, as a guarantee for democratic transition.<sup>77</sup>

On April 19, 1990, the Sandinista government, the Chamorro transition team, and, under US pressure, the contra commanders finally signed an agreement for a demobilization of the contra army. By the end of June 1990, Nicaragua’s long and bloody conflict had almost come to an end.<sup>78</sup> With Chamorro in power, President Bush revoked the economic embargo and asked Congress to provide economic assistance for the new government. With the Sandinistas out of power, the Nicaraguan issue’s significance in Washington grew fainter. Nicaragua quickly disappeared from the US political scene.

## CONCLUSION

While evaluating Washington’s approach to the Nicaraguan crisis, we notice some similarities as well as a real continuity of the way Presidents Carter, Reagan, and Bush handled the Nicaraguan issue. Although the three administrations dealt with the conflict with somehow different strategies, we perceive some elements of essential unity that undermine these differences: First, all three administrations considered that it was within the rights of the US to control events in the region. Second, all of them tried to prevent what they considered as the radical left from having a powerful political hand. In fact, the decade-long debate over the Nicaraguan policy was mainly tactical within a strategic consensus aimed at maintaining the country within the US sphere of power. US foreign policy makers disagreed essentially over the means not over the ends. In effect, the US political elite disagreed over the manner in which to deal with the ‘Nicaraguan threat’. The fact that the very existence of a ‘Nicaraguan threat’ was itself a debatable argument was simply excluded from the US elites’ agenda.

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<sup>74</sup> Cited in Noam Chomsky, *Deterring Democracy* (London: Vintage Books, 1992), p. 299.

<sup>75</sup> Noam Chomsky, *Deterring Democracy* (London: Vintage Books, 1992), p. 299.

<sup>76</sup> William LeoGrande, *Our Own Backyard*, op. cit., pp. 561-562.

<sup>77</sup> *Ibid.*, p. 563.

<sup>78</sup> *Ibid.*

To rise to the 'Nicaraguan threat', President Carter opted for the stick and carrot policy. Carter's White House deemed it more pragmatic to maintain US influence by offering economic aid to Nicaragua's October 1979 new government. A 'conditioned' aid program was perceived as an instrument to try to prevent Nicaragua from quitting the US sphere of influence.

For the Reagan Administration, Carter's accommodation policy, conducted mainly on the political and diplomatic fronts, was not only weak but also dangerous. President Reagan sought to bring Nicaragua back to the client-state status through a much more confrontational policy. To get rid of the Sandinistas, and reinstall a pro-US government in Managua, the Reagan administration put in place a long and complex 'low intensity' war against the sovereign Nicaragua. Reagan sold his policy, based on a web of economic, diplomatic, and military pressures, a covert guerilla war, and a gigantic public relations campaign, as an alternative to a direct military intervention. On the other hand, the Reagan officials rejected the various regional peace initiatives because, for them, a negotiated accord which would leave the Sandinistas in power was unacceptable, no matter what the Sandinistas' democratic performances were.

When Reagan completed his second term, the dominant view held that the lack of consensus over the Nicaraguan issue had caused the failure of his administration's policy, given that Reagan left office with Ortega still in power. Nevertheless, while it failed to achieve its maximum objective -getting rid of the Sandinista regime-, Reagan's policy was successful in meeting its minimal objective: to destroy the promises of a hopeful revolution, which might have offered the people of Latin America an alternative to the options left by the US. In effect, Washington's most realistic objective behind the contra war was the diversion of precious funds from economic development and social services to defense.<sup>79</sup> Fighting the war absorbed huge amounts of government resources and diverted the energies of tens of thousands of young Nicaraguans away from productive economic activity.<sup>80</sup> By forcing the Sandinistas to divert significant resources away from social programs, Washington managed to respond to what it perceived as 'the threat of the good example'.

In 1990, the Sandinistas' electoral defeat was portrayed as a victory for the Reagan/Bush administrations' policies. Proponents of the anti-Sandinista policy credited US pressure against Nicaragua as having been the key to the end of Sandinista rule.<sup>81</sup> President Bush talked about "a victory for democracy" and Senator Robert Dole declared that "the final outcome is a vindication of the Reagan policies".<sup>82</sup> The opposing analysis of the election was that ten years of war had worn the Nicaraguan people down. The US-sponsored contra war, the US trade embargo, the death of 30,000 people<sup>83</sup>, natural disasters, mismanagement, and too ambitious social programs combined to create an economic and social nightmare. Accordingly, in February 1990, the Nicaraguan people voted for peace and stability. They voted for the end of hostilities. They voted for an end to a decade of horror.

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<sup>79</sup> In 1980, half the Nicaraguan national budget had been allocated to health and education whereas military spending accounted for about 18 percent. By 1987, the military effort consumed more than half the budget, health and education less than 20 percent (William Blum, *Killing Hope*, op. cit., p. 302.)

<sup>80</sup> Thomas Carothers, *In the Name of Democracy*, op. cit., p. 107.

<sup>81</sup> *Ibid*, p. 104.

<sup>82</sup> William Blum, *Killing Hope*, op. cit., p. 304.

<sup>83</sup> A death total higher in per capita terms than that suffered by the US in the Civil War, WWI, WWII, the Korean War, and the Vietnam War combined (Thomas Carothers, *In the Name of Democracy*, op. cit., p. 107).



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