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file - C.A.  
U.S. Latin Strategy

see U.S., Page A10  
Hartford, Conn.  
Courant  
August 12, 1983  
page 1

# Refugee Fear Key to Policy

By ROBERT PARRY  
Associated Press

WASHINGTON — White House political strategists believe public fears of refugees pouring into the United States from war-torn Central America could help rally popular support for President Reagan's tough stand against leftist revolution in the region.

Polls conducted for the White House by Richard B. Wirthlin found eight out of 10 of those questioned expressed a "great deal of concern" about the prospect of millions of Central American refugees flooding the United States, officials say.

They say the private polls suggest the public will back the president if it is persuaded that his policy is the only way to prevent an influx of "feet people" — Reagan's phrase for Central American refugees. Officials would not be more specific about the polls, including their size, but Wirthlin ordinarily uses a sample of 800 to 1,200 people.

"We may be in a no-lose situation politically," said Morton C. Blackwell, special assistant to the president for public liaison and part of the White House "out-reach" effort to boost backing for Reagan's policies.

"If the president's opponents succeed in Congress (in blocking the aid Reagan says is needed to save pro-U.S. governments), the refugees are coming — and the public will hold (the Democrats) accountable."

Blackwell said a White House policy paper on the subject is in the works and the projection that 10 percent of Central America's population might flee to the United States if communists prevail in those countries is being cited increasingly by Reagan spokesmen in public speeches.

The president himself raised the issue in a June speech, declaring that "a string of anti-American, Marxist dictatorships" in Central America could lead to "a tidal wave of refugees, and this time, they'll be 'feet people' and not 'boat people' swarming into our country."

But some critics dispute the "feet people" prediction as unfounded and a cynical attempt to exploit fear of foreigners to build support for an otherwise unpopu-

See Reagan's, Page A14

See Public's, Page A14

## Nature Takes Big Bite Out of Gypsy Moths

By NANCY PAPPAS  
Courant Staff Writer

Gypsy moth caterpillars defoliated only half as much Connecticut woodland this year as in 1982, according to a survey by scientists from the state Agricultural Experiment Station in New Haven.

This is the second year in a row that a sharp decline in defoliation has been reported since a record 15 million acres of woodland were devastated in 1981. Last year, the caterpillars defoliated 803,802 acres. This year, the figure was 369,267 acres, most of them located in Tol-

See Gypsy-Moth, Page A14

## Synagogue Burning Said Arson

By DAVE LESHNER  
and  
MARK STILLMAN  
Courant Staff Writers

WEST HARTFORD — The sanctuary of an Orthodox Jewish synagogue was burned out early Thursday by a fire officials said was the work of arsonists.

"It's definitely a case of arson," Deputy Fire Chief Richard Kane said while inspecting the building early Thursday. "They didn't even try to hide it."

Deputy Fire Chief William Wilson said the fire was started in at least four places inside the Young Israel of West Hartford Synagogue, 2240 Albany Ave. He said samples of charred wood and other items would be analyzed to determine if a flammable liquid was used to ignite the building.

Fire officials said the synagogue had been burning for as long as an hour before a neighbor reported the blaze about 3:30 a.m. The 200-member congregation,



UPI  
g clubs and tear gas dispersed 1,000  
demanding an end to the military govern-  
men. Augusto Pinochet and a return to  
ideals. Story on Page A16.

## ment Helps g in State

"Since last summer, the public feels that there has been a good deal of progress," commented G. Donald Ferree Jr., director of the Connecticut Poll, conducted by the Institute for Social Inquiry at the University of Connecticut.

He noted that, "President Reagan's ratings for handling the economy are not only higher than they were (a year ago), but also match his general job performance rating," Ferree said.

## ics 'Adam' Exists

a few chosen customers.  
But Greenberg said Thursday  
that Adam will make its appear-

company plants in Amsterdam,  
N.Y. Some parts are made there

# Public's Fear of Refugees Key to Reagan Latin Policy

Continued from Page 1

lar policy.

"The Reagan administration is practicing . . . racism and callousness in its reference to 'feet people,'" declared Arnoldo S. Torres, executive director of the League of United Latin American Citizens, the nation's oldest and largest Hispanic organization.

"The president clearly wants to make it an example of foreigners taking jobs away from Americans," Torres said.

The critics of administration policy contend violence and economic disruption — more than fear of communism — are causing thousands of Salvadorans to flee to the United States and that a negotiated settlement with leftist guerrillas is the best way to stop that flow.

According to some estimates, several hundred thousand Salvadorans have entered this country since the civil war started in 1979. During that period, about 40,000 civilians have been killed in El Salvador, many at the hands of government security forces, according to church-related human rights agencies.

"People are leaving El Salvador because they're losing their homes, their property and their lives and the lives of their children," said Joe Trevino, another LULAC official. "I don't see how the influx could be any greater than it is now."

While the "feet people" argument appears to have bolstered Reagan's support among members of Congress from the Southwest, some moderates object to the administration even raising the issue.

"I despise anybody who uses that kind of tactic because it turns people against legally admitted

refugees and aliens," Sen. David E. Durenberger, R-Minn., said. "You play on the basest and most selfish instincts of humanity."

Administration officials deny that they are trying to exploit fear of outsiders to promote Reagan's policy. They argue that Reagan's aim in militarily backing pro-U.S. governments in Central America is to avert the flow of refugees by preventing the spread of communist repression.

While administration officials concede they have no formal studies on the possible refugee flow, they argue that historically 10 percent of a country's population flees when a communist government comes to power.

If Central America and Mexico — with a combined population of about 100 million — fall to communism, the officials argue, the percentages could be even higher since the countries are connected to the United States by land.

But the officials agree that the "feet people" issue must be handled carefully, particularly with the president actively seeking Hispanic support for his Central America policy.

"We have to be careful not to feed xenophobia," the fear of foreigners, said Blackwell.

Reagan supporters in the Hispanic community say they be-

lieve the "feet people" issue is a legitimate concern.

Dr. Tirso Del Junco, chairman of the Republican National Hispanic Assembly and former chairman of the California Republican Party, said the refugee influx has become "a pocketbook issue" to many Hispanics who fear increased competition for jobs.

The administration bases its 10 percent argument on the pattern of refugee flows from Cuba and Vietnam after communist governments took power. But they concede that a much smaller number of refugees have fled Nicaragua in the four years since the leftist Sandinistas won power.

Elliott Abrams, assistant secretary of state for human rights, said communist victories in Central America would not only produce waves of refugees but could cause instability in Mexico, which, while peaceful, is the source of about 1.5 million immigrants a year.

"One hesitates even to think what instability in Mexico would produce in terms of refugees given the current peaceful flow," Abrams said. "One has to fear a communist Central America would produce instability in Mexico and then, really, all bets are off. Then you have a crisis."



Herman Holtz and  
of West Hartford

## Offici Of W.

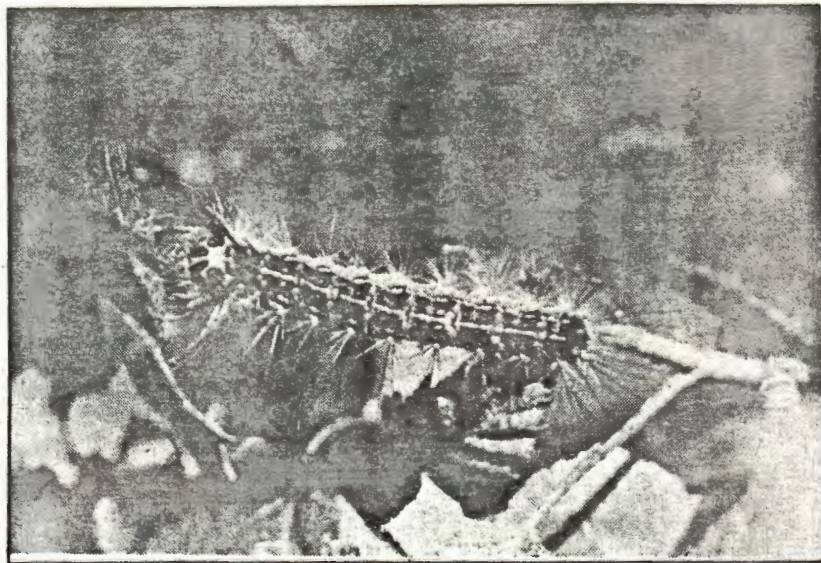
Continued from P

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But it's going to ta  
to make it look  
said.

Wilson said the  
guished within 20  
two fire engines  
truck arrived. Th



John Long / The Hartford Courant

A gypsy moth caterpillar works its way down a tree branch, eating leaves on the branch as it goes.

## Gypsy-Moth Damage

## '80 Census Shows Gain For Women

Continued from Page 1

wrote in such entries as "Cuban" or "Mexican" were usually lumped with the already dominant "white" category when the final tally was made. In 1980, they were simply left as "other"

JARL WAHLSTROM  
General

NORMAN S. MARSHALL  
National Commander



## THE SALVATION ARMY

(Founded in 1865)

WILLIAM BOOTH, FOUNDER

NATIONAL HEADQUARTERS  
799 Bloomfield Ave.  
Verona, N.J. 07044  
Phone: (201) 239-0606

NATIONAL PUBLIC AFFAIRS OFFICE  
1025 Vermont Avenue, N.W.  
Washington, D.C. 20005  
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ERNEST A. MILLER  
National Consultant  
Washington, D.C.

September 12, 1983

Mr. Morton Blackwell  
Special Assistant to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Blackwell:

You have asked us to provide you with information about recent programs of The Salvation Army in Nicaragua. Here is a brief summary of that experience.

The Salvation Army went into Nicaragua in 1979, after the Civil Disorders that brought a change of government. Prior to that time The Salvation Army had been operating two refugee camps in Costa Rica which had offered help, without discrimination, to many refugees from Nicaragua. As the refugees were able to return to their country they asked The Salvation Army to come with them, to serve their people in the new Nicaragua.

Every effort was made by The Salvation Army to comply with the wishes of the new government. A Salvation Army delegation met with high officials of the government in Managua to obtain necessary clearances and authorizations. There were also negotiations by The Salvation Army with the Agency for International Development in the U.S. government for a possible grant; a grant was approved at preliminary levels, but in the end it was never implemented.

The site chosen for a Salvation Army program in Nicaragua was at Rivas, a town in the Southwest corner of the country, near the Costa Rica border.

Mr. Morton Blackwell  
The White House  
September 12, 1983  
Page 2

Salvation Army officers were appointed by the International Headquarters, including an experienced officer couple from the United States who had served in Panama and Jamaica, and a professional nurse from Switzerland. Officers from Mexico came later.

A farm was purchased near Rivas with funds made available from the Netherlands. The farm buildings were used to provide a home for orphaned children who were gathered up from the countryside. It was intended to open a medical clinic, but permission to do so was not granted. The Salvation Army nurse spent nine months working in the government hospital at Rivas.

Religious services were also held on Sundays, at a second location near Rivas, at a village called Popoyoapa, to which people in the area were invited.

In retrospect, it appears that Salvation Army workers did two things that invited threats of "trouble" from the government authorities:

1. They taught the orphan children to pray before meals, and they read the Bible to them; this apparently was thought to be in conflict with the law that required that only government approved curricula may be taught to children in government approved schools. The Salvation Army orphanage was interpreted to be a "private school."
2. They attempted, in response to the Gospel command to feed the hungry, to provide food for the civilian population and to the imprisoned, and neglected, former members of the National Guard under the previous regime; they were required therefore to provide food for the present soldiers as well, which they did.

These activities resulted in ominous verbal threats from authorities, and, finally, instructions to close up the program and leave the country. Under those threats The Salvation Army withdrew from Nicaragua, abandoning the program and the property, which was later sold at a considerable loss.

Mr. Morton Blackwell  
The White House  
September 12, 1983  
Page 3

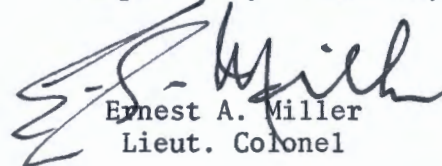
Salvation Army officers who worked in Nicaragua during the attempt to establish the work have expressed deep regrets over their failure to succeed. They felt they had adequate financial support, and that the need for their services was great, but that misunderstanding of their motives and objectives, and the political realities in the country, made their work impossible. The people seemed to want The Salvation Army to stay, but the authorities seemed to mistrust and misunderstand the program.

The Salvation Army program in Nicaragua was closed in August, 1980, after eleven months of effort.

The Salvation Army has taken no position regarding the government of Nicaragua, or the political climate in that country. In every one of the 86 countries in which it works, The Salvation Army attempts to co-operate with government in order that it might serve the people in the country most effectively. This they tried to do in Nicaragua.

Salvationists are dedicated and committed to take the message of the Gospel, and the service of Christian charity, to "all the world." In that commitment they hope to return to Nicaragua.

Respectfully submitted,



Ernest A. Miller  
Lieut. Colonel

EAM:gsf

REMARKS BY  
RICHARD T. MCCORMACK  
ASSISTANT SECRETARY OF STATE FOR  
ECONOMIC AND BUSINESS AFFAIRS  
BEFORE THE CENTRAL AMERICA OUTREACH GROUP

JULY 13, 1983

I'M PLEASED TO HAVE THE OPPORTUNITY  
TO TALK WITH YOU TODAY  
ABOUT CENTRAL AMERICA.

JUDGING FROM A RECENT POLL,  
HOWEVER,

YOUR UNDERSTANDING OF THE SITUATION THERE  
PUTS YOU IN A DISTINCT MINORITY.

IN THAT POLL,

ONLY 23% KNEW WHO WE ARE BACKING IN EL SALVADOR,  
13% IN NICARAGUA,

AND A PALTRY 8% KNEW THE CORRECT ANSWER TO BOTH QUESTIONS.

I FIND IT APPALLING

THAT AFTER ALL THE PRESS PUBLICITY,

PRO AND CON,

AND THAT AFTER A NATIONALLY TELEVISED ADDRESS TO A JOINT SESSION OF  
CONGRESS

BY THE PRESIDENT OF THE UNITED STATES

THE PUBLIC IS STILL CONFUSED.

REGRETTABLY,

THE DEBATE ON CENTRAL AMERICA

REMAINS AMONG THE ELITES.

WITHOUT THE FACTS,

MANY ORDINARY PEOPLE

ARE EASILY SWAYED BY ARGUMENTS LIKE:

"THIS IS JUST ANOTHER VIETNAM."

MANY PERCEIVE THE STRUGGLE IN CENTRAL AMERICA

AS "MR. REAGAN'S WAR."

I AM AFRAID

THAT IN THE DEBATE IN THE PRESS OVER OUR CENTRAL AMERICAN POLICY



WE HAVE LOST SIGHT OF THE FACTS THAT:

- WE DO HAVE VITAL INTERESTS IN CENTRAL AMERICA,
- THAT THOSE INTERESTS ARE BEING THREATENED,
- AND THAT TO PROTECT THOSE INTERESTS WE NEED THE PRESIDENT'S PROGRAM.

AS CAN BE SEEN BY THE RESULTS OF THAT POLL,  
WE HAVEN'T COMMUNICATED THOSE ESSENTIAL FACTS TO THE PUBLIC AT LARGE.  
THAT'S WHERE WE NEED YOUR HELP --  
TO BROADEN THE DISCUSSION ON CENTRAL AMERICA,  
TO GET PEOPLE TO USE THEIR JUDGEMENT,  
NOT JUST THEIR PREJUDICES.  
BEING BUSINESSMEN,  
YOU UNDERSTAND,  
THAT AT TIMES,  
YOU HAVE TO MAKE TOUGH CHOICES --  
AND STICK TO THEM --  
IF YOU ARE TO PROTECT YOUR OWN INTERESTS.

I'D LIKE TO LEAVE A FEW THOUGHTS WITH YOU  
ABOUT OUR VITAL INTERESTS IN THE REGION,  
ABOUT THE THREAT TO THOSE INTERESTS,  
AND ABOUT THE PRESIDENT'S PROPOSAL;  
IDEAS THAT YOU CAN PASS ALONG  
WHEN YOU TALK TO YOUR FRIENDS AND COLLEAGUES  
ABOUT THE STRUGGLE IN CENTRAL AMERICA.  
FIRST, WHAT ARE OUR VITAL INTERESTS?

PERHAPS ONE OF THE MOST DAMAGING ASPECTS OF THE VIETNAM ANALOGY

IS THAT IT UNDERSTATES OUR VITAL INTERESTS IN THIS HEMISPHERE.

MENTION VIETNAM

AND SUDDENLY IMAGES OF HELICOPTER BATTLES IN REMOTE SOUTH EAST ASIAN  
JUNGLES

LEAP INTO MIND.

THE 7:00 NEWS COVERAGE OF EL SALVADOR  
TENDS TO CONFIRM THOSE IMAGES.

BUT THIS TIME,

THE DANGER IS CLOSE TO HOME  
AND OUR VITAL INTERESTS ARE AT STAKE.

LET'S LOOK AT JUST WHAT OUR INTERESTS ARE:

ECONOMIC:

US DIRECT INVESTMENT IN THE CARIBBEAN BASIN NATIONS  
ACCOUNTS FOR ABOUT 7% OF THE US TOTAL --  
SOME \$17 BILLION IN 1981.

AS WOULD BE EXPECTED,

OVER THE PAST SEVERAL YEARS

THERE HAVE BEEN DRAMATIC FALLS IN EARNINGS FROM US INVESTMENT  
IN THOSE CENTRAL AMERICAN COUNTRIES THAT ARE UNDER DIRECT COMMUNIST  
ATTACK,

OR THE THREAT OF IT.

US TRADE WITH THE CARIBBEAN BASIN COUNTRIES TOTALED \$68 BILLION IN 1982,  
OR ONE-EIGHTH OF TOTAL US WORLD TRADE.

IF THE STRUGGLE FOR DEMOCRACY IN CENTRAL AMERICA FAILS,  
OUR OWN DOMESTIC ECONOMY WILL NEED TO BEAR INCREASED BURDENS.

FIRST,

A FLOOD OF REFUGEES WOULD POUR INTO THE US,  
REQUIRING MASSIVE GOVERNMENT ASSISTANCE.

SECOND,

A COMMUNIST VICTORY IN CENTRAL AMERICA  
WOULD REQUIRE AN INCREASED COMMITMENT OF US MILITARY FORCES  
AND INCREASED SECURITY EXPENDITURES  
TO PROTECT OUR SOUTHERN BORDERS.

ULTIMATELY

BOTH OF THESE MEAN HIGHER TAXES.

STRATEGIC:

EL SALVADOR IS NEARER TO TEXAS  
THAN TEXAS IS TO MASSACHUSETTS.

MANAGUA IS CLOSER TO MIAMI, SAN DIEGO, AND SAN ANTONIO,  
THAN THOSE CITIES ARE TO WASHINGTON  
WHERE WE ARE GATHERED TODAY.

IN PEACETIME,

HALF OF OUR FOREIGN TRADE TONNAGE  
AND 45% OF OUR CRUDE OIL IMPORTS PASS THROUGH THE CARIBBEAN AND THE  
PANAMA CANAL.

IN THE EVENT OF A EUROPEAN CRISIS,  
OVER TWO-THIRDS OF OUR MOBILIZATION REQUIREMENTS FOR NATO  
WOULD GO BY SEA FROM THE GULF PORTS THROUGH THE STRAITS OF FLORIDA.  
US CREDIBILITY IS ALSO ON THE LINE.

HOW CAN OUR FRIENDS IN EUROPE,

ISRAEL,

AND ELSEWHERE

TAKE OUR GUARANTEES SERIOUSLY

IF WE CANNOT STOP MARXIST AGGRESSION  
NEAR OUR OWN BORDERS?

IF THE SOVIETS CAN ASSUME  
THAT NOTHING SHORT OF AN ACTUAL ATTACK  
ON THE UNITED STATES  
WILL PROVOKE AN AMERICAN RESPONSE,  
WHICH ALLY,  
WHICH FRIEND  
WILL TRUST US?

POLITICAL:

LET'S NOT FORGET THE PROBLEMS THE US HAS ENCOUNTERED  
SINCE CASTRO'S TAKEOVER IN CUBA:

THE MISSILE CRISIS,

CUBAN TROOPS IN AFRICA,

CUBAN SUPPORT OF INSURGENTS IN LATIN AMERICA.

WE NOW HAVE A SIMILAR PROBLEM WITH NICARAGUA.

OUR POLITICAL RELATIONS HAVE BECOME MORE TROUBLING

AS THE NUMBER OF UNFRIENDLY NATIONS IN THE REGION HAS INCREASED.

AND FINALLY,

LET'S NOT FORGET THE DOMESTIC POLITICAL AND ECONOMIC PROBLEMS CAUSED  
BY REFUGEES.

THINK OF EASTERN EUROPE.

THE BOAT PEOPLE OF SOUTH EAST ASIA,

THE HUNDREDS OF THOUSANDS OF REFUGEES FROM CUBA.

IF A NEW MARXIST STATE

WERE TO BE CREATED IN

CENTRAL AMERICA,

A NEW POOL

OF MANY THOUSANDS OF REFUGEES

WOULD BE CREATED.

AS BUSINESSMEN,

YOU KNOW THE ECONOMIC RISKS.

AS INFORMED CITIZENS,

YOU UNDERSTAND THE STRATEGIC AND POLITICAL CONSIDERATIONS.

WE NEED YOUR SUPPORT TO GET OUT THE MESSAGE

THAT CENTRAL AMERICA MATTERS TO US INTERESTS.

APART FROM OUR STRATEGIC AND ECONOMIC STAKE

WE HAVE A MORAL RESPONSIBILITY

TO THE PEOPLE OF THE REGION.

WE REFUSE TO STAND BY IDLY

AND WATCH

WHILE CENTRAL AMERICANS

ARE DRIVEN FROM THEIR

HOMES,

LIKE THE 1.5 MILLION WHO HAVE FLED INDOCHINA

OR THE MORE THAN 1 MILLION CUBANS

WHO HAVE ESCAPED OVER WATER FROM CASTRO'S CARIBBEAN UTOPIA.

HOW CAN WE,

IN THE NAME OF HUMAN RIGHTS,

ABANDON OUR NEIGHBORS

TO A BRUTAL,

MILITARY TAKEOVER

BY A TOTALITARIAN MINORITY?

IF OUR CONCERN IS FREEDOM AND JUDICIAL FAIRNESS,

WILL A COMMUNIST VICTORY PROVIDE IT?

IF OUR CONCERN IS POVERTY,

WILL A COMMUNIST ECONOMIC SYSTEM PROVIDE PROSPERITY?

MY SECOND POINT THAT I'D LIKE TO LEAVE WITH YOU

IS THAT OUR INTERESTS ARE BEING THREATENED.

LOOK AT THE REGION AND YOU WILL SEE

A PATTERN OF

DESTABILIZATION,

VIOLENT REVOLUTION,

AND SUBSEQUENT REPRESSION.

THAT PATTERN FOLLOWS TEXT-BOOK MARXIST-LENINIST PRECEPTS FOR A COMMUNIST TAKEOVER.

WHEN FIDEL CASTRO SEIZED POWER IN CUBA,

HE USED THE CLASSIC COMMUNIST "UNITED FRONT"

WHICH THE SANDINISTAS ARE REPEATING 20 YEARS LATER IN NICARAGUA.

THE SANDINISTAS INITIALLY INCLUDED NON-COMMUNIST ELEMENTS IN THEIR

"BROAD COALITION," JUST AS MR. CASTRO DID,

WHICH SERVED TO DECEIVE MANY WESTERN GOVERNMENTS ABOUT THE TRUE NATURE

OF THE SANDINISTA DIRECTORATE.

IN 1980,

WHEN I WAS WORKING ON THE STAFF OF SENATOR HELMS,

I WAS APPROACHED BY A GROUP OF PROMINENT AMERICANS,

WHO HAD JUST RETURNED FROM NICARAGUA.

THEY TOLD ME THEY HAD MET WITH MR. ORTEGA

AND OTHER SANDINISTA LEADERS.

THEY FELT THAT IF THE SANDINISTAS WERE NOT PROVOKED,

THEY WOULD NOT GO THE WAY OF CASTRO.

I WAS SKEPTICAL,

BUT I ACCEPTED THEIR INVITATION TO GO TO MANAGUA

AND MEET WITH THE SANDINISTA LEADERS.

OVER THE NEXT FEW MONTHS,

I HAD SEVERAL MEETINGS WITH MR. BORGE AND HIS ASSOCIATES,

ALL OF WHOM ASSURED ME WITH THE MOST PROFUSE PROMISES

THAT THEY WOULD TREAT THEIR OWN PEOPLE DECENTLY,

AND NOT EXPORT THEIR REVOLUTION.

THESE MEN CERTAINLY SOUNDED SINCERE,

AND I,

LIKE SO MANY OTHERS THOUGHT,

THAT PERHAPS,

JUST PERHAPS,

THERE WAS A POSSIBILITY

THAT OUR AID AND FRIENDSHIP MIGHT HAVE A MODERATING EFFECT.

AFTER I RETURNED FROM MY THIRD VISIT THERE,

I WENT TO NEW YORK TO MEET WITH SOME OF YOUR FRIENDS AND MINE

AT THE COUNCIL OF THE AMERICAS.

I ASKED THEM IF THEY WOULD BE WILLING TO SEND A SMALL TEAM TO MANAGUA  
TO HELP SET UP AN INVESTMENT CODE TO MAKE AMERICAN INVESTMENT POSSIBLE.

EXACTLY THREE WEEKS LATER

WE LEARNED THAT THE LEADERSHIP IN MANAGUA HAD ASSASSINATED JORGE

SALAZAR, THE MOST RESPECTED

MAN IN THE PRIVATE SECTOR IN MANAGUA.

A VERY DECENT MAN.

THE AMERICAN AMBASSADOR WAS SO APPALLED

THAT HE PERSONALLY MARCHED IN THE FUNERAL CORTEGE.

THE AMBASSADOR TOLD ME THERE WAS DEAD SILENCE IN THE CITY

AS PEOPLE REALIZED FOR THE FIRST TIME

WHAT THEY MIGHT HAVE ON THEIR HANDS.

SINCE THAT TIME,

SANDINISTA REPRESSION HAS GONE FURTHER.  
THE DEMOCRATIC OPPOSITION  
HAS BEEN SQUEEZED OUT OF THE GOVERNING JUNTA.  
ALL POLITICAL OPPOSITION  
AND FREEDOM OF THE PRESS  
HAS BEEN SYSTEMATICALLY REPRESSED.  
YOU WILL RECALL  
THE HARSH  
GENOCIDAL  
TREATMENT  
OF THE MISKITO INDIANS  
WHOSE ONLY "CRIME"  
HAS BEEN THE DESIRE TO CONTINUE THEIR TRADITIONAL LIFESTYLE.  
RECEIVING LESS ATTENTION  
HAS BEEN THE EQUALLY TRAGIC PLIGHT  
OF THE COUNTRY'S JEWISH COMMUNITY  
WHICH HAS BEEN FORCED  
INTO EXILE  
WHILE THEIR SYNAGOGUE IN MANAGUA  
HAS BEEN CONVERTED  
INTO A CHILDREN'S SOCIAL CLUB.  
IT IS NO WONDER  
THAT NICARAGUANS IN GROWING NUMBERS  
HAVE CONCLUDED  
THAT THEIR STRUGGLE FOR DEMOCRACY  
HAS BEEN BETRAYED.

THIS SAME PATTERN OF DESTABILIZATION IS NOW THREATENING EL SALVADOR.  
NICARAGUA AND CUBA ARE FUNNELING MILLIONS OF DOLLARS OF WEAPONS



TO THE EL SALVADORAN GUERRILLAS.

WE HAVE CONCLUSIVE EVIDENCE

OF SOVIET BLOC AND CUBAN SUPPORT

FOR THE VIOLENT LEFT THROUGHOUT CENTRAL AMERICA.

BOTH OUR HUMAN AND PHOTO INTELLIGENCE SOURCES

SHOW NICARAGUA BASED COMMAND AND CONTROL

OF GUERRILLA FORCES

AND MASSIVE SOVIET BLOC ARMS INFLOW TO NICARAGUA.

SOME 8,000 CUBAN ADVISORS ARE IN NICARAGUA

NOT ONLY AIDING THE SANDINISTAS,

BUT ALSO TRAINING GUERRILLAS AGAINST EL SALVADOR.

IN ADDITION,

OVER 500 SOVIET BLOC, LIBYAN, AND PLO ADVISORS ARE IN NICARAGUA.

WITH AN ARRAY OF FORCES AGAINST IT LIKE THE CUBANS,

THE SOVIETS,

THE LIBYANS,

AND THE PLO

HOW CAN A SMALL NATION LIKE EL SALVADOR SURVIVE?

THAT QUESTION BRINGS ME TO MY THIRD POINT:

THE PRESIDENT'S PROGRAM CAN PROTECT OUR INTERESTS,

IF WE UNITE BEHIND IT.

CONSIDER THAT IT COSTS VERY LITTLE TO SUPPORT A GUERRILLA MOVEMENT.

LIGHT ARMS, EXPLOSIVES, A LITTLE MONEY.

TO FIGHT AGAINST THE GUERRILLAS REQUIRES A DIFFERENT RECIPE:

WEAPONS TO BE SURE,

BUT ALSO A SIGNIFICANT MANPOWER ADVANTAGE,

AT LEAST 10 TO 1 HISTORICALLY,

GENEROUS AMOUNTS OF ECONOMIC AID TO PATCH UP AND BUILD UP THE ECONOMY,  
AND MOST IMPORTANTLY,  
YEARS OF PATIENCE.

PRESIDENT REAGAN PRESENTED HIS CENTRAL AMERICAN PROGRAM  
IN HIS APRIL 27 ADDRESS TO CONGRESS.

HIS FIRST PLANK CALLS FOR  
DEMOCRACY AND REFORM,

HIS SECOND FOR NEGOTIATIONS WITHIN EACH COUNTRY  
AND DIALOGUE AMONG THE COUNTRIES.

HIS THIRD FOR GENEROUS ECONOMIC ASSISTANCE,  
AND HIS FOURTH FOR MILITARY AID.

IT'S A BALANCED PROGRAM WHICH MATCHES THAT RECIPE FOR PEACE  
THAT I JUST DESCRIBED.

UNFORTUNATELY,

BECAUSE OF THE GENERAL PUBLIC'S IGNORANCE OF THE SITUATION,  
MOST PEOPLE ONLY FOCUS ON MILITARY AID.

WHAT WE NEED

IS FOR PEOPLE TO LOOK AT THE FACTS OF THE SITUATION  
AND FORGET THEIR PREJUDICES.

OUR ECONOMIC ASSISTANCE TO THE REGION,

FOR INSTANCE,

IS OVER TWO TIMES AS MUCH  
AS OUR MILITARY AID.

IN EL SALVADOR,

THE GUERRILLAS

- HAVE PUBLICLY DECLARED

THAT THE ECONOMY

IS THE PRINCIPAL TARGET  
OF THEIR MILITARY STRATEGY.  
THEY HAVE DESTROYED  
OVER \$600 MILLION WORTH  
OF THE COUNTRY'S INFRASTRUCTURE --  
ROADS, BRIDGES, POWER STATIONS, AND THE LIKE.  
IN COMPARISON,  
OUR TOTAL ECONOMIC ASSISTANCE  
TO EL SALVADOR  
OVER THE LAST FIVE YEARS  
HAS BEEN LESS THAN \$400 MILLION --  
FAR LESS THAN  
THE GUERRILLA-INFLICTED DESTRUCTION.

NO AMOUNT OF ECONOMIC ASSISTANCE  
WILL BE SUFFICIENT,  
HOWEVER,  
IF THE GUERRILLAS  
CAN DESTROY THE INFRASTRUCTURE  
AGAIN AND AGAIN  
WITH IMPUNITY.  
OUR MILITARY ASSISTANCE  
IS PROVIDING THE SALVADORAN ARMY  
THE VITAL TRAINING  
AND EQUIPMENT NEEDED TO SHIELD  
THEIR ECONOMY FROM THE GUERRILLA ONSLAUGHT.

THIS BRINGS ME BACK AGAIN TO MY OVERALL PLEA:  
YOU,

AS BUSINESS AND CIVIC LEADERS,  
NEED TO TAKE THE LEAD IN EDUCATING THE PUBLIC ON CENTRAL AMERICA.  
THE PRESIDENT'S PLAN WILL ONLY WORK  
IF THERE IS THE CONSENSUS IN THE UNITED STATES  
TO GIVE US THE STAYING POWER ON THE LONG ROAD AHEAD.

HOWEVER,

WE CAN'T BUILD THAT CONSENSUS WITHOUT THE GENERAL PUBLIC UNDERSTANDING  
WHAT OUR INTERESTS ARE,  
WHY THEY ARE THREATENED,  
AND WHY THE PRESIDENT'S PROGRAM PROTECTS THESE INTERESTS.

THE PROGRAM WILL NOT SUCCEED  
IF IT IS PERCEIVED AS ONLY PRESIDENT REAGAN'S.

IT NEEDS SUPPORT FROM BUSINESS,  
FROM LABOR,

AND FROM CIVIC GROUPS ACROSS OUR SOCIETY.

THE BUSINESS COMMUNITY IN PARTICULAR  
PLAYS AN INFLUENTIAL ROLE.

I THEREFORE ASK EACH AND EVERY ONE OF YOU TO  
TAKE THESE THOUGHTS ALONG WITH YOU, AND TO  
DISCUSS THE IMPORTANCE OF CENTRAL AMERICA  
WITH YOUR FRIENDS, YOUR COLLEAGUES, AND THE PRESS.

THE ADMINISTRATION CANNOT CARRY THE MESSAGE ALONE.

WE NEED YOUR SUPPORT

AND I ASK THAT YOU GIVE IT TO US.

THANK YOU.

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# CENTRAL AMERICA AND THE CARIBBEAN: THE LARGER SCENARIO

R. BRUCE McCOLM

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## IN BRIEF

*The fixation of the American debate on El Salvador obscures the broader outlines of a Soviet-Cuban strategy convergence in the Central American-Caribbean region following the triumph of the Sandinistas in Nicaragua. The unified strategy is still geared to the accelerated export of revolution into the area, capitalizing upon an extensive and sophisticated regional infrastructure of arms flows and training that is now tied into the global logistical network of Soviet, surrogate and terrorist forces. Looming in the background of this immediate conflict strategy, however, is a huge stockpiling of modernized conventional weapons systems in Cuba, spilling over increasingly into Nicaragua. The short-range purpose of this buildup clearly is the fashioning of a regional conventional deterrent for shielding revolutionary forces once they have seized power. The ultimate goal, from Moscow's vantagepoint, is to mount the kind of power projection into the area that, by squarely threatening vital U.S. interests and lifelines, would in effect hold America's global strategy hostage in the event of a larger conflict.*

**L**eonid Brezhnev, speaking before the Congress of Soviet Trade Unions in Moscow on March 16, 1982, warned that NATO's deployment of Pershing-2 missiles in Europe "would compel us to take retaliatory steps that would put the other side, including the United States itself, its own territory, in an analogous position."<sup>1</sup> A year and a day later, Georgi A. Arbatov, Director of the Institute for the Study of the USA and Canada, reiterated the threat and was seconded by Defense Minister Dimitri Ustinov and the Commander-in-Chief of the Warsaw Pact,

Marshal Kulikov. Asked where such threatened Soviet missile deployments would occur, a member of the Soviet negotiating team in Geneva told the Spanish news agency EFE that the site could be either Cuba or Nicaragua.<sup>2</sup>

This past spring both Costa Rica's Foreign Minister, Fernando Volio Jimenez, and the American Ambassador to the United Nations, Jeane Kirkpatrick, reported that the Sandinista government in Nicaragua had signed a secret agreement with the Soviet Union for the construction of a sea-level, interoceanic

canal across the San Juan River and Lake Nicaragua. America's sovereignty over the Panama Canal is due to expire in the year 2000. Against this background, politically the reported project would become the Soviets' Latin American version of the Aswan Dam. Geopolitically, it would have the effect of severing the hemisphere, clamping a vise of Soviet naval power projection around the Caribbean.<sup>3</sup>

Such are the harbingers of a fundamental geostrategic transformation — at a time when the American public debate is fixed almost obsessively on narrower currents of events in El Salvador, on human rights issues, on analogies with Vietnam, and on the comforting notion that the trends we are witnessing are reflecting factors and forces “indigenous” to the region that will eventually right themselves into a new stability. For a variety of reasons lodged in their history and traditions, Americans tend to shy away from a geopolitical framework of analysis. The danger is that the geopolitical lessons relevant to the Caribbean Basin, Central America and Latin America generally will sink in only then when it will be too late to act upon them.

### *The Geopolitical Stakes*

From the vantagepoint of the United States, the geopolitical contours of the Caribbean Basin are clear enough — or should be clear enough. By virtue of its sovereignty over Puerto Rico and the U.S. Virgin Islands, the United States is a Caribbean nation. It is an area where a host of vital U.S. interests intersect. Prominent among these are the maintenance of stable, trouble-free national borders and unhampered access to the vital sealanes that flow into the Caribbean Sea. The Soviet Union understands the price of maintaining a standing army on its borders. We do not. Yet, if our southern borders should become unstable, we would be forced to divert American defensive strength from Europe and Asia in order to mount an immediate defensive shield where today there is none.

The primary thrust of long-term Soviet strategic objectives in the region seems equally clear: namely, to create through a Soviet naval and air presence and enhanced Cuban forces an offensive interdiction capability effective enough to block sealanes and disrupt NATO's

“swing strategy.” This strategy calls for the airlift, in the event of war, of three reinforcing U.S. divisions to Europe, where some of their equipment is prepositioned. Other equipment and five or more additional divisions would be moved aboard Military Sealift Command vessels and merchant ships of the National Defense Reserve Fleet and NATO countries. The optimal embarkation port for three of those U.S. Army divisions — the 2nd Armored, 1st Mechanized and 5th Infantry — is Beaumont, Texas, on the Gulf of Mexico. Three others — the 7th, 9th and 25th Infantry Divisions, based in Hawaii, Washington and California — would normally be moved by sea through the Panama Canal, thence eastward south of Cuba.<sup>4</sup>

Modernized Soviet naval and air forces operating from bases in Cuba, Nicaragua and Grenada could effectively harrass such reinforcements. Soviet surface and submarine fleets could close the four major choke-points in the region's sealanes. The Soviet Backfire bomber fleet, with a 4,000-kilometer range, can now be accommodated on at least three — and perhaps as many as ten — bases in Cuba, thence to threaten mid-Atlantic searoutes. It should be recalled that during World War II, German U-boats operating in the Caribbean without the benefit of friendly regional ports or aircover managed within six months to sink 260 merchant ships, half of them oil tankers.

To counter such an interdiction threat, the United States would have to invade Cuba. Defense planners suggest that this operation alone would require 100,000 troops — in other words, the strength of our reinforcements for NATO — and more aircraft carriers than are currently available.

Even short of such worst-case scenarios, the strategic significance of the Caribbean Basin is patent. The region hosts critical links in the network of American listening posts monitoring ship and submarine activities in the Atlantic Ocean and the approaches to the Caribbean, as well as other vital communications, tracking and navigational facilities. The Navy's Atlantic Underseas Test and Evaluation Center in the Bahamas and the Virgin Islands is critical to the development of U.S. anti-submarine capabilities.

The Panama Canal, although termed obsolete by some defense planners, during the

Korean War funnelled 22 per cent of all troops and materiel for that conflict, and currently remains the key to allowing a three-ocean presence for the one-and-a-half ocean fleet of the U.S. Navy. Only 13 of the Navy's 475 ships are too large to transit the Canal. It is also vital, of course, to the economies of Australia, New Zealand and Japan in their trade with Western Europe.

America's economic health is increasingly at stake also in the mounting traffic of strategic and raw materials through the 13 maritime routes of the Caribbean. The U.S. Department of Commerce has calculated that imported raw materials will rise from the present 20 per cent of total U.S. consumption to nearly 50 per cent by the year 2000. The bulk of these materials are and will continue to be transshipped through the Caribbean Sea.

Most of the supertanker traffic from the Middle East and Africa requires the lightering facilities in the Bahamas, the Virgin Islands, Trinidad, Curacao and Aruba for the transfer of crude oil to standard craft. These routes carry more than 50 per cent of U.S. oil imports to domestic markets, and refinery facilities in the area account for 12.5 per cent of our total processed oil. Oil from Alaska and Ecuador passes through the trans-Panamanian pipeline, augmenting the tanker routes through the Canal. Add to this some proven 45 billion barrels of oil in Mexico, and 6 billion or more in Guatemala and the Venezuelan reserves, and the aggregate importance of the Caribbean for American oil imports can be said to rival that of the Persian Gulf area.<sup>5</sup>

The Caribbean Basin itself is a principal source of U.S. raw material imports. After Canada, Mexico is the second most important supplier of critical raw materials to the United States, and the principal supplier of silver, zinc, gypsum, antimony, mercury, bismuth, selenium, barium, rhenium and lead. Over 50 per cent of U.S. bauxite imports have traditionally come from Surinam, Guyana, Haiti and Jamaica, and iron ore from Brazil and Venezuela is important to our industrial requirements. The availability of these mineral imports represents an important economic convenience for the United States today; in the event of a major global conflict, their availability would be crucial.

### *The Soviet Union's Strategic Shift in the 1970s*

There is not the space here to detail the interplay of Soviet-Cuban and American strategies in Central and Latin America since the advent of Fidel Castro in Cuba in 1960 and the establishment of that country as the Soviet Union's first strategic foothold in the Western Hemisphere. Suffice it to say that the stage for the currently unfolding and possibly climactic clash of those strategies was set in the early 1970s. It was then that the United States shifted from a previously active policy in the Southern Hemisphere to one of "benign neglect," screened by U.S.-Soviet detente and the so-called Nixon Doctrine.

In 1974 the United States tacitly abandoned its policy of economic denial against Cuba and, indeed, made ostensible tries at normalizing relations with Havana, even after the onset of the Cuban intervention in Angola. This encouraged Latin American and Caribbean Basin countries to enter into expanding relations with both Cuba and the Soviet Union.

Soviet theoreticians, such as Central Committee member Boris Ponomarev, waxed enthusiastic about Soviet opportunities in the region in the early 1970s. Writing in 1971, Ponomarev argued:

Seemingly quite reliable rear lines of American imperialism are becoming a tremendous hotbed of anti-imperialist revolution. A tremendous revolutionary movement is developing by the side of the main citadel of imperialism, the United States. These changes are having and, unquestionably, will continue to have a strong impact on further changes in the correlation of world forces in favor of the international working class and socialism.<sup>6</sup>

Under Brezhnev the Soviet Union encouraged local communist parties to join broad electoral fronts and to infiltrate the trade unions, while Moscow put its emphasis on the pursuit of diplomatic and commercial ties with the countries in the region. From 1964 to 1975, the Soviet Union expanded trade relations with Latin America to include 20 countries and through its Council for Mutual Economic Assistance (CMEA) entered into several multi-lateral economic agreements with organiza-

tions such as SELA (The Latin American Economic System). Meanwhile populist military coups in Ecuador, Bolivia, Panama and Peru gave Moscow inroads into the Latin American military, an institution which had previously been relatively immune to communist influences. The military, according to Soviet theoreticians, was the only stable institution in an often chaotic political environment that could serve as the likely generator of change toward socialism.

By the mid-1970s, the Soviets had large diplomatic, economic, cultural and scientific missions throughout the Caribbean and Central America such as in Costa Rica, Venezuela, Trinidad and Tobago, Guatemala, Nicaragua and Jamaica. These missions, besides cultivating indigenous cadres through an extensive KGB infrastructure, sought on a more practical level to encourage the governments in the area to play a more active role in the politics of the Third World at large, with particular attention to coordinating commodity export prices, policies toward multinational corporations and Third World debt, and advocating "anti-imperialist" and "anti-colonial" positions in various international organizations.

Before the 1970s, Soviet theoreticians had believed that the region must first pass through a "popular democratic" revolutionary phase before reaching the portals of "scientific socialism." This strategy was now modified. Local communist parties were urged to play a prominent role in left-wing coalitions, even within so-called "progressive military regimes."

The defeat of the Broad Front in Uruguay in 1971, the military coup that toppled Salvador Allende in Chile in 1973 and the small turnout for the leftist alliance in the 1973 Venezuelan elections forced Moscow to reconsider the merits of the electoral path to power. The year 1975 brought a watershed for Soviet strategy in Latin America. The pro-Soviet Belasco government in Peru fell, and a spate of right-wing takeovers took place in Uruguay, Bolivia and Argentina in what the Soviets called "a reactionary counteroffensive unprecedented in Latin American history."

Thereafter, Moscow discreetly financed through Cuba and East European countries urban terrorist groups such as the Tupamaros and Montoneros in the Southern Cone coun-

tries — more in an effort to foster political insecurity and to isolate the governments internationally than actually to topple them. The urban terrorist campaigns of the mid- and later-1970s throughout the Southern Cone were simply well-orchestrated reminders that the revolutionary spirit was still alive.

### *The Bolder Cuban Connection*

Meanwhile, encouraged by the passiveness of the successive Nixon, Ford and Carter Administrations in Washington, Cuba began to break out of its diplomatic and economic isolation and to knot stronger ties with regional countries, particularly in the English-speaking Caribbean. With American influence waning throughout the Caribbean Basin during the 1970s, Havana established relations with a growing number of left-leaning governments in the Caribbean. Primarily through the good offices of Michael Manley, the leftist Prime Minister of Jamaica, the Cubans forged links with the small, Marxist-leaning Black Power parties in the eastern Caribbean.

This political offensive by Castro reaped some early practical benefits. During the Angolan conflict, Cuba was able to refuel its Africa-bound aircraft in Guyana, with which it had established relations in the early 1970s. Cuba's participation in regional organizations helped shape more strongly anti-American positions, and through its program of scholarships and guerrilla training Havana gained a great deal of credibility among younger political elites in the region. At one point, 500 Cuban advisers were assigned to Jamaica to train its security forces, and in the bitter Jamaican electoral campaign in 1980 the Cuban Ambassador, Ulises Estrada, was implicated in an arms smuggling plot to destabilize the island. During this period Havana also gained influence with the governments of Saint Lucia, through former Deputy Prime Minister George Odlum and the Progressive Labor Party, and Grenada after the March 1979 coup that brought Maurice Bishop and his New Jewel Movement to power.

The 1970s featured not only a quickening of the Soviet-Cuban political and clandestine offensive in the Southern Hemisphere, but also a busy learning period. By dint of their growing presence, Soviet analysts were able to



study the inter-American defense system and maritime navigation. Cuban and Soviet trawler fleets gathered intelligence and mapped the geology and topography of the area in a systematic way. Moscow thus was preparing its eventual challenge to America's "hegemonic presumption" in its strategic backyard.

### *The Socio-Economic Backdrop*

The Soviet Union and its Cuban surrogates, in casting their strategy toward the Caribbean Basin, no doubt were keenly sensitive to the pull of socio-economic forces that were opening opportunities for wedges of influence. Central America in particular beckoned as a prime target area. By and large, the "city-states" in this region are in the process of capital formation, in contrast with their South American counterparts which generally boast relatively sophisticated, if inequitable, capitalist systems. This process means that the small but growing middle class in most Central American states can be divided because of competing aspirations within it vis-a-vis the traditional agrarian producers, and that a large number of marginal and, for the most part, culturally homogeneous farm workers are ripe for radicalization.

During their modernization throes, these small nations cannot sustain rapid changes in the social dynamics of the traditional society without suffering political upheaval. And, more often than not, the countries of the Central American isthmus have depended on the military to protect national security and order. But, as this institution is traditionally miniscule in these countries and represents more a political than a fighting force, it is hard-put to cope with a war of attrition waged by urban and rural guerrillas.

Moreover, the year 1978 brought about a rapid deterioration in the economics of the region. Export commodity prices such as coffee, cotton and bananas plummeted. At the same time, the costs of imported oil and borrowed capital escalated, while the slowed economic growth in the industrial countries reduced tourism in the region, a major generator of capital. Widening credit deficits turned inexorably into severe foreign exchange shortages and national bankruptcies. The elites

created during the previous periods of rapid economic growth still expected participation within the political structures of the society but were, by and large, excluded from the decisionmaking spheres.

Political instability exacerbated the economic decline. The Central American Common Market had been crippled by the brief 1969 Soccer War between Honduras and El Salvador. But this episode proved minor when compared to the economic consequences of increased political terrorism in the 1970s. After the Nicaraguan civil war ended, the expanding guerrilla strategy of economic warfare cancelled the large strides toward industrialization made by El Salvador, Guatemala and Honduras.

The cumulative effect of the late 1970s to the Caribbean Basin is a persistent and generalized economic depression. Since 1980 economic growth in the Caribbean has fallen far behind population growth. Unemployment and underemployment throughout the region stand between 25 and 50 per cent, with the major impact falling on the young people that make up the majorities of the populations. In some cases, inflation rates have soared over 100 per cent, and import quotas have seriously squeezed the once-growing middle class. This has resulted in a full-scale flight of capital and the middle class from the Caribbean Basin.

On the Caribbean island-states, the newly emergent leftist forces, which still view Cuba as a viable economic model, have profited from the social problems that come from population growth and increased urbanization. Over 50 per cent of the island populations are young — below the age of 18 — and associate the economic depression in the Caribbean with an overdependence on the economies of the Western industrialized countries and with the legacy of colonialism.

The Caribbean, in addition to suffering economic depression, is also experiencing a transition from the old labor-based, populist governments modeled after the British Labor Party. The generation of such leaders as Eric Williams of Trinidad, Vere Bird of Antigua, Milton Cato of St. Vincent and the Grenadines and "Skipper" Barrow of Barbados, who combined a Fabian socialism with a pro-Western orientation, is rapidly disappearing from the political landscape.

The micro-Marxist parties, once independent outgrowths of the New Left and Black Power movements in the local universities, have gained additional legitimacy since the success of Maurice Bishop in overthrowing the regime of Eric Gairy in Grenada in March 1979. With Cuban assistance to the Grenada regime and its close ties with intellectual-based parties on other islands, groups such as the Dominica Liberation Movement, the Antigua Caribbean Liberation Movement and splinter factions of local labor parties have gained legitimacy and strength by dint of military training in Libya and Cuba, even if they have not scored heavily in democratic elections. In the future, these political forces will represent destabilizing factors throughout the eastern Caribbean.<sup>8</sup>

#### *The Expanding Soviet Military Presence*

In a 1975 article General I. Shavrov, Chief of the Soviet General Staff Academy, wrote that regional conflicts in the developing world were "epicenters" of the global struggle between East and West.<sup>9</sup> In the aftermath of the communist victory in Vietnam, Shavrov and other Soviet strategists noted a definite relationship between the strategic nuclear balance and the incidence of local wars. He observed that by the mid-1970s the West was experiencing a crisis at the hands of irregular warfare and had not succeeded in gaining one major victory through the use of military force. Shavrov went on to suggest that Soviet aid now was the most important factor in determining the outcome of such a conflict and remarked that the Soviet Union's bluewater navy and growing airlift capability permitted it to inhibit Western influence in regional conflicts while supporting those forces and regimes allied with the Soviet Union.

Beginning in 1975, the Soviet Union embarked on an aggressive policy addressed to the peripheral theaters of the developing world — in Angola, South Yemen, Ethiopia, Kampuchea, Laos, the Shaba invasions of Zaire and Afghanistan. The general offensive grew bolder against the background of passive and confused reaction from the United States to the accelerating tempo of conflicts in the Third World, climaxed by the image of American powerlessness in the Iranian Revolution. The successful use of Soviet military intervention

evidently convinced Moscow to downgrade economic ties with the developing world in favor of the more successful and quicker-results policy of military assistance.

This policy of military assistance has entailed the expanding muscles of Soviet power in a "screening" mode while the local surrogates of that power are being strengthened. Both prongs of this strategy have been clearly in evidence in the Caribbean.<sup>10</sup>

Since early July 1969, when a seven-ship Soviet squadron entered the Caribbean, a new chapter has unfolded in the political evolution of the hemisphere. For the first time since the destruction of the Spanish fleet off Santiago de Cuba on July 3, 1898, the naval force of a rival great power entered the Caribbean. The construction of a nuclear submarine docking facility in Cienfuegos on the southern shore of Cuba in the summer and fall of 1970 signalled a permanence of the Soviet naval presence in the region, plus a logistical capability of servicing nuclear submarines which would operate within striking range of half the United States.

#### *The Arms Buildup in Cuba*

At the same time, since the Cuban combat intervention in Angola in 1975 the Soviet Union has engaged in a remarkable effort to strengthen the Cuban armed forces.<sup>11</sup> From 1980 to 1981 alone, Soviet arms shipments to the island tripled, totaling about \$2.5 billion worth of military materiel. Some 63,000 metric tons of Soviet arms were shipped to Cuba in 1981, more than in any year since the 1962 Cuban Missile Crisis. Some of these arms were to replace equipment used by Cuban forces deployed in various missions throughout Africa. But they were clearly aimed as well at upgrading and enhancing the island's offensive military capabilities.

During the past decade the Cuban military has been steadily professionalized, with estimates of some 120,000 men in the regular standing forces, 60,000 ready reserves, 175,000 to 200,000 second-line reserves, and about 100,000 members of the Army of Working Youth. In addition, since 1981 the Cuban Government has created a 500,000-man Territorial Militia to guard the island against attack.

The Cuban military has modeled its organization, strategy and tactics on those of the Soviet military. Ready reserves can be called up on four hours notice and train at least 45 days a year. Half of the Cuban troops sent to Angola and Ethiopia were reserves, and the Cuban military thus has recourse to a large pool of personnel with combat experience. In addition, the Cubans have developed a dual command structure, which allows them to rotate high-ranking members of the armed forces between Angola and Cuba.

We may recall the revelation in September 1979 that a Soviet combined arms combat brigade of between 2,000 and 3,000 men had been spotted in Cuba. The obvious role of such a force would be of implanting a tangible Soviet deterrent against any possible American strikes on Cuba in reprisal for Cuban actions elsewhere in the region. In the larger scheme of things, therefore, the Soviet brigade carries clear offensive connotations.

The upgrading of Cuba's air and naval forces now gives Havana the capability of quick strikes from the island into the Caribbean. Previously dependent on the Soviets for their logistical lines of support to Africa, Cuba now possesses the capacity to transport medium to heavy weaponry off the island and can rapidly deploy some 5,000 special forces within 24 hours anywhere in the Caribbean Basin. In a low-level conflict such a force could mean the margin of victory.

Part of the Soviet aid package to Cuba in recent years has included 15 to 20 MIG-23 Floggers (bringing the combined Cuban MIG force to between 200 and 225), MI-8 helicopter gunships, AN-26 medium-range transports, Fox-trot diesel-powered attack submarines, T-62 tanks and a number of BM-21 multiple rocket launchers. Counting fixed-wing combat airplanes and helicopters, Cuba deploys an Air Force of 555 planes. Besides the aforementioned submarines and Koni-class frigate, the Cuban Navy has ten large patrol boats and 26 fast-attack craft armed with Styx surface-to-surface missiles. The Navy also deploys another 40 fast-attack craft of the Turya and Zhuk classes, which are ideal for amphibious landings.

In late May 1983, Cuba began practicing amphibious assaults around Mariel, deploying a contingent of 400 Marines, four light tanks

and eight armored personnel carriers. Using Soviet-made Polnocny-class ships capable of carrying six tanks, the Cubans demonstrated a capability of projecting force particularly against vulnerable eastern Caribbean states.<sup>12</sup>

The Soviets also supplied Cuba in 1979 with batteries of modified SA-2 anti-aircraft missiles, as well as mobile SA-6 launchers. These large missiles, which in the Soviet inventory are often equipped with nuclear weapons, can be employed quickly in a surface-to-surface mode by the simple addition of a booster.

Since 1978, the Soviet Union has provided Cuba also with MIG-27s, which are frequently flown by Soviet pilots and have a range of 1,500 miles and the capability of carrying either conventional or nuclear payloads. At least three and possibly as many as nine Cuban airfields have recently been upgraded to handle the Soviet TU-95 Bear heavy intercontinental bombers, capable of carrying nuclear air-to-surface missiles. Since 1970, these long-range bombers have been traveling from the Kola Peninsula to the Cuban airfields without any U.S. protests. This past spring, nearly ten TU-95s were sighted in Cuba, at least two of them with operational bomb bays.<sup>13</sup>

### *Cuba as the Fountainhead of Insurgencies*

The military buildup of Cuba has served not only the creation of a platform for extending a conventional military threat to NATO's "swing strategy" and other American vital interests in the area. Clearly, an equally important — and more immediate — purpose behind the buildup has been the establishment of a staging area for support of guerrilla movements in Central America and the Caribbean and the creation of a protective shield for the revolutionary governments in Grenada, Nicaragua, Surinam and others still to follow. Indeed, the acceleration of Moscow's arms supplies to Cuba during the past several years may well reflect also the Soviet leaders' recognition of the revolutionary potential in the region that was expressed in the leftist coup in Grenada in March 1979 and even more dramatically in the July 1979 Sandinista overthrow of the Somoza regime in Nicaragua.<sup>14</sup>

It should be noted that in previous years the Soviet Union had been more skeptical of the success of guerrilla attack in the region — a skepticism that was expressed in contemptuous Soviet references to the failure of the Che Guevara mission in Bolivia in 1967. Castro in the early years had felt shackled by Soviet reluctance to countenance Cuban adventures in Latin America. To be sure, in December 1964, at the Havana Conference of Communist Parties, Moscow had relented somewhat, allowing Cuban support of armed struggle in Venezuela, Colombia, Guatemala, Honduras, Paraguay and Haiti in return for Castro's promise to pursue peaceful change elsewhere in the hemisphere. At the 1966 Tricontinental Conference in Havana, which was conceived and coordinated by Moscow to undercut Communist China's inroads in the Third World, an elaborate network was established among national liberation movements in Africa, Asia and Latin America. The Latin American Solidarity Organization (OLAS) headquartered in Havana cultivated revolutionaries who recognized Cuba as "the vanguard of the Latin American revolution." Yet, the failures of Castroite guerrilla movements during the late 1960s further convinced Moscow of the unproductiveness of this approach.<sup>15</sup>

This Soviet view changed sharply in the late 1970s with the Sandinistas' success in Nicaragua. Soviet theoreticians who previously had heaped scorn on Cuban concepts of revolution now indulged in revisionist payments of respect to Guevara's theory of guerrilla warfare and declared that armed struggle was the only option in the hemisphere. Local pro-Moscow communist parties from Uruguay to Guatemala ritualistically endorsed such a strategy and formed alliances with Castroite guerrilla movements and the broad political fronts opposing the standing governments in the region. The formula of a diverse political front combined with factional guerrilla forces now was considered capable of substituting as the "revolutionary vanguard" for communist parties.<sup>16</sup>

The Nicaraguan revolution produced a sophisticated synthesis of popular-front techniques previously used by the Soviets in Latin America and guerrilla tactics. Since 1978 the key Soviet-Cuban tactics have included the

unification of traditionally splintered radical groups behind a commitment to armed struggle in return for promises of training and material assistance; the placement of ideologically committed cadres trained since the 1960s in pivotal positions of the guerrilla command structure; the development of secure logistical supply-lines; and the insertion of Cuban advisers in the strategy planning sessions of the guerrilla movements to ensure control of the movements — and of their governments once they have achieved power. This process, aided by a huge intelligence and political infrastructure built up since the late 1960s, tightens Soviet-Cuban control over insurgencies.<sup>17</sup>

Significantly from the American vantage-point, the strategy of unifying the democratic left with the guerrillas increases pressures on those center-left forces that traditionally have been aided covertly by the United States to counter insurgencies in the area. This strategy was reflected in Nicaragua in the formation of the Broad Opposition Front, a coalition of democratic political parties and representatives of labor and the private sector, and it is also evident in El Salvador in the presence of certain democratic elements in the FDR. The inclusion of Social-Democratic and Christian-Democratic forces in the guerrilla-controlled opposition creates a Spanish Civil War scenario in which substantial outside support is attracted to the guerrilla cause.

Salient targets of this popular-front mobilization have been the Catholic Church and elements of the Christian Democrats, traditionally bulwarks against communism in the hemisphere. Jesus Montane Oropesa, a member of Cuba's Politbureau Secretariat and the Director of the General Department of Foreign Relations of the Cuban Communist Party, summarized the new strategy at the International Theoretical Conference in Havana on April 3, 1981:

The fruits and knowledge we gain from the temporary strategic unity, achieved by Marxist-Leninists and Christians, are of profound importance. We must exploit the possibilities of this interesting and promising opportunity: Using this intelligent policy of *temporary strategic unity*, we must reach out to patriotic elements within the armed

forces, the intellectuals of different political backgrounds, the middle class, and include sectors of the bourgeoisie. It has been demonstrated that without *undermining* or *impairing* the firmness of our purpose and convictions, we can cooperate on the basis of similar concrete objectives with Social Democrats, and we can reach even to Christian Democrats (Social Christians notwithstanding) and their reactionary bureaucratic hierarchy. . . . This is only a temporary strategy. We cannot always advance as rapidly as we want. We have to consider not only national but international factors as well. Sometimes this advance can be fast; in other instances, to ensure a strategy that would allow us eventually to be more expeditious, we opted to move cautiously and slowly.<sup>18</sup>

The unification of the guerrilla movements began in earnest in 1978 when Castro spent 48 hours to weld together the diverse groups that constituted the Sandinista forces. In the following year, the first of many unity pacts between the rival guerrilla forces in El Salvador were signed in Havana, and eventually the Farabundo Marti Liberation Front was established in 1980, coordinating four guerrilla forces and the Salvadoran Communist Party. The same process was applied to the Guatemalan guerrillas in 1980 and to the miniscule Honduran terrorist squads this past spring in Managua.

Most of these operations are planned and coordinated by the Americas Department of the Cuban Communist Party headed by Manuel Pineiro Losada. After a purge of the General Directorate of Intelligence (DGI) by the Soviets in the early 1970s, the Americas Department emerged in 1974 to coordinate and centralize all operational control of Cuban support for guerrilla movements. The operation brings together the expertise of the Cuban special forces and the DGI into a network of training camps, the covert movement of personnel and material between Cuba and abroad, while sponsoring propaganda support for the insurgents.

By and large the cadres of these insurgencies are veterans of the 1966 Tricontinental Conference and the Junta de Coordinacion Revolucionaria (JCR) established in 1974 in Paris to coordinate Latin American terrorist

organizations. This network of organizations such as the Sandinistas, the Argentinian Montoneros, the Colombian M-19 and the Uruguayan Tupamaros has, in turn, established links with European and Arab terrorist organizations.<sup>19</sup>

Military training is conducted in far-flung areas from Cuba to the Middle East. Several camps in Cuba are dedicated exclusively to military training, including one in Pinar del Rio and another near Guanabaco, east of Havana. In the past three years alone, groups from nearly every country of the Caribbean Basin have been trained there in military strategy, sabotage, explosives and special commando operations. Since the late 1960s, the Sandinistas received training from the Libyans and the PLO in Lebanon, Syria, South Yemen, Libya and Algeria. Various Central American guerrilla cadres, according to Palestinian sources, fought with the PLO against Israel in past Middle Eastern wars and joined with West European terrorists in the early 1970s in acts of terrorism in Europe. An example of this international cooperation can be found in Tomas Borge Martines, the current Minister of Interior of the Nicaraguan Government, who in the 1970s acted as Castro's emissary to the PLO. Documents captured by Israeli forces during the invasion of Lebanon record training for Salvadoran and Haitian guerrillas as late as 1982.<sup>20</sup>

### *The Nicaraguan Funnel*

With the triumph of the Sandinistas in Nicaragua, camps for the training of Central American guerrillas, as well as terrorist groups such as the Basque ETA, have been established in Esteli, Montlimar, Somotillo, Ocotal, Tamarindo, Puerto Cabezas, the island of Soletiname in Lake Nicaragua and several others in the Punta Cosequina area immediately across the Gulf of Fonseca from El Salvador.

Today Nicaragua has become a solid base for insurgencies in neighboring countries. An elaborate supply network extends from Nicaragua to the Salvadoran and Guatemalan guerrillas. The logistical support systems are arranged by a trusted Communist Party leader such as Shafick Handal, the Secretary-General of the Communist Party of El Salvador, from

a variety of arms depots. To hide their hand, the Soviets encourage the use of the surplus American arms stockpiled in Libya, Vietnam and Ethiopia, and reconditioned weapons from World War II available in Eastern Europe. At the initial stage of the insurgency these arms are channeled through an elaborate and flexible network of routes that literally criss-cross Central America.

In the case of El Salvador, the arms, once deposited in Nicaragua or Cuba, are broken down into small lots and transported over land in trucks or on vessels down the estuaries of the coastal regions in Belize and Guatemala and directly into the Usulután Department of El Salvador. The acquisition by Nicaragua of some 100 planes from Vietnam enhances the ability of the Sandinistas to maintain air-drops to the Salvadoran guerrillas on small bush strips in the remote rural areas of the country. As was demonstrated in North Korea and Vietnam, interdiction of such arms flows is an almost impossible task. Currently the Salvadoran guerrillas receive supplies nearly every night, including heavy artillery by overland routes through Honduras. According to the Department of Defense, the Salvadoran guerrillas are reinforced every 48 to 72 hours.<sup>21</sup>

#### *Footholds in Grenada and Surinam*

Immediately after the coup in Grenada by Maurice Bishop and his New Jewel Party, the Cubans under the guidance of Ambassador Julian Rizo, a DGI agent whose previous experience included cooperating with the New Left in the United States, offered assistance in creating a 2,000-man Grenadan army, along with a popular militia to protect Bishop in the model of previous praetorian guards surrounding African leaders favorable to the Soviets and Cubans. With a population of 100,000, this Windward Island is now the most militarized country on earth. Notwithstanding Bishop's denials, the airport being constructed with Cuban help at Point Salines provides Havana with the secure airfield needed for the reinforcement of troops in Africa and an ability to extend airpower over much of mainland South America.

In 1982, Maurice Bishop visited Eastern

Europe, Libya and the Soviet Union. Agreements between Grenada and the communist countries have in effect integrated the island into the military communications system of the Soviet Bloc, and plans to construct a harbor on Grenada lead to speculation that a Soviet base threatening the deep-water trench in the Caribbean is in the offing. Plans for developing the harbor came after a 1980 visit by Admiral Sergei Gorshkov to the island. Subsequently, General Gennediy Sazhenev was appointed permanent Ambassador of the Soviet Union to Grenada. Since then, Grenada has served as a transit point for Caribbean radicals destined for guerrilla training in Libya and Cuba.

A subsidiary target of the Soviet Union has been Surinam, the former Dutch colony on the northeast coast of South America. After a group of sergeants toppled the democratic government in February 1980, the strongman, Lieutenant Colonel Daysi Bouterse, a 38-year-old former physical education instructor, has been steadily courted by the Cubans and the Soviets.

By 1981, Bouterse in a secret meeting with Fidel Castro received promises of Cuban military and economic assistance. There are reports that Cuban and Nicaraguan advisers entered Surinam to help create a popular militia to protect Bouterse's regime against possible threats from Surinam's 2,000-man army. This first pro-Soviet government on the mainland of South America since the fall of Allende in Chile has publicly pledged to send an international brigade to fight in Nicaragua. The Cubans immediately introduced Oswaldo Oscar Cardenas, a confidant of Castro, as ambassador to aid in the training of the militia and the police. After the Dutch Government terminated its aid, Surinam signed a friendship treaty with Libya and pledged to defend "Cuba, Nicaragua and Grenada." The Cubans maintain their influence through the small Cuban-trained group of intellectuals of the Revolutionary People's Party who determine policy.<sup>22</sup>

The Soviets after reaching an agreement to establish an embassy in Surinam, finally sent Igor Bubnov, an ideologue from the Washington Embassy, to supervise the adoption of the "correct ideology" of the government.

### *Nicaragua as a Mainland Platform*

After the Sandinistas' triumph in Nicaragua, Cuba took effective control of Nicaragua's military and security forces. The number of military and security advisers to the new regime increased steadily after 1979, doubling in 1981 to some 2,000 within a total Cuban presence that may have reached as high a number as 11,000.<sup>23</sup>

The Nicaraguan military buildup and the consolidation of Sandinista control over that society clearly is aimed at creating an extension of Cuba's military shield in support of guerrilla struggles in neighboring countries. During the 1979-1982 period, the Managua Government received an estimated \$125 million of military equipment and supplies from the Soviet Union alone. According to the Department of Defense, the Nicaraguans have some 50 to 60 Soviet T-54/55 tanks, 1,000 East German trucks and armored personnel carriers and 7,000 French surface-to-air missiles. The buildup has been fed from Libya's huge stockpile of arms purchased from the Soviet Union in the 1970s and from the equally large supply of weapons left behind by the United States in Vietnam. In addition to the \$100 million of economic assistance provided Managua by the Libyan Government in 1980, another \$200 million of weapons from Kaddafi's stockpiles have been pledged for use in Central America.

Responsibility for the control of certain institutions in Nicaragua has been assigned according to a division of labor among Communist Bloc personnel. Between 100 and 200 East German advisers are said to be reorganizing the country's internal security apparatus and intelligence system, as well as developing the elaborate military communications network linking Managua, Havana and Moscow. Fifty or more Soviet advisers supervise the reorganization and Sovietization of the economy under Moscow-trained economic planner Henri Ruiz, as well as overseeing the whole control effort. Some 70 Nicaraguan pilots have been trained in Bulgaria, and Bulgarian technicians are helping to organize the trade union movement. Training and instruction at the guerrilla camps is apportioned according to specialty and function among the Cubans, the PLO, the Libyans, the Vietnamese, North Koreans and Latin American revolutionaries.

The Nicaraguan Army has already grown to a combined force of 75,000 regulars and reservists. In addition, a force of unknown size is attached to the Ministry of Interior: it is believed to include specialized border troops and an elite commando detachment. Nicaragua's goal is to fashion a 200,000-man army, which would be roughly three times the military forces of the other Central American countries combined. The Nicaraguan military, with Cuban and Soviet technicians, has added 36 new military installations to the 13 remaining from the Somoza years and has extended the airfields at Puerto Cabezas and Bluefields on the Atlantic Coast and Montlimar on the Pacific to handle MIGs. The smaller airfields such as Papalonal, 23 miles northwest of Managua, were extended to facilitate the shuttle of arms to the Salvadoran guerrillas.

While the current Nicaraguan Air Force reveals a dependence on small, mobile gunships such as retrofitted Cessna-185s, T-33 jets and several reconverted trainers, South Yemen apparently has sold 10 Soviet-built MIG-17s to the Sandinistas, the addition of which would neutralize neighboring Honduras's present air superiority.

### *The Guerrilla Campaigns*

It is against this larger background that the guerrilla wars in neighboring countries should be assessed, particularly the conflict in El Salvador. The inability of the Salvadoran guerrillas in 1981 and 1982 to mount a decisive offensive and their lack of popular support should not obscure basic trends in that war.

The Salvadoran guerrillas now have recourse to a reliable base next door in Nicaragua, where Cuban advisers in a command headquarters outside Managua can map strategy and provide consistent and reliable logistical support.<sup>24</sup> Operating from rural base areas near this logistical support line, the Salvadoran guerrillas, numbering between 7,000 and 8,000 — plus a popular militia of around 12,000 and the "internationalist brigades" — have moved from a traditional hit-and-run strategy to one of coordination of brigades in semi-regular fighting. As of January 1983, certain guerrilla units have made the transition to a classical positional war, with the ability to pin down and hold

regular army forces, while mobile units have encircled and in many cases destroyed the Government formations. The strategy of a "continuous offensive" by the guerrillas compels the Government troops to act in dispersion, unable to consolidate control over war-torn areas.

Unlike the Nicaraguan conflict, the Salvadoran battle is a classic war of attrition. The Soviet-Cuban strategy in this war is based on the premise that the Salvadoran Government cannot sustain a lengthy internal war financially, psychologically or politically. The Salvadoran military, as has been increasingly evidenced, is not capable of waging a successful counter-insurgency campaign without substantial American training and assistance, and must increasingly depend on inexperienced and generally inadequate young conscripts.

Since the initiative in the Salvadoran fighting continues to be on the side of the guerrillas, the Government is under constant and growing pressure, exacerbated by economic sabotage and sinking popular morale. Moreover, the perceived stalemate tightens the Government's isolation in international forums and, as we have seen, furthers the erosion of support from the United States.

While the Vietnamese model has conventional forces sweeping into the capital for the final victory, neither Havana nor Moscow wants to tempt the United States with such a blatant pretext for possible military intervention. Instead, the drum-beat for negotiations by the guerrilla forces becomes an effective, if slower, road to victory. The ultimate goal of engaging in negotiations is to (1) allow the guerrilla forces to secure their military positions, (2) split the democratic elements in El Salvador by disagreements over tactics and the desire to end domestic violence and (3) lead to a coalition government that will pave the way for a guerrilla victory and/or control of the government.

### *A Matrix of Developments*

The foregoing have been at best strokes on a broad canvas. But that is precisely one of the main points of the preceding pages: namely, the breadth of the phenomenon that has been unfolding at the very strategic doorstep of the United States. It is a phenomenon, moreover,

that has barely made an imprint on U.S. media reporting, let alone on U.S. public opinion.

How did it come about? We have tried to sketch the major causes and circumstances. Perhaps the best way to summarize them is in the form of a rough matrix.

On one side of the matrix stands the relative neglect by successive U.S. administrations of the areas, peoples and problems south of our borders. Notwithstanding occasional, usually belated and often myopic "initiatives," we have tended to take the region for granted in terms of our strategic priorities. We have been preoccupied by conflicts and crises elsewhere on the globe and by problems at home.

On the opposite side of the matrix is the extensive operational groundwork laid in the area by the Soviet Union and Cuba over the past two decades. Although their admixture has varied, there has been nothing really new in the techniques that have been applied: the careful creation of an expanding infrastructure of intelligence, recruitment and subversion; the nurturing of radical splinter groups; the cooption of key political figures; the schooling and training of revolutionaries; the infusions of weapons; etc. If there has been a novel touch to the combination of these time-honored techniques in the Southern Hemisphere, this has been the success of the Soviets and the Cubans in welding a "popular front" model that links guerrillas and terrorists with a broad diversity of democratic elements, including even those of the traditionally conservative Catholic Church and Christian Democracy. And while the perspectives in Havana and Moscow have not always been harmonious, the latest phase has featured a triumph of Soviet-Cuban unity of action over synthesis of doctrine.

On the third side of the matrix are the revolutionary opportunities in the region. They vary from sub-region to sub-region, but a common denominator relates to the disruptive effects of economic modernization upon societies whose frail political institutions have been largely incapable of accommodating to or even cushioning these effects. And although the Marxist-Leninist model has not, in demonstrated practice, offered the promised land, nevertheless it is particularly seductive to a youthful majority of the area's population who feel estranged from the established political processes of their societies.



The final side of the matrix represents the shifts in the global environment, notably the changes in what the Soviets call the "correlation of global forces." The trends in the overall balance of military power in favor of the Soviet Union — at the strategic and tactical nuclear levels, in the conventional arena and in the wider realm of power-projection — have been amply described and need not be repeated here. The relevance of the changing "correlation of forces" to our hemispheric scenario is that not only has it provided the Soviet Union with vastly improved means of projecting power over long distances and with a greater willingness for risk-taking: it has also clothed the expanding Soviet intervention in remote places with a contrived "legitimacy" that supposedly attaches to the global presence of a global superpower. This is reflected, in part, in the signal lack of support the Reagan Administration has been receiving in its Central American policies from our European allies. Furthermore, this "legitimacy" theme, which is persistently invoked by Soviet propaganda to cover their global adventures, also creeps into some American attitudes toward the unfolding hemispheric scenario.

This returns us to the more general subject of prevalent American attitudes toward the developments in Central America and the

Caribbean. We noted at the outset that the larger picture of what is transpiring has been neglected partly because of the concentration of the U.S. media, and of the public debate, on events in El Salvador. Yet, one suspects that the failure to grasp the larger picture has to do also with a reluctance to contemplate that picture and with some lingering myths from the past. One of these involves the image of a "tiny Cuba" that is able to foment mischief in neighboring countries but, in the final analysis and despite Soviet help, will be incapable of mounting a direct threat against the overwhelming power of the United States.

It is this myth that obscures the realities. The current focus on guerrilla warfare in El Salvador distracts from an understanding of the remarkable qualitative escalation of the regional arsenals and conflict potential — of an accelerated buildup of modern, conventional forces and armaments that are directed ultimately against vital American lifelines and interests. The developments trace the prospective scenario of America's global strategy becoming hostage to its own backyard. As was suggested, this may be precisely the central objective of the Soviet Union, abetted by its willing surrogates who are looking for their own regional spoils.

#### NOTES

1. *Pravda*, March 17, 1982.
2. Associated Press, March 17, 1983, and April 14, 1983, and *New York Times*, April 26, 1983.
3. The Nicaraguan canal plans were first disclosed by Volio in *La Prensa Libre* (San Jose, Costa Rica) on March 25, 1983. This report came after the pro-Government newspaper *El Nuevo Diario* of Managua announced on March 10, 1983, that the Soviets were establishing a floating dock at the southern Nicaraguan port of San Juan del Sur. It is believed that Soviet technicians assigned to this project are also involved in the canal planning. Ambassador Kirkpatrick at a press conference claimed that the canal was part of the Soviet plan to accelerate its power projection into the Western Hemisphere. Only the *Washington Times*, on April 29, 1983, reported the Ambassador's remarks.
4. Much has recently been written about NATO's contingency plans in the area. The specifics of the "swing strategy" were outlined by

John Cooley, *Christian Science Monitor*, October 11, 1979.

5. For a short overview of the oil traffic in the Caribbean Basin, see Lewis Tambs' testimony before the House Sub-Committee on Inter-American Affairs, "Guatemala, Central America and the Caribbean: A Geopolitical Glance," July 30, 1981.

6. Boris Ponomarev, "Topical Problems of the Theory of the Revolutionary Process," *Kommunist*, October 1971, p. 75.

7. The detentist line of local communist parties is best exemplified by the Declaration of the Conference of Communist Parties of Latin America and the Caribbean, Havana, June 1975 (reprinted as "Latin America in the Struggle Against Imperialism," *New Outlook*, December 1975). The short analysis of conditions in Latin America recommends close cooperation with "progressive elements" within the church and tactical alliances

with other political parties. Despite the overthrow of Salvador Allende in 1973, the Conference still held that the Chilean model was valid. Armed struggle was reserved for Haiti, Nicaragua, Guatemala and Paraguay. This followed the line in defense of peaceful coexistence established by Leonid Brezhnev in Havana on January 30, 1974, where he proclaimed Cuba to be in the "socialist" camp and its revolution irreversible. Yet, Brezhnev praised the peaceful road to power and the warming of relations with the United States. James D. Theberge, *The Soviet Presence in Latin America* (New York: National Strategy Information Center, 1974), presents the best overview of Soviet policy toward the region during the detente era.

8. A good summary of the diversity of Caribbean socialist parties is W. Raymond Duncan, "Caribbean Leftism," *Problems of Communism*, May-June 1978, pp. 37-57. This article, however, was written before local parties received military and financial assistance from Havana and other radical states.

9. A lengthy analysis of I. Shavrov's article, "Local Wars and Their Place in the Global Strategy of Imperialism," is contained in David Holloway, *The Soviet Union and the Arms Race* (New Haven: Yale University, 1983), pp. 83-94.

10. Soviet strategists in the late 1970s began a reevaluation of the role of the Soviet Army in Third World conflicts. Admiral Sergei Gorshkov, the architect of the Soviet bluewater navy, in *Naval Power in Soviet Policy* (Moscow: Voenizdat, 1979) stressed the strategic importance of creating capabilities to paralyze or deter the West in secondary theaters — in other words, a policy of strategic denial. *War and Army*, by D.A. Volkogonov (Moscow: Voenizdat, 1977), pp. 354-355, stressed the new role of the Soviet military in deterring aggression against and strengthening the "progressive forces" in the developing world.

11. Rand Corporation analysts Stephen Hosmer and Thomas Wolfe in *Soviet Policy and Practice Toward Third World Conflicts*, (Rand Corporation, Lexington, MA: Lexington Books, 1983), pp. 79-109, have outlined the strategy behind the Soviet-Cuban alliance since Angola, terming the Soviet use of a proxy "cooperative intervention." The authors stress that there are convergent, but not identical, interests between the Soviet Union and Cuba to intervene directly in the Third World. In *A Strategy for Dealing with Cuba in the 1980s* (Rand Corporation, September 1982), Edward Gonzalez emphasizes the heightened strategic importance of the militarization of the island and the conventional threat it poses to the Caribbean Basin nations. Although the author takes the position that the Cuban military buildup is simply a defensive measure, Carla Anne Robbins in the chapter,

"Cuba," in *Security Policies of Developing Countries* (Lexington Books, 1982), edited by Edward Kolodziej and Robert E. Harkavy, details the professionalization and modernization of the Cuban military and the Cuban Government's sensitivity to the change in the "correlation of forces."

Details about the recent improvements in weaponry can be found in Christopher Whalen's "The Soviet Military Buildup in Cuba," *Backgrounders* (Washington, DC: Heritage Foundation, June 11, 1982); U.S. Department of State, "Cuban Armed Forces and the Soviet Military Presence," *Special Report*, No. 103, August 1982, and *New York Times*, March 28, 1983. Soviet conventional capabilities and their large intelligence operation at Lorges, Cuba, are reviewed by Jay Mallin and Ralph Konney Bennett in *Washington Times*, July 13 and 26, 1983.

12. *Washington Post*, May 27, 1983.

13. The possible presence of nuclear weapons on the island of Cuba and questions about Soviet compliance with the series of agreements over such matters has provoked a controversy between the U.S. Senate and the Department of State. For Senators Helms' and Symms' documentation of TU-95 and Soviet missile installations on the island, see *Congressional Record — Senate*, Vol. 129, No. 53, S5233-37.

14. Soviet theoreticians overhauled much of their doctrine on guerrilla warfare and the revolutionary potential of the Caribbean Basin with the triumph of the Sandinistas in Nicaragua and of the New Jewel Party in Grenada. For samples of this new Soviet enthusiasm for revolution, see O. Ignat'yev "The Victory of the People of Nicaragua," *Kommunist*, No. 13 (September 1979, p. 95ff); Boris Koval "La Revolucion, Largo Proceso Historico," *America Latina*, No. 3, 1980; Sukhostat et al., "A Continent in Struggle," *World Marxist Review*, March 1981, p. 47ff., and the article by the leading Soviet Latin Americanist, Sergei Mikoyan, "Las Particularidades de la Revolucion en Nicaragua y sus Tareas Desde el Punto de Vista de la Teoria y la Practica de Movimiento Liberador," *America Latina*, No. 3, 1980.

15. Several accounts exist of the Tricontinental Conference and early Castroite efforts at spawning guerrilla warfare in the Western Hemisphere. The latest are Carla Anne Robbins, *The Cuban Threat* (New York: McGraw Hill, 1983) pp. 29-33, Maurice Halperine, *The Taming of Fidel Castro* (Los Angeles: University of California, 1981), p. 185ff., and Claire Sterling, *The Terror Network* (New York: Holt, Rinehart and Winston, 1981), p. 14ff.

16. The major treatise on the theory of vanguard parties and the creation of Third World armies modeled after the Soviet Union is Yu. V.

Irkin, "Revolutionary Vanguard Parties of Working People in Liberated Countries," *Voprosy Istorii*, No. 4, April 1982, pp. 55-67.

17. The combination of a unified guerrilla structure and a political front composed of diverse, sometimes democratic elements is not peculiar to Central America. In Haiti, the pro-Moscow Communist Party PUCH in a 1981 Panama meeting sought to unify Christian Democrats, Social Democrats and the Haitian Fathers, a Catholic order, for armed struggle against the Duvalier regime. After the meeting, a terrorist group, the Hector Riobe Brigade, named after a guerrilla killed in the communist-sponsored uprising in 1969, was created and is supported by Libyan funds ("International Outlook," *Business Week*, April 18, 1983). This policy has recently failed in the Dominican Republic and Colombia, where the left is more divided.

18. *Granma*, April 4, 1981.

19. Claire Sterling, op. cit., p. 247ff.

20. Training camps and their curricula are detailed by the Department of State in "Cuba's Renewed Support for Violence in Latin America," *Special Report*, No. 90, December 14, 1981, and in "Cuban and Nicaraguan Support for Salvadoran Insurgency," *Congressional Record - Senate*, May 6, 1982.

Radical Arab support of the international terrorist network and the Central American guerrillas is extensively documented. A review of Arab and Southern Cone support for Central American revolutionaries is contained in "The PLO in Central America" by Shoshana Bryen, *Newsletter*, Jewish Institute for National Security Affairs, Vol. III, No. 21, June 1983. Libyan and Cuban cooperation in providing logistical support for revolutionaries and terrorists is discussed in John K. Cooley's account of the Libyan revolution in *Libyan Sandstorm* (New York: Holt, Rinehart and Winston, 1982), p. 227ff., and Claire Sterling, op. cit., p. 267ff.

The Israeli invasion of Lebanon produced a wealth of documents from the PLO's library. A

selection of these have been presented in *PLO In Lebanon*, edited by Raphaeli Israeli (London: Weidenfeld and Nicolson, 1983). Pertinent documents on the Latin American and Caribbean connections are on pages 144-158 and 169-170.

21. The use of Nicaragua as an arms depot has been documented by the Department of State's *Special Report*, No. 80 and No. 90. The most detailed view of the flexibility and complexity of the logistical supply-lines to the Salvadoran guerrillas is George Russel's article in *Time*, May 9, 1983.

22. Author's interviews with former Surinamese Prime Minister Chin-A-Sen and "International Outlook," *Business Week*, February 14 and April 25, 1983. The degree of Cuban and Soviet involvement in consolidating the Bouterse regime was confirmed by *Time*, May 30, 1983.

23. The Nicaraguan military buildup has been documented in *New York Times*, March 10, 1982, which ran the transcript of the press briefing by John Hughes, Deputy Director for Intelligence and External Affairs in the Defense Intelligence Agency. In the briefing, Hughes showed satellite photographs of base enlargements and the extension of runways to accommodate MIGs. The Department of State in a White Paper entitled "Nicaragua: Threat To Peace in Central America," April 12, 1983, documented the arms buildup within the country and Managua's assistance to the guerrillas in neighboring countries. Independent assessments of the Nicaraguan arms buildup and the sources of supplies appeared in the *New York Times* on March 29 and April 27, 1983. Libyan supplies to the Nicaraguan regime were reported by the *Washington Post*, April 25, 1983.

The internationalist division of labor is confirmed in Shoshana Bryen's "PLO in Central America," *ibid.*, and various State Department White Papers on the subject.

24. For a detailed analysis of the makeup of the Salvadoran guerrillas, see the author's pending article, "El Salvador's Guerrillas - The Winning Side?," *Freedom At Issue*, Fall 1983.



**American Federation of Labor—Congress of Industrial Organizations**

**and**

**The American Institute for Free Labor Development**



**presentation to**



**The National Bipartisan Commission on Central America**

**September 8, 1983**

**Washington, D.C.**

***“A Trade Union View:  
Toward a Long Term U.S. Policy in Central America”***

William C. Doherty Jr.  
Executive Director  
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BRIEFING FOR THE

NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA

SEPTEMBER 8, 1983

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TABLE OF CONTENTS

	<u>Page</u>
<b>A. INTRODUCTION</b>	
Background of AIFLD/AFL-CIO Central American Activities .....	1
AIFLD Activities in Central America .....	2
Rural Programs .....	3
El Salvador Land Reform .....	3
<b>B. RESPONSES TO THE COMMISSION'S QUESTIONS</b>	
Economic Development Needs and Programs .....	4
Role of the International Monetary Fund .....	5
Soviet Involvement in Central America .....	6
Economic Interests and National Security .....	7
U.S. Role of Developing Free Non-Governmental Institutions .....	7
Role of Other Groups and Organizations to Achieve Peace .....	7
Military Aid to El Salvador .....	8
Possibility of Building a U.S. Public Consensus .....	8
Importance of Supporting the Democratic Center .....	9
<b>C. TRADE UNION LEADERSHIP SURVEY</b>	
Panama .....	9
Costa Rica .....	11
Honduras .....	12
El Salvador .....	13
Guatemala .....	15
Nicaragua .....	16
Belize .....	17
<b>D. CONCLUSIONS</b>	
Goals of U.S. Foreign Policy .....	18
Dual Regional and Bi-lateral Policy Needed .....	19
The Need to Change Social and Political Structures .....	19
Marxist-Leninist Influence and Military Governments .....	21
Changes in Structure of Aid Mechanisms Required .....	21
Priority Recommendations .....	22

A TRADE UNION VIEW:  
TOWARD A LONG TERM U.S. POLICY  
IN CENTRAL AMERICA

INTRODUCTION

Background of AFL-CIO/AIFLD Central American Activities

The involvement of the U.S. labor movement in Latin America dates from the turn of the century. As far back as 1916, Samuel Gompers, the architect of the modern American labor movement, was instrumental in establishing the Pan-American Confederation of Labor, which sought to defend the dignity of the Mexican Revolution and served as the first important platform to protest the actions of despotic regimes (as well as exploitative corporations) south of the U.S. border.

Both institutional and informal relationships were maintained with Latin American trade union movements and progressive political leaders over the years. American labor has consistently given moral and material support to the democratic victims of dictatorships, often when U.S. foreign policy was supportive of these regimes. For example, while the U.S. government enjoyed a comfortable relationship with the notorious dictatorship of Perez Jimenez in Venezuela in the 1950's, it was the AFL-CIO which intervened to support the visa application of Romulo Betancourt to live in exile in the United States. Betancourt, of course, later returned to Venezuela and became the elected President of his country.

In the early 1960's, the AFL-CIO formed the American Institute for Free Labor Development (AIFLD) to intensify the solidarity and friendship with the workers and campesinos of Latin America, which had been initiated more than a half century earlier. Specifically, the AIFLD was founded to support and encourage the participation of free and democratic unions of this hemisphere in the political, economic, and social development of their countries. For over 20 years, the AIFLD has supported the development of Latin America and Caribbean union movements with programs of education and social development.



### AIFLD Activities in Central America

In Central America (including Panama), more than 93,000 trade unionists have received instruction in AIFLD in-country courses. AIFLD graduates hold a large percentage (at least 70%) of the executive board positions of Central American free trade unions. They thus constitute a strong force for democratic change in the region.

A Department of Social Projects has been active in the development of workers' housing, cooperative development, and union-sponsored community projects designed to provide services to union members and to the general public. In housing, slightly more than 18,000 units have been constructed at a cost of \$77,000,00. Of these amounts, 1,313 houses valued at \$4,288,000 were built in Central America with AIFLD technical assistance; 128 units in Costa Rica (\$320,000) and 1,185 units in Honduras (\$3,968,000).

Smaller social projects, such as school repairs, support of union-operated medical facilities, and construction of community centers, have been supported by two funds: the AFL-CIO financed Impact Project Fund for projects costing less than \$5,000 and the AID-funded Regional Revolving Loan Fund (RRLF) for projects valued up to \$50,000. Impact Projects can be either grants or interest-free loans, depending on type of the project. The RRLF provides loans (not grants) that carry a minimum interest charge of two percent. The highest interest charged to date is six percent. For Latin America and the Caribbean as a whole, there have been a total of 588 Impact Projects totaling \$1.25 million financed from multiple AFL-CIO donations totaling \$880,000. The projects were roughly two-third grants, one-third loans. The RRLF has financed 82 projects valued at \$7.9 million<sup>1/</sup> through loans totaling \$2.3 million. Projects financed by either fund require substantial local self-help contributions. All such grass roots projects have been designed to improve the popular image of the trade union movement as a positive social instrument for progressive change.

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<sup>1/</sup> Please see Attachment #1 for breakdown of RRLF Projects. Central American projects bear an asterisk.

Rural Programs<sup>2/</sup>

The AIFLD has developed a special Agrarian Union office within the Social Projects Department for the purpose of working with campesino unions throughout the hemisphere. Thus far, support for campesino organizations has resulted in projects involving Operating Program Grants (OPG's) from AID (\$1,500,000) in fields such as agricultural credit and marketing services, and large-scale organizing campaigns in the Dominican Republic, Costa Rica, Honduras and Ecuador. Of special interest is the crucial role being played by the AIFLD in El Salvador in support of the land reform programs.

El Salvador Land Reform<sup>3/</sup>

Since early 1980, in El Salvador, the AIFLD has provided key technical assistance to several campesino organizations which have spearheaded the development of the land reform programs. This was possible only because of more than a decade of AIFLD training and support for these organizations, without which there would have been no base for the reforms. Thus far, 64,874 applications representing 306,534 family members have been submitted under the land-to-the-tiller phase of the program. There are an additional 32,000 beneficiary families on the larger cooperatives. Altogether, this represents nearly 500,000 people, (including family members of beneficiaries) who have benefited from the program. Despite these successes, the land reform program is currently less than one-half completed and is under attack from both left and right wing forces.

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<sup>2/</sup> Please see Attachment #2 for more detailed discussion of Central America's agrarian situation. Paper entitled Agriculture and Agrarian Reform in Central America.

<sup>3/</sup> A more detailed review of the status of the El Salvador land reform program is to be presented orally to the Commission.

## RESPONSE TO THE COMMISSION'S QUESTIONS ON CENTRAL AMERICA

The Commission, in preparation for this session, has circulated a list of 20 inter-related questions on the social, political and economic problems of the area. Many of the questions dealt with the same problems addressed in the recent Survey of Views of Democratic Labor Leaders in Central America, which is as an attachment to this presentation.

### Economic Development Needs and Programs

The hunger, malnutrition, and illiteracy of Central America are well-documented realities. Programs of USAID can, and have, been instrumental in helping countries of Central America to combat these serious problems, but there is still a long way to go. To do so is in our long-term national interest because these are part of the so-called "root problems." The creation of employment possibilities is, however, more important to the solution of these problems than are the short-term palliatives of providing food.

No single approach to economic development, and consequently our aid effort, can solve all the social problems of the area. The solutions call for measures as drastic as are the problems. They will require a massive and lengthy and diversified approach to development which includes everything from infrastructure development to baby-feeding programs. Certainly we must support and encourage those worker organizations such as rural cooperatives and credit facilities. Only by expanding the economic opportunity of the masses of the people of Central America will they be able to solve their social problems. Nothing less than the future peace of the area depends on our support of these grass-roots organizations which together form the democratic center and which will eventually break the stranglehold on the economy by the oligarchy. These very same organizations are the primary targets of the communist revolutionary groups which would typically use them en route to power and abuse them thereafter.

Greater attention needs to be paid to the role of labor movements in country development, as well as in improving the social and economic well-being of working men and women. A primary objective of U.S. assistance programs should be to assure that economic benefits of development are shared equitably, and this requires development strategies which are employment-oriented and support for trade unions through which workers are able to protect their legitimate rights. We need to enlist free urban and rural labor movements as partners in our assistance programs.

However, we cannot hope to gain the wholehearted support of workers in the difficult and burdensome task of national development if they are without rights, without freedom, without justice, without bread. In providing assistance, a major consideration should be the adherence of recipient governments to the conventions of the International Labor Organization, especially those relating to freedom of association, discrimination and forced labor.

#### Role of the International Monetary Fund

The role of the International Monetary Fund (IMF) is controversial, not only to political leaders, but also the region's trade union leaders. In cases of economic emergency, organized labor in Central America, as in the United States, stands ready to do its part to solve the problem. However, when "belt-tightening" policies are required by the IMF, further restrictions on wages and harsher working conditions usually result, particularly if the interpreters or implementers of these policies are the economic elites in Central America. Under these circumstances, the trade union movements, not unexpectedly, reject the notion that their members should suffer further for conditions created by the oligarchy. Capital flight provides one example: it is not the workers of El Salvador who have taken their money to the safe haven of Miami.

### Soviet Influence in Central America

Central America, in our opinion, should be considered an area of vital interest to the United States. Therefore, we should not give away any policy option, including direct military action, even though such drastic measures should be used only as a last resort - one that, we would hope, never has to be exercised. We believe that the heavy hand of the Soviet Union is significant, through their surrogate states of Cuba and Nicaragua, in the insurgencies in Guatemala and El Salvador. We believe that their goal is to ultimately create more "Cubas" close to the United States. The Soviet Union certainly stands to benefit if our attentions are drawn away from Europe to the problems of our own security occasioned by hostile countries affording the possibility of threatening military bases in Central America.

There are those who contend that a strategy for containing Soviet exploitation is to eliminate its breeding ground, namely political, social, and economic oppression. We, however, contend that poverty, social injustice, and closed political systems are realities which must be dealt with in any case, and we should hope, primarily for reasons of human rights rather than only as a "strategy" for containing Soviet influence. In any case, whether the roots of the problem lie in social injustice or Soviet interference is an idle argument. If economic development programs to deal with poverty and social injustice are to succeed, we must concurrently with our economic assistance efforts also be prepared to cooperate with democratic governments regarding the threat they face from guerrilla movements influenced and supported by Moscow. The post-World War II period clearly indicates that the Soviet Union will use its influence to prevent the correcting of social injustice by reforms, elections and economic assistance, since these solutions would stand in the way of its objective of one-party communist rule.

### Economic Interests and National Security

Our vital interest in Central America, therefore, has a great deal more to do with our national security than it does with economic interests. Central America produces little or nothing that we absolutely need economically. But we do need neighboring states that share and benefit from our democratic principles and beliefs. The development of democracy and open societies in Central America are our best security defense. Without participatory democracy, responsive to the needs of their citizens, the countries of Central America constitute a potential danger to us.

### U.S. Role in Developing Free Non-Governmental Institutions

By strengthening free trade unions, the AFL-CIO/AIFLD has long been involved in the development of "free and democratic non-governmental institutions". There is no reason that more social and political organizations in the United States could not play a similar role in the support of counterpart organizations in Central America. We would encourage such participation and believe that the U.S. government should support their activities as it does ours. Our programs are a matter of public record and we offer to share our experience of the problems of "institution building" with any other private organization which chooses to provide assistance in Central America. We applaud the concept of the Democracy Foundation which we view as an important ingredient in the solution of the political problems of Central America.

### Role of Other Groups and Organizations to Achieve Peace

The U.S. government should use any and all available channels to promote peace currently in the region. The Contadora Group and the Organization of American States come immediately to mind, and the mediation efforts of individual democratic

countries such as Costa Rica are useful. In the long-run, however, the political solutions required must be found through free and honest elections. International organizations such as the OAS might usefully oversee electoral processes in an effort to guarantee their honesty to the satisfaction of the citizens of the Central American countries.

### Military Aid to El Salvador

Specific reference must be made regarding El Salvador and the U.S. provision of military aid. The AFL-CIO position is that such aid should be suspended until there is progress in the case of the murders, directed by Army officers, of Michael Hammer and Mark Pearlman, former AIFLD employees, and of Rodolfo Viera, a Salvadoran trade union leader, and until the Salvadoran judicial system is reformed and restructured so that it protects the rights of all Salvadoran citizens. This policy position was not hastily arrived at and, in a very direct way, is illustrative of the dilemmas faced by policy makers in the U.S. government on a variety of issues. The AFL-CIO obviously would not like to see a guerrilla victory nor would the democratic trade union movement of El Salvador. However, neither we nor our Salvadoran brothers (more than 30,000 of whom have been killed in the last three years) can accept the corruptness of the judicial system and the Army which considers itself above the law. We believe that, in this case, military aid should be used (or not used) to assure that absolutely necessary changes in both the judiciary and the military forces take place. A democracy cannot function under these conditions of corruption and violations of human rights. The restriction of military aid would force fundamental changes which, in turn, would foster a more just, humane, and democratic system.

Possibility of Building a U.S. Public Consensus

We cannot ask the American public to understand and accept a policy of support for the status quo in El Salvador and elsewhere on the assumption that the only other alternative is a Marxist-Leninist guerrilla victory. Only by taking firm stands against the oligarchy and their traditional military allies; by thus standing up for the poor and oppressed in Central America, can we hope to build a U.S. public consensus which supports U.S. policy. We must choose whom we will support in each country of the area, and if it is the wealthy and corrupt elite, the American people won't buy it! We cannot make the mistake of identifying the status quo with stability.

Importance of Supporting the Democratic Center

The AFL-CIO/AIFLD is convinced that the free trade union movements of Central America represent one of the most cohesive force for democracy in the area. They represent the voice of the working people. Unless this voice is heard, economic development alone will not staunch the advance of radical authoritarian solutions, or the totalitarian solutions of the Marxist-Leninist left, to the social problems created by the current political structure. To change the structure without resorting to revolutionary violence requires that the democratic center, including trade unions, be effectively supported and encouraged so as to significantly change the society within each country. To do less is to leave the field open to the political extremists. The AFL-CIO/AIFLD believes that support of a pluralistic center and the development of open societies is both our moral right and duty and in our long-term security interest.



OPINIONS OF CENTRAL AMERICAN TRADE UNION LEADERS

The AFL-CIO/AIFLD has intimate and sympathetic knowledge of the trade union and political life of Central America. Daily contact allows us the privilege of understanding how Central American workers and campesinos view the political, social, and economic issues which confront them, and we are pleased to be able to reflect their opinions to this distinguished Commission. In fact, during the week of August 22, 1983, a team from the AIFLD conducted a survey of leadership opinion to insure the accuracy of our comments.<sup>4/</sup> The current perceptions of trade union and campesino organizations of their own political, social and economic structures are revealing.

PANAMA

In Panama, the leaders of the democratic trade union movements, the Confederation of Workers of the Republic of Panama, indicated a basic faith in the social systems of that country and are prepared to participate actively in the forthcoming presidential and congressional elections by supporting candidates perceived to be friends to labor's goals. The union leaders also view the military as a positive force in the Panamanian society, a force which has greatly improved the social, economic and political opportunities of the workers and campesinos by implementing reforms and creating a climate for the development of trade unions and other popular sectors. The CTRP will actively participate in this year's next presidential campaign seeking representation in elected bodies and in the autonomous administrative institutions. They believe that while reform and modernization of the social systems are necessary, they can be achieved by working within the structures.

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<sup>4/</sup> Attachment #3 is the result of the leadership survey. Questions and responses are broken down by country.

Chief economic factors affecting workers in Panama are unemployment, lack of competitive manufacturing capabilities, and low agricultural production. The CTRP welcomes foreign investment and international aid programs, but under the conditions that transnationals respect the right of the workers to form unions and bargain collectively and that development projects reach the popular social groups and that they be planned and executed in conjunction with representatives of those sectors.

In conclusion, the CTRP feels that the last years of Torrijos' government have strengthened the labor movement and contributed an opportunity for the majority of the workers and campesinos to begin to play a more significant role in the development of their own society.

#### COSTA RICA

The leaders of the democratic labor movement in Costa Rica while also expressing trust in the basic state social services and political structures of the country were less optimistic about future political participation. The experience of various democratic elections, which has resulted in little opening for trade unionists in the political parties, make Costa Rican leaders more cautious despite the fact that in the last election one "labor deputy" was elected and the president of the country is an ex-labor leader.

As in Panama, Costa Rican leaders view income distribution as unfair and state service systems antiquated, but believe the problems can be remedied peacefully by working within the system. They do not believe that corruption is generalized, but attribute waste to inefficiency.

Unemployment is seen as the most serious problem coupled with the lack of agricultural credit which hampers production.

The only major criticism of international investment is that local managers with traditional concepts of trade unions make the organizing of workers of international firms difficult.

Past aid programs were generally said to have benefited Costa Rica, but the lack of participation in the planning was seen as retarding the impact of these projects in the social sectors.

Costa Rican labor leaders would like aid programs channeled more through popular organizations in order to stimulate the growth of worker-owned industries and cooperatives.

### HONDURAS

The leaders of the Confederation of Workers of Honduras are not optimistic over labor participation in the electoral process, despite having just returned to a constitutional government via democratic elections. They feel that they have traditionally been locked out of the decision making processes which are monopolized by an alliance of oligarchy and corrupt military commanders which has always dominated the Honduran political structure. While acknowledging some social gains made by organized labor over the past 30 years through pressure on the government or through collective bargaining process, they maintain that the workers and campesinos are largely on the outside of the system which has to be radically altered in order to let the majority participate.

Economic problems most affecting the workers are unemployment and a rising cost of living. A lack of foreign reserves, which restricts the importation of raw materials for manufacture, is forcing small factories to close. A lack of agricultural credit and a concentration of land in large commercial estates which are estimated 40% unproductive is forcing rural workers to abandon their farms and join their unemployed urban brothers on the streets of Tegucigalpa.

The CTH sees foreign investment as necessary for development; however, because of bitter past experiences with U.S. fruit companies, is fervently convinced that all transnationals should subscribe to a "code of conduct" which would require strict adherence to labor laws and inhibit corrupting influence by these companies on Honduran government officials.

As well CTH leaders feel that an effective land reform based primarily on expropriation on non-productive private land is a fundamental part of developing and democratizing the Honduran society and economy. The current land reform, according to a leader of ANACH (largest campesino organization in Honduras) is effectively breaking up national campesino organizations by forcing beneficiary coops to obtain individual legal status which results in their separation from the national parent bodies.

They also maintain that any future international aid programs, if they are to directly improve the human rights and economic status of the majority of Honduran citizens, should concentrate on rural areas which currently contain 78% of the country's population. Aid programs should promote basic changes in all government structures and should be planned in consultation with the popular sectors. Honduran labor leaders feel that international pressure can be particularly effective in influencing change.

### EL SALVADOR

Despite the ongoing guerrilla war and the gross violations of human and trade union rights in El Salvador, trade union leaders, both rural and urban, are enthusiastic over upcoming elections and their role in them. They quickly say that their judicial system is almost inoperative, is often used to obstruct rather than dispense justice, that the military has always been in blatant collusion with the power elite, stopping at no measure, no matter how grotesque, to intimidate worker and campesino

organizations. They maintain that structures must be radically altered before the majority of the population has any direct participation in the development of a truly democratic society.

Nonetheless, possibly because of past recent successes at occasionally influencing policy makers and politicians or possibly because of the success of the 1979 reforms, the trade union and campesino leaders are actively planning to participate in the next year's elections which obviously indicate that they feel the process will be relatively honest and that their participation will be significant.

Economic factors affecting the workers are listed as unemployment caused by economic sabotage and world recession. Reviving the economy and ending the war are given as obvious solutions. Foreign investment is rated as necessary, but again conditioned on respect for trade unions. The Acajutla Free Port is given as an example of transnational abuse. Military security forces have consistently inhibited organization at Acajutla. The San Bartolome Free Port was the scene of bitter labor strife in 1977 and 1978. Capital flight is listed as another factor depressing the economy as are deliberate guerrilla destruction of economic targets.

Land is considered as still too concentrated in the hands of a few, and true reform will not be accomplished until Phase 2 is complete.

As in Honduras, the Salvadoran leaders consider that radical changes must occur in the entire structure of the government and the military. They believe that such changes can be accomplished peacefully, particularly if aid programs are conditioned "up front" on guaranteeing trade union and human rights and are designed to directly benefit the workers and campesinos. Programs must not be left to the government alone to plan and execute. Some leaders suggested a tripartite (government, labor and business) commission to oversee all projects. Others distrusted private sector participation as simply fortifying the government-oligarchy alliance against the workers.

### GUATEMALA

The leadership of the Trade Union Confederation of Unity of Guatemala (CUSG) were the least positive over the possibility of change or political participation. They viewed the Rios Montt government, which stopped right wing violence in the cities and briefly allowed relative trade union freedom, as a positive change. They are very uncertain about the policies of the new government. They expressed little enthusiasm for becoming involved in elections, if they are held. The rural leaders said that their membership doesn't believe any candidates any more, and points to the abstentionism in the last elections as an example of apathy caused by repeated disillusionment.

Labor leaders are convinced that traditional political parties remain closed to the labor movement and offer no real alternative to the electorate.

Uniformly all condemned the courts as being non-functional or as instruments of repression. Official corruption is viewed as being pervasive throughout the government system and any government project as simply another scheme by those in power to further enrich themselves.

According to Guatemalan urban and campesino leaders, the military officer corps is trained to view them as communists or potential guerrillas. The military is seen as an institution designed to protect the privileges of the few while ready to ruthlessly stamp out any threat to the traditional social order.

The main economic factors affecting the workers are unemployment and lack of purchasing power. Agricultural credits are lacking or inefficiently provided. There is a lack of infrastructure to facilitate marketing. CUSG leaders maintain that 70% of Guatemalans are living outside of the economy.

Controlled foreign investment is needed, but past transnational corruptive practices must be eliminated.

The leaders feel that theirs is a closed society and few or no state education or health facilities are available to the mass of workers. The perception of past aid programs is that they have only enriched the ruling elite.

Regarding land tenancy, campesino leaders believe too few have too much, and that 25-50% of fertile land in private hands isn't producing, and recommended that the large estates be expropriated. INTA, the government land reform agency, typically takes six or seven years to process a claim.

Guatemalan labor leaders say that the majority of international aid programs must go directly to popular organizations, and that urban and rural labor movements are the only organizations in Guatemala capable of combating abuses.

### NICARAGUA

Interviews with the leadership of the Trade Union Unity Confederation (CUS) in Nicaragua were not possible since the Sandinista government refuses to allow visas to representatives of the AIFLD or the AFL-CIO. However, a good idea of how these trade union leaders perceive the current structure can be understood by reviewing their latest protest to Commander Bayardo Arce Castano, Coordinator of the Political Committee of the FSLN (Sandinista National Liberation Front) in 1982.

The CUS letter requests: (1) that CUS organizers not be threatened or imprisoned by the police or army; (2) that workers not be laid off simply because they belong to the CUS; (3) that workers be permitted to negotiate collectively and not have to accept contracts dictated by the FSLN Ministry of Labor; (4) that the CUS be allowed to receive support from international labor organizations; (5) that CUS organizers be allowed to travel freely within the country, and (6) that the CUS be permitted to exercise its right to act as a free labor organization without being

labeled by the FSLN-controlled press as "counter revolutionary," "destabilizing" and "conspiratory."

Since this letter was written, CUS officers and those of the other independent workers' confederation, CTN, continue to be the victims of official harassment, beatings and jailings. In 1983, seven port workers from Corinto were jailed for attempting to lead their union out of the official Sandinista workers' central. Forty-seven CTN union leaders are currently under arrest.

CUS leaders would most likely view their current social systems as being unfunctional, repressive and in need of radical change, an opinion shared by other trade unionists in Guatemala, Honduras and El Salvador.

#### BELIZE

Traditionally, Belize, because of its language and cultural differences and because of its lack of independent status, has been isolated from Central America. Nevertheless, Belize is a physical part of the Central American isthmus, and its long range economic interest will be related more and more to its geographic neighbors. The same political and social upheavals confronting the rest of Central America could also one day affect Belize.

The workers of Belize are organized in various confederations, of which the Trades Union Congress of Belize is the most important. The TUC is the voice of democratic worker concern for the development of a just and stable society.

Any international aid plan for the economic and social development of Central America should include Belize.



## CONCLUSIONS

### Goals of U.S. Foreign Policy

Economic development and democratic political stability are related, but not necessarily interdependent goals that must drive U.S. foreign policy in Central America. Economic growth, which averaged a very respectable 5 percent per annum for a recent 20-year period did not result in political stability. Nor is political stability a guarantee of economic progress.

The formation of U.S. foreign policy must be based on the changing realities in the region and exhibit the necessary flexibility to adjust for future changes in a way that reflects our national interests. The key, therefore, is to identify what our national interest is in Central America. There are forces in the United States which may argue that the "national" interest is to create conditions conducive to free enterprise or to guarantee the security of our borders and/or the sea lanes from attack by a foreign power. The AFL-CIO does not disagree that these are elements of our interest in Central America, but would argue that it is more important in our long term interest to have prosperous democratic societies as our neighbors in this hemisphere and especially, because of the geographic proximity of the area, in Central America. This Commission, it seems to us, must listen attentively to all views that portend to define our national interest (which must consequently be bi-partisan if the interest is indeed national) and present a well-defined foreign policy to the Administration, the Congress, and to the American people. Without the support of the American people, a foreign policy, no matter how well conceived, is doomed to failure.

It is tempting, but erroneous, to claim that we have no foreign policy toward the region or that the approaches have been absolutely partisan. Changing circumstances have elicited different responses from this Administration and its predecessor in meeting the challenges of Central America, but threads of a policy have remained constant. Generally, we as a nation have supported the development of

democracy and democratic institutions, an adherence to human rights, and an elimination of social injustice to the extent that we have the power to effect change. Often, our actions have not measured up to the principles of our policy. Rhetoric, changes in emphasis, and rapidly changing situations account, in large measure, for the perception that we have no cohesive policy in Central America. Having said this, however, the United States must strive to put in place better aid delivery systems and foresighted diplomatic initiatives which will allow us to obtain our overall foreign policy objectives.

#### Dual Regional and Bi-Lateral Policy Needed

We must understand more profoundly the exact nature of the problems of Central America. They vary from one country to another to such an extent that primary emphasis should be placed on a bi-lateral aid and diplomatic approaches. Since, however, some serious problems are regional, rather than national in nature, a related effort should be maintained on a regional level. Examples of regionalization are the current activities of a roving Ambassador, and the revitalization of the Central American Common Market. This dual approach of bi-lateralism and regionalization, on both aid and diplomatic levels, will serve to give maximum flexibility to our foreign policy.

#### The Need to Change Social and Political Structures

Even given the fact that many differences exist between the countries of Central America, some generalizations are in order. Rigid social structures, ruling elites unwilling to share political power with the masses of the population, and the military establishments of the region have combined to block the democratic aspirations of Central Americans. U.S. foreign policy should be designed to change this situation. Indeed, if one word is used to describe what our policy in Central America should be,

that word is "change." Our policy, as previously stated, is all-too-often thought of as defending the status-quo and thus opposed to the interests of millions of Central Americans striving for their share of economic opportunity and political power.

The effectiveness of our efforts to require change depends, in large measure, on the amount of aid resources which we are willing to put into Central America, and agreement with the host government on the use of these resources. We believe that, for example, for the cost of one nuclear aircraft carrier, during the next few years, significant economic, social and political development can take place in the region. The current government-to-government approach should be conditioned significantly and a major role should be given to direct support for indigenous popular democratic organizations. The "trickle-down" theory of improving the quality of life (much less of effecting necessary and desirable political change) simply has not worked.

It should be noted that the required political, economic and social changes imply a long term commitment from the United States. What is being suggested here is nothing short of a peaceful long-term democratic revolution - the changing of political systems and overcoming social injustice that have plagued the masses of Central America for centuries. It cannot, and should not be expected to, occur overnight. But the time has come to take the first aggressive policy steps in that direction and, in so doing, to change a common ill-informed perception of the United States as a defender of the status quo. We must openly declare our dedication to democracy and social justice in the Americas. The current governing elites are not going to easily give up their power, wealth, and prestige. Our point is that U.S. policy should actively support those democratic forces within each Central American society who are striving for a voice in their own political future.

### Marxist-Leninist Influence and Military Governments

The AFL-CIO is profoundly aware of the dangers from Marxist-Leninist led insurgencies in the area. We are also aware that these insurgencies are aided and abetted by forces from outside the region and, indeed, from outside the hemisphere. We support the provision of a military "shield" against the potential takeover of countries by these totalitarian forces. But we do not endorse, carte blanche, the continuation of military regimes who, consistently disregarding the rights of their own citizens, use the so-called "national security" argument to maintain themselves in power. Rather, we see such regimes as a contributing factor to the violent insurrections in the area. Military dictatorships must not be made to feel that they are comfortable allies of the United States. The provision of a military shield does not preclude the Army being subordinate to a democratically elected civilian government. Every U.S. action and policy statement should be designed to encourage civilian control and the Armies' return to the barracks.

### Changes in Structure of Aid Mechanisms Required

The AFL-CIO has noted over the years the relative ineffectiveness of our aid programs, i.e., trickle-down development, in changing the well being of the average citizen of Central America. We therefore suggest that the structure for the transmittal of resources be changed in a way which will broaden the basis for determining how the aid can be most effective. While the details of this approach remain to be developed, and while we feel that existing development agencies such as USAID, IDB, and other Central American regional organizations are adequate to plan and program this additional social development package, we would also propose that this commission recommend the creation of a Watchdog Committee as a regulatory body that would oversee all of the planning and programming of social and economic development projects. (We applaud the efforts of the IDB meeting scheduled in

Brussels next week, but we are not convinced that these traditional approaches to economic development will have any significant impact on the popular sectors). The committee would be composed, much as is this National Bipartisan Commission on Central America, of leading representatives of government, religious, labor, business, and academia. Further, to guarantee that the popular sectors of Central America have an adequate and influential voice in their own development programs, we would also propose that counterpart watchdog commissions be formed in each of the recipient countries, to agree on and approve the areas where aid programs can be most beneficially utilized for the welfare of their entire societies.

The U.S., and other donor countries must also have a strong voice, obviously, in the aid granting process. The volume of bi-lateral aid, or the curtailment of aid, should be conditioned on the degree of freedoms enjoyed by the citizens of the host country. Priorities should be given to democratic countries. Violations of internationally accepted standards of human rights, of freedoms of expression, of the freedom of the media, of the right of assembly and of trade union rights would incur aid restrictions or curtailment. We must remember that unqualified aid to non-democratic countries simply reinforces their illicit use of power.

#### Priority Recommendations

We would propose in this regard a U.S. bilateral assistance program to the countries of Central America in the range of \$7.5 billion over a five year period. Of course, the effectiveness of an aid program of this magnitude depends greatly on the structure through which the aid is dispensed. This fund would be used for grants and concessionary loans at 2% over forty years to improve educational and judicial systems, urban and rural infrastructure, construction of low cost housing, apprentice and vocational training, agrarian reform and agricultural production, and where appropriate, private sector development. These essentially economic programs must

serve to strengthen popular institutions such as civic organizations, cooperatives, credit unions, and trade unions, which are seeking to obtain social change.

We would propose that the local currency repayments of the loans generated by this fund be deposited into an account to be known as the U.S./Central American Social Economic Development Revolving Fund which, by continuing to finance future programs, would serve as a demonstration of our long term interest in the development of Central America.

The AFL-CIO continues to feel that greater attention should be paid to the role of labor movements in Central America in their countries' development. They have long been in the front lines of the struggle for the types of economic, social, and political changes that should be the cornerstone of U.S. foreign policy. They have opposed dictatorships of both the right and left. They have organized for social and economic change in the rural areas and negotiated with business and government in the interests of their urban members. Most importantly, perhaps, they are the leaders in the fight for political participation and social justice in their countries. They are especially deserving of our support.

**AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT  
REGIONAL REVOLVING LOAN FUND (AID/LA-T-1039)  
FINANCIAL STATUS OF PROJECTS  
FOR THE QUARTER ENDED 06/30/83**

RRLF NO.	DESCRIPT	CTRY	DATE APPRVD	TOTAL COSTS	LOCAL CONTRIB	AMOUNT OF LOAN	AMOUNT DISBURSED	REPAYMENTS TO DATE	THIS PERIOD	AMOUNT IN ARREARS	OUT-STANDING BALANCE	LAST. PYMT. DATE
2	Land Urban	Ecu	06/25/69	\$ 18,200.00	\$ 2,200.00	\$ 16,000.00	\$ 16,000.00	\$ 13,569.08*	\$ 0.00	\$ 0.00	\$ 0.00	N/A
*4	Supmkt Cons	Hond	10/18/68	72,500.00	22,500.00	50,000.00	50,000.00	50,000.00	0.00	0.00	0.00	N/A
5	Comm Center	Braz	03/15/69	110,000.00	86,636.97	23,363.03	23,363.03	16,965.05*	0.00	0.00	0.00	N/A
7	Social Assist	Arg	04/16/69	35,000.00	5,000.00	30,000.00	30,000.00	17,758.53*	0.00	0.00	0.00	N/A
10	Prod Coop	Peru	03/03/70	300,000.00	250,000.00	50,000.00	50,000.00	50,000.00	0.00	0.00	0.00	N/A
11	Credit Union	Col	12/29/69	38,000.00	28,500.00	9,500.00	9,500.00	7,687.77*	0.00	0.00	0.00	N/A
*13	Housing Proj	Hond	01/23/70	44,166.00	4,166.00	40,000.00	40,000.00	40,000.00	0.00	0.00	0.00	N/A
15	Credit Facil	D.R.	01/16/70	65,000.00	15,000.00	50,000.00	50,000.00	28,592.00*	0.00	0.00	0.00	N/A
16	Print Equip	Arg	03/11/70	16,571.00	1,656.00	14,915.00	14,915.00	4,550.05*	0.00	0.00	0.00	N/A
17	Gym Cons	Braz	06/29/70	58,000.00	17,209.00	40,791.00	40,791.00	30,167.02*	0.00	0.00	0.00	N/A
18	Credit Coop	Arg	04/28/70	118,429.00	92,179.00	26,250.00	26,250.00	7,251.63*	0.00	0.00	0.00	N/A
19	Tech School	Arg	05/22/70	18,429.00	8,429.00	10,000.00	10,000.00	4,688.39*	0.00	0.00	0.00	N/A
20	Constr Loan	Arg	05/11/70	46,750.00	9,250.00	37,500.00	37,500.00	1,671.21*	0.00	0.00	0.00	N/A
21	Mut Aid Fnd	Arg	06/09/70	84,000.00	46,812.50	37,187.50	37,187.50	17,205.06*	0.00	0.00	0.00	N/A
*24	Social Center	Guat	02/19/71	39,663.00	29,063.00	10,600.00	10,600.00	10,600.00	0.00	0.00	0.00	N/A
25	Sp Auto Parts	Ecu	09/06/70	66,000.00	116,000.00	50,000.00	50,000.00	41,002.82	186.57	8,997.18	8,997.18	05/04/83
27	Social Center	Bol	03/23/71	13,000.00	1,000.00	12,000.00	12,000.00	9,519.48*	0.00	0.00	0.00	N/A
28	Comm Center	Antig	06/25/71	90,000.00	75,000.00	15,000.00	15,000.00	12,393.05	276.63	2,606.95	2,606.95	06/17/83
29	Cooperative	Col	09/29/71	100,000.00	50,000.00	50,000.00	50,000.00	24,580.49*	0.00	0.00	0.00	N/A
30	Comm Center	Hond	09/29/72	58,000.00	8,000.00	50,000.00	50,000.00	50,000.00	0.00	0.00	0.00	N/A
31	Photo Equip	Braz	09/16/72	50,000.00	40,047.44	9,952.56	9,952.56	6,809.48*	0.00	0.00	0.00	N/A
<b>SUBTOTALS</b>				<b>\$1,541,708.00</b>	<b>\$ 908,648.91</b>	<b>\$ 633,059.09</b>	<b>\$ 633,059.09</b>	<b>\$ 445,011.11</b>	<b>\$ 463.20</b>	<b>\$ 11,604.13</b>	<b>\$ 11,604.13</b>	

RRLF QUARTERLY REPORT (CONTINUED)  
PAGE NO. 2

RRLF NO.	DESCRIPT	CTRY	DATE APPRVD	TOTAL COSTS	LOCAL CONTRIB	AMOUNT OF LOAN	AMOUNT DISBURSED	REPAYMENTS TO DATE	THIS PERIOD	AMOUNT IN ARREARS	OUT-STANDING BALANCE	LAST PYMT. DATE
#32	Credit Union	Col	06/01/72	\$ 50,000.00	\$ 9,500.00	\$ 40,500.00	\$ 40,500.00	\$ 30,182.71*	\$ 0.00	\$ 0.00	\$ 0.00	N/A
33	Supermarket	Urug	06/23/72	80,000.00	30,000.00	50,000.00	50,000.00	20,583.59*	0.00	0.00	0.00	N/A
34	Dental Clinic	Braz	06/12/72	41,558.24	35,810.66	5,747.58	5,747.58	4,582.44*	0.00	0.00	0.00	N/A
35	Land Purchase	Bol	06/28/73	10,000.00	2,000.00	8,000.00	8,000.00	7,885.00*	0.00	0.00	0.00	N/A
36	Hosp Bldg	Braz	03/28/74	148,090.41	140,415.82	7,674.59	7,674.59	5,287.63*	0.00	0.00	0.00	N/A
37	Labour Col	Barb	05/18/73	460,000.00	410,000.00	50,000.00	50,000.00	50,000.00	0.00	0.00	0.00	N/A
38	Vacation Ctr	Braz	06/24/74	184,189.20	169,580.00	14,609.20	14,609.20	11,150.50*	0.00	0.00	0.00	N/A
39	Hocar Bldg	Col	02/04/74	184,027.00	134,027.00	50,000.00	50,000.00	36,632.96*	0.00	0.00	0.00	N/A
40	Island Coop	Berm	03/22/74	46,328.00	26,828.00	19,500.00	19,500.00	9,017.99	3,000.00	10,482.01	10,482.01	05/10/83
*42	Credit Coop	Hond	10/09/74	1,050,000.00	1,000,000.00	50,000.00	50,000.00	50,000.00	0.00	0.00	0.00	N/A
43	Home Cnstr	Barb	03/10/75	22,500.00	7,500.00	15,000.00	15,000.00	15,000.00	0.00	0.00	0.00	N/A
45	Housing Proj	Bol	08/13/75	197,692.00	147,692.00	50,000.00	50,000.00	45,783.75*	0.00	0.00	0.00	N/A
46	Tel Coop	Braz	02/13/76	22,665.89	2,697.84	19,968.05	19,968.05	13,001.95*	0.00	0.00	0.00	N/A
47	Elec & Plumb	Braz	02/13/76	37,044.73	29,057.51	7,987.22	7,987.22	5,280.95*	0.00	0.00	0.00	N/A
48	Hotel Wkrs	Braz	09/08/76	25,573.52	15,043.25	10,530.27	10,530.27	7,834.77*	0.00	0.00	0.00	N/A
49	Educ Center	Col	11/01/76	100,000.00	50,000.00	50,000.00	50,000.00	13,662.67	0.00	16,331.74	36,337.33	08/13/80
*50	Constr Mat	Guat	03/10/76	30,000.00	10,000.00	20,000.00	20,000.00	18,000.00*	0.00	0.00	0.00	N/A
*51	Constr Mat	Guat	03/10/76	20,000.00	0.00	20,000.00	20,000.00	17,770.00*	0.00	0.00	0.00	N/A
*52	Constr Mat	Guat	03/10/76	20,000.00	0.00	20,000.00	20,000.00	12,600.00*	0.00	0.00	0.00	N/A
*53	Disaster Rel	Guat	04/15/76	8,000.00	0.00	8,000.00	8,000.00	8,000.00	0.00	0.00	0.00	N/A
*55	Seed Coop	El Sal	06/21/76	155,990.00	105,990.00	50,000.00	50,000.00	10,000.00	0.00	40,000.00	40,000.00	11/28/77
SUBTOTALS				\$4,435,366.99	\$3,234,790.99	\$1,200,576.00	\$1,200,576.00	\$ 837,268.02	\$ 3,463.20	\$ 78,417.88	\$ 98,423.47	



RRLF QUARTERLY REPORT (CONTINUED)  
PAGE NO. 3

<u>RRLF NO.</u>	<u>DESCRIPT</u>	<u>CTRY</u>	<u>DATE APPRVD</u>	<u>TOTAL COSTS</u>	<u>LOCAL CONTRIB</u>	<u>AMOUNT OF LOAN</u>	<u>AMOUNT DISBURSED</u>	<u>REPAYMENTS TO DATE</u>	<u>THIS PERIOD</u>	<u>AMOUNT IN ARREARS</u>	<u>OUT-STANDING BALANCE</u>	<u>LAST PYMT. DATE</u>
56	Credit Coop	D.R.	09/08/76	\$ 116,000.00	\$ 96,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 0.00	\$ 0.00	\$ 0.00	N/A
58	Sugr Mill Wkrs	Ecu	02/14/77	12,513.26	965.00	11,548.26	11,548.26	8,799.82 <sup>#</sup>	316.43	0.00	0.00	04/19/83
59	Credit Coop	Trin	12/01/76	65,981.15	41,828.26	24,152.89	24,152.89	24,002.38 <sup>#</sup>	0.00	0.00	0.00	N/A
60	Bus Coop	D.R.	02/01/77	440,087.00	392,087.00	48,000.00	48,000.00	14,441.52 <sup>#</sup>	0.00	0.00	0.00	N/A
61	Housing Proj	Col	03/21/77	28,121.47	0.00	28,121.47	28,121.47	24,204.97 <sup>#</sup>	0.00	0.00	0.00	N/A
62	Sm Proj (new)	Braz	06/23/77	39,131.14	0.00	39,131.14	39,131.14	15,139.82	106.71	0.00	23,991.32	05/13/83
62B	Sm Proj (old)	Braz	06/15/77	41,928.51	0.00	41,928.51	41,928.51	28,992.39 <sup>#</sup>	0.00	0.00	0.00	N/A
63	Rural Wkrs	Braz	05/26/77	27,568.52	14,000.00	13,568.52	13,568.52	8,157.56 <sup>#</sup>	0.00	0.00	0.00	N/A
64	Credit Coop	Col	09/07/77	50,402.00	42,182.00	8,220.00	8,220.00	7,605.68 <sup>#</sup>	0.00	0.00	0.00	N/A
65	Educ Center	Col	09/07/77	26,022.41	7,693.00	18,329.41	18,329.41	13,259.38 <sup>#</sup>	0.00	0.00	0.00	N/A
66	Credit Coop	Ecu	01/04/78	22,780.00	2,780.00	20,000.00	20,000.00	15,934.13 <sup>#</sup>	0.00	0.00	0.00	N/A
67	Health Center	Braz	04/17/78	7,341.40	1,713.94	5,627.46	5,627.46	2,912.46 <sup>#</sup>	0.00	0.00	0.00	N/A
*68	Cr Un Fed	Pan	06/14/78	250,000.00	200,000.00	50,000.00	50,000.00	11,844.86	1,718.76	0.00	38,155.14	06/01/83
69	Market Coop	D.R.	08/02/78	69,200.00	19,200.00	50,000.00	50,000.00	11,223.88	0.00	24,333.00	38,776.12	03/10/82
71	School Constr	Col	11/21/78	129,000.00	82,287.79	46,712.21	46,712.21	28,158.07	1,087.76	18,554.14	18,554.14	05/03/83
72	Med Equip	Braz	01/03/79	26,891.53	21,116.75	5,774.78	5,774.78	2,589.79 <sup>#</sup>	0.00	0.00	0.00	N/A
*73	Print Press	C.R.	01/25/79	23,000.00	17,004.68	5,995.32	5,995.32	1,347.36 <sup>#</sup>	0.00	0.00	0.00	N/A
74	Seed Capital	Urug	02/08/79	95,000.00	45,000.00	50,000.00	50,000.00	36,835.01	3,703.85	0.00	13,164.99	06/28/83
75	Mut Aid Fnd	Chile	02/08/79	95,000.00	65,000.00	30,000.00	30,000.00	27,830.79 <sup>#</sup>	0.00	0.00	0.00	N/A
76	Transp Center	Bol	09/29/79	39,993.70	14,993.70	25,000.00	25,000.00	0.00	0.00	25,000.00	25,000.00	N/A
77	Educ Center	Barb	09/14/79	250,000.00	200,000.00	50,000.00	50,000.00	22,174.37	2,709.31	0.00	27,825.63	06/06/83
<b>SUBTOTALS</b>				<u>\$6,291,329.08</u>	<u>\$4,498,643.11</u>	<u>\$1,792,685.97</u>	<u>\$1,792,685.97</u>	<u>\$1,162,722.26</u>	<u>\$13,106.02</u>	<u>\$146,305.02</u>	<u>\$283,890.82</u>	

**RRLF QUARTERLY REPORT (CONTINUED)**

PAGE NO. 4

RRLF NO.	DESCRIPT	CTRY	DATE APPRVD	TOTAL COSTS	LOCAL CONTRIB	AMOUNT OF LOAN	AMOUNT DISBURSED	REPAYMENTS TO DATE	THIS PERIOD	AMOUNT IN ARREARS	OUT-STANDING BALANCE	LAST PYMT. DATE
78	Health Center	Braz	10/12/79	\$ 50,217.00	\$ 25,523.23	\$ 24,693.77	\$ 24,693.77	\$ 6,612.86	\$ 223.43	\$ 0.00	\$ 18,080.91	06/27/83
79	Health Center	Chile	06/14/79	105,088.00	55,088.00	50,000.00	50,000.00	8,787.29	0.00	13,600.00	41,212.71	10/05/81
80	Health Center	Col	11/19/79	157,986.79	114,046.00	43,940.79	43,940.79	0.00	0.00	12,727.24	43,940.79	None
81	Health Center	Braz	09/10/79	131,108.00	113,978.85	17,129.15	17,129.15	8,970.83*	0.00	0.00	0.00	N/A
*83	Agri Dev	C.R.	08/06/80	8,712.05	1,000.00	7,712.05	7,712.05	37.03	0.00	5,119.00	7,675.02	09/23/82
84	Credit Coop	Col	08/06/80	30,605.00	10,163.46	20,441.54	20,441.54	10,101.41	368.92	4,344.00	10,340.13	06/13/83
85	Health Center	Peru	12/18/80	60,000.00	10,000.00	50,000.00	50,000.00	1,292.84	553.70	0.00	48,707.16	06/06/83
86	Motorcycle	D.R.	03/02/81	5,179.00	1,000.00	4,179.00	4,179.00	4,179.00	0.00	0.00	0.00	N/A
87	Credit Union	Guy	03/02/81	35,000.00	6,618.73	28,381.27	28,381.27	857.65	286.36	0.00	27,523.62	04/07/83
88	Credit Union	Ecu	06/08/81	200,000.00	170,000.00	30,000.00	30,000.00	5,091.19	767.58	0.00	24,908.81	06/09/83
89	Health Center	Braz	05/22/81	58,275.00	40,793.00	17,482.00	17,482.00	5,928.03	921.68	0.00	11,553.97	06/24/83
90	Health Center	Braz	01/06/82	20,458.44	8,155.23	12,303.21	12,303.21	1,957.49	613.73	0.00	10,345.72	06/24/83
91	Credit Union	Urug	04/01/82	70,000.00	40,000.00	30,000.00	30,000.00	2,934.00	0.00	6,168.00	27,066.00	03/28/83
92	Educ Research	Trin	04/01/82	158,000.00	108,000.00	50,000.00	50,000.00	0.00	0.00	4,740.00	50,000.00	N/A
93	Credit Union	Ecu	05/19/82	204,854.43	174,854.43	30,000.00	30,000.00	2,263.09	1,031.03	0.00	27,736.91	06/21/83
94	Health Center	Braz	04/01/82	44,741.00	23,141.00	21,600.00	21,600.00	1,817.17	404.57	500.00	19,782.83	04/29/83
95	Credit Union	Ecu	10/07/82	148,000.00	118,000.00	30,000.00	30,000.00	340.11	340.11	0.00	29,659.89	06/21/83
96	Health Center	Braz	06/08/82	78,655.39	54,790.39	23,439.34	23,439.34	1,320.04	1,320.04	0.00	22,119.30	06/27/83
97	Arch. Bldg.	Col	01/06/83	69,286.00	55,000.00	14,286.00	14,286.00	0.00	0.00	0.00	14,286.00	N/A
98	Health Center	Braz	06/22/83	16,557.28	2,905.40	13,651.88	0.00	0.00	0.00	0.00	0.00	N/A
<b>TOTALS</b>				<u>\$7,944,052.46</u>	<u>\$5,631,700.83</u>	<u>\$2,311,925.97</u>	<u>\$2,298,274.09</u>	<u>\$1,225,212.29</u>	<u>\$19,937.17</u>	<u>\$193,503.26</u>	<u>\$718,830.58</u>	

\*Loan amount in local currency fully paid. Difference due to exchange rate variation written off.

## AGRICULTURE AND AGRARIAN REFORM IN CENTRAL AMERICA

### Population and Economic Growth

In 1982, five of the six Spanish speaking nations in Central America had over forty (40) percent of their labor force engaged in agriculture. Costa Rica, the one exception, had 36 percent of its labor force in agriculture. The prevailing vocation in Central America clearly remains rural and agrarian in character.

Second, population growth rates continue to be excessive: in 1982, excepting Panama, all Central American countries were growing at an annual rate of 2.5 percent or more. (Population "doubling time" for a country growing at 2.5 percent per annum is twenty-eight (28) years.) These population growth rates are one of the central factors explaining the severe land pressures which exist in Central America today.

Third, growth rates in the national economies of Central America from roughly the end of World War II to the later years of the last decade were quite impressive — averaging about 5.3 percent in GNP growth per annum. However, the incremental wealth generated by this growth generally has not been well-distributed. Development strategies which favored import substitution and low labor absorptive industrialization inordinately benefited the small commercial monied classes; and within the rural sector, government taxation, investment, monetary and fiscal policies markedly favored the interests of cash crop, export-oriented commercial agriculture. With few exceptions, the bulk of small primary producers involved mainly in the production of basic grains, far-and-away the largest segment of the agricultural sector, benefited much less from this extended period of economic growth.

### The Role of Commercial Agriculture

With the increases in energy costs and continued low international market prices for products such as cotton, sugar and coffee, commercial agriculture in the

countries of Central America generally has been depressed for the past four or five years. However, it is the centuries-old development, expansion and diversification of this large scale commercial agriculture which is another major factor in explaining contemporary land-man conditions in Central America, particularly the plight of the growing legion of landless and near landless. The fact is that commercial agriculture has gradually absorbed most of the better land over the past 150 years, displacing and fragmenting the other agrarian production system in the countries of Central America of small parcel, largely subsistence agriculture which as yet has not gone through a sustained process of modernization. This characterization of the competing production systems and the long struggle between them is particularly apt with respect to El Salvador, Guatemala, Costa Rica and Honduras.

#### Closed Political Systems

A third major factor defining the character of the land problems in Central America are the more or less closed political systems dominated by traditional elites and their military allies, which resist and inhibit social and economic change. Effective political outlets for campesinos to express land grievances and seek redress have generally been conspicuous by their absence. This has been especially true of Guatemala and El Salvador.

#### The Landless and Near Landless

When excessive population growth rates, the expansion of land extensive commercial agriculture, and political institutions unresponsive to the problems being generated are put together, a causal pattern of the present land-man conditions in Central America begins to emerge. These conditions concern primarily the landless -- tenant farmers, sharecroppers, agricultural laborers -- and near landless -- those small farmers who own or use a plot of land too small in size or too meager in

resources to support their households. The number of landless campesinos has increased virtually across the board in Central America over roughly the last two decades. In El Salvador, in 1980 before the present land reform programs took effect, there were roughly 420,000 rural six-person households, of which 300,000 were landless. In Guatemala, the estimated number of economically active landless agricultural workers in 1980 was 309,000. In Costa Rica, the bulk of the peasantry is now also landless. A rural proletariat of growing size, faced with land scarcity and dim-to-hopeless employment prospects in other sectors, is indeed an omnipresent and depressing reality in much of Central America today.

From the vantage point of the near-landless, the problems appear to be equally severe. For example, 88 percent of all Guatemala's farms in 1979 were of sub-family size (i.e. too small to provide for the needs of a family). Indeed, land use patterns suffer from distributional inequities of major dimension. A common pattern in Guatemala, Costa Rica, Honduras and pre-reform El Salvador has been land concentration in the hands of the few large landowners at the upper end of the size of holdings, and increasing fragmentation at the lower end for the mass of small farmers. To use the Guatemalan example again — where we have reasonably current and reliable figures — 78 percent of all farms are under 3.5 hectares (1 hectare = 2.5 acres), while occupying but 10 percent of the land in farms. On the other end, land concentration is equally dramatic with farms of 450 hectares and larger constituting less than one (1) percent of the farms, but containing 34 percent of the lands in farms. This pattern of land concentration in Guatemala, as well as in other Central American countries, is further intensified by the fact that the farms which have the high quality lands under cultivation generally are found where land concentration is the greatest.

### Land Reform Efforts in Central America

With the exception of El Salvador, the agrarian reform efforts of the non-communist countries in Central America\* over the last thirty (30) years have been inadequate in addressing the scope and complexity of the land issues involved. In Honduras, until recently, in Guatemala and in Costa Rica, primary reliance has been placed on piecemeal and expensive land colonization programs in considerable part on marginal or undeveloped lands. These programs have been insufficient in size, administratively troubled from the beginning and generally have fallen far short of expectations. Meanwhile, land invasions and squatting by the landless have become almost a way of life, with the land reform agencies having to spend an exorbitant amount of time adjudicating land conflicts.

Only in El Salvador has there been a major effort to address wholesale the structural problems of land distribution, specifically with the two new programs which the government began in 1980: the Phase I cooperative program which expropriated all land holdings above 500 hectares, and distributed them to newly formed cooperatives composed mostly of the agricultural laborers already working on the large estates; and the Phase III program, commonly called the land-to-the-tiller program, which allows tenant farmers and share croppers to file title for the small parcels (up to seven hectares) which they work. Owner-operated land cannot be claimed. (We shall discuss both of these programs in more detail in our oral presentation)

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\* We will discuss the Sandinista land reform program in Nicaragua in our oral presentation. We would only note here that the program does not approach in scope or comprehensiveness the agrarian reform programs in El Salvador. The former essentially nationalized Somoza lands which are now being administered collectively as State Farms. Primary emphasis has been placed on food production, while production in the private small farm sector, which as yet has not been collectivized, is being encouraged by government subsidized credit and fixed prices.

In Honduras, there is a hopeful new and ambitious program of land titling of small producers largely on public lands. Fully 75 percent of all farms in Honduras are occupied and cultivated by small farmers whose tenure is insecure. The goal of the program is to issue an estimated 100,000 new land titles over a four-year period. Given the apparent political will of the Suazo government to carry out this program and its recognition of the fact that falling agricultural productivity is inextricably linked to a land tenure system in disarray, there is reason for optimism that constructive social changes in man-land relations are in the offing in Honduras.

#### The Complementarity of Political and Economic Effects

The need for agrarian reform programs fitted to the varying circumstances of the different countries of the region is indeed manifest, as is the requirement for cooperation and financial and technical support by the U.S. Government. Both the programs in El Salvador and Honduras are now fully supported by the Agency for International Development (AID), but this support must involve a long range commitment beyond the initial stages of land redistribution and stabilizing tenure rights. For example, agrarian reform programs must involve not only land redistribution to the actual tillers and fair compensation to the ex-landowners, but also the long-term expansion and modernization of vital agricultural services to the new owner-operators, e.g. credit and production inputs. The key factor in comprehending the significance of these programs is the complementarity of the political and economic effects of the reform. Agrarian reform, appropriately designed to local conditions, can have the mutually reinforcing effects of politically stabilizing and democratizing the countryside while increasing agricultural productivity, or more broadly, establishing the base of agricultural modernization. The post World War II experience with agrarian reform programs in Japan, Taiwan and South Korea certainly bears out this conclusion.

Last, the broad model or type of agrarian reform which best reflects Western values and which also has proven to be the most successful in developing countries in the post-colonial period, devolves ownership and production into a system of private, owner-operated farms -- in the case of food crops, usually small, family-operated units. The alternative of collectivization, in numerous cases the handmaiden of totalitarian government, certainly has been less efficient and less competitive with other more open systems.

#### U.S. Support of Land Reform

The conversion of landless peasants into small owner-operators is unquestionably a powerful incentive and a dynamic force in the evolution of subsistence farmers into modern food producers. In Central American countries where the development of the rural sector is lagging and most of the people are landless, poverty-ridden, largely subsistence producers, land redistribution options should be in the forefront of development choices. External donors such as the U.S. should not relegate land distribution options to the background as they are apt to do in favor of technical approaches to what are essentially non-technical problems.

We would add that the United States has tended to embrace agrarian reform programs only very late in a typically unstable and violent process of social change, almost as a last resort in the face of threats inimical to U.S. interests, e.g., South Vietnam and El Salvador. AIFLD would hope that this time perspective will change. The United States needs to encourage and support democratic and fair redistributive agrarian reform programs before the threshold of large scale social violence and disruption. There is of course a prior requirement of political will by host governments before external support and collaboration become meaningful. But the availability of external financial and technical assistance can lessen the risks in what is usually a difficult political undertaking, especially in its early stages.



SURVEY OF VIEWS OF DEMOCRATIC LABOR LEADERS  
IN CENTRAL AMERICA

From August 23 to August 30, 1983, an AIFLD senior staff member surveyed the views and perceptions of a representative sample of top-level democratic trade union and campesino organization officials in Panama, Costa Rica, Honduras, Guatemala and El Salvador on major questions pertinent to the scope of inquiry of the Kissinger Commission on Central America. The information noted below represents a composite summary by country of the views expressed by these labor leaders.

Question One: How does the electoral process and labor's role in that process function in your country?

- Panama It functions reasonably well and we intend to participate in the next elections; we think we will be able to play a meaningful role. We want to make sure that next year's election does not return power to the oligarchy.
- Costa Rica The system works. Labor has begun to play a role and hopes to expand it. However, this will depend on the preference of future presidential candidates. The recent election of a labor deputy was due solely to the intervention of Luis Alberto Monge.
- Honduras The electoral process does not function particularly well, though there was improvement in the 1980 elections. There is little participation by popular organizations. The traditional parties are too closed.
- El Salvador The election system does not work as it should. There is very little organized popular participation, though the democratic trade union movement plans to try to play a more significant role in the national elections next year.
- Guatemala The electoral process has never functioned well or fairly -- e.g., past electoral frauds; worker participation is limited, and campesinos have lost faith in the process. Absenteeism is a sign of this loss of faith. Perhaps if the electoral system is reformed, democratic labor organizations would decide to actively participate.

Question Two: Does the judicial system fairly protect civil, human and trade union rights?

- Panama The system reasonably protects rights, but it is inefficient and needs modernization. The system should also be more independent.
- Costa Rica The system functions equitably, but it is slow and inefficient.
- Honduras No -- The judicial system helps only those in power. Courts have blocked land reform.
- El Salvador No -- If it functions at all, it protects those in power. The new draft constitutional reforms are no help. If they are approved, they would make the situation worse. As long as assassins are free, there is no justice.
- Guatemala No -- The judicial system is slow, bad, and protects the privileged; no one has confidence in the system. It will only change when the government is democratic and has the will to effect reforms.

Question Three: In the view of organized labor, does the military play a proper role within your society?

- Panama Yes -- Populist forces in the military have protected the popular sector in recent history (Torrijos). However, the military has too much power now, and should be restrained in the present political democratization process.
- Costa Rica The military is not a major factor.
- Honduras The military protects itself as an institution as well as protecting the powerful. However, it has played a role in effecting some positive changes in our society. Some of its members have taken advantage of their position to enrich themselves and to accumulate large tracts of land. We are not optimistic about improvements, but organized violent repression is seldom used.
- El Salvador The military has been a repressive instrument of the power elite, though there are some progressive younger officers. Military officers are in charge of civilian programs which they are not capable of managing.

Guatemala The armed forces do not play a proper role. The army has been historically trained to protect the interests of the wealthy and to combat the democratic trade union movement. The military is now attempting to militarize the society by putting more military officers in the government. Gross human rights violations have been perpetrated in the rural areas, and conditions will get worse with the creation of civil defense patrols. The campesinos do not depend on the military for protection.

**Question Four:** Does official corruption exist, and, if so, does it hamper the development of a democratic and equitable economic process?

Panama Corruption is sporadic but not generalized throughout society.

Costa Rica There is some official corruption, but the problem is more a matter of poor management.

Honduras Yes — It exists at all levels of government and the military, and it has hurt the process of economic and political development in our country.

El Salvador Official corruption is general. Examples are manipulation of prices, bribes, military graft, and abuses of power for money and to serve the power elite.

Guatemala Yes — Generalized corruption and abuse of power, both civil and military, has a long history in Guatemala. "It will never change". It would not necessarily hinder the democratization process, at least not as much as elections with the traditional parties offering traditional non-popular programs.

**Question Five:** What are the most important economic factors that affect the workers and campesinos for the better or worse?

Panama The need for economic development through investment, higher agricultural production, and the development of external markets. Unemployment must be eased and community enterprises stimulated. Unemployment is at 13%, and 20% of the population lives in abject poverty.

- Costa Rica Economic development, better government policy, lower interest rates and more production.
- Honduras Unemployment, the need for investment in agricultural production, and the development of large tracts of land that are not producing. The high cost of living is more important than the problem with Nicaragua. The distribution of what the country produces and the economic assistance it receives both favor the government bureaucracy and business and commercial interests.
- El Salvador Congealed salaries, lack of purchasing power, lack of agricultural credit, inflation, war, recession, war damages (600,000,000 colones), and capital flight (\$200 million).
- Guatemala 70% of Guatemalans live on a subsistence basis outside the economy. There is high unemployment. There is need to reactivate the economy, obtain more international aid, provide more infrastructure in rural areas to facilitate marketing, and carry out basic changes in economic policies to provide better access to international markets.

**Question Six: How do you view foreign investments and transnationals as they affect the workers and campesinos?**

- Panama We need and want investment for modern production; however, foreign investment should be under national controls and directed toward improving our country. Free zones hamper union organization.
- Costa Rica Yes, we need investment but it should be controlled. Workers of transnationals are hard to organize because of reactionary local managers. There should be a transnational code.
- Honduras Past abuses make the labor movement cautious about transnationals. A code of conduct is needed to control their activities.
- El Salvador Transnational companies are hard to organize because they pay salaries above local rates, and contract people only one year at a time. Transnationals control price of agricultural machinery and, therefore, make exorbitant profits. They bleed the working class.
- Guatemala They are needed but should be controlled. Labor laws should be respected. Past history of bribes and corruption must be avoided.

**Question Seven:** Is there a class system which hampers upward mobility, educational opportunities or health facilities? Is the situation improving.

Panama Workers have the opportunity to move up. They have health and educational services. The quality is poor, but they are available. Workers and workers' children are in the Universities. The system works, but must be modernized. We need more vocational training. For example, one-half of the welders on pipelines are foreigners because of the lack of domestic skilled labor.

Costa Rica The society is open, and workers have "pretty good" opportunities. There is no class polarization, but support systems should be improved

Honduras Opportunities are limited. The geographic dispersion of the rural population limits the education and health services which are provided by the Government. There has been little improvement, and Honduras is still largely a closed society controlled by traditional elites. For example, of each 200 students who finish primary school, only 10 go on to secondary school, and only one goes to the university.

El Salvador "Yes. Only the social mobility is downward." Higher education is only available for the poor at the state university, which is closed. The power elite actively represses upward movement by discouraging cooperatives, unions and small business competition. Some rural workers may have more opportunity now with the agrarian reform programs than the urban workers.

Guatemala Yes, there is a class system. The majority have little access to benefits or opportunities. The social structure is stagnant. Rural services are poor. "For a campesino to try to better himself, he has to go the city."

**Question Eight:** What is your view of past international economic assistance programs?

Panama Generally well thought out. Should be more diversification . . . more direct aid to social groups.

Costa Rica Well done. Generally worked well. Roads, schools, health, particularly infrastructure in rural areas, have made contributions.

Only criticism is in social sectors where workers and campesinos have not participated, for example, in housing.

- Honduras Should give first priority to rural dwellers who represent 78% of the population; there should be worker representation in planning and implementation of projects. Results of aid programs have been both good and bad.
- El Salvador Good intentions, but badly administered. "Trickle down" doesn't work. As long as the aid programs go through the government, and do not arrive directly to the poorer classes, they will never work decently.
- Guatemala Aid programs only aid the "power class". They are always channeled through the government. Average worker knows little about them. More should go directly to social and popular organizations. Military and economic assistance should be conditioned on the "opening up" and the development of our society.

**Question Nine:** What are the patterns of ownership of productive land? What are the inequities built into them?

- Panama Agrarian reform is not an acute problem. There are landless peasants but there are still public lands to be distributed. The present agrarian reform program is adequate, though it needs to be further developed and its efficiency improved. Credit and extension services are getting better.
- Costa Rica Land is too concentrated in large holdings. Major part of the land is in private hands but its unjust distribution results in land invasions.
- Honduras Land is too concentrated in large holdings. There are 600 large estates, some as big as 20,000 hectares, which are not producing. The large banana plantations of Standard and United are about 75% productive. Present law erroneously classifies land as "producing" if it is growing forage.
- El Salvador Land is still too concentrated in too few hands. The Phase II program is needed (the redistribution of lands between 500 and 100 hectares).

Guatemala Land is tied up in too few hands. At least 25% of the lands on the large estates are idle.

**Question Ten: Are the campesinos guaranteed the right to organize?**

Panama The right is guaranteed by law.

Costa Rica The right is guaranteed by law.

Honduras Yes, but the right is less than effective.

El Salvador Yes, but in fact there are dangers of physical and economic repression.

Guatemala On paper the right exists, but in reality it is difficult and dangerous. We must use the word "league" because we can't use the word "union". There is no campesino representation in agrarian agencies. The campesinos are politically marginated.

**Question Eleven: How can the labor movements of our two countries use the availability of larger sums of U.S. aid as a lever to effect basic changes in social structure or to guarantee human and trade union rights?**

Panama Form a Workers Bank, stimulate cooperatives enterprises, find foreign (U.S.) markets, modernize production, restructure the educational system, more vocational training; tripartite agreement (business-labor-government) on aid planning and projects. "Lack of development more due to lack of resources than an unjust system".

Costa Rica Not structural changes, but reforms of legislation and administration. Projects should be aimed at improving production. Union participation in planning is needed. Channel aid through popular organizations. Mixed planning commissions should be established. Create worker-owned industries or cooperatives. Form popular foundations to administer programs. Less expensive mortgage money should be made available. Rotating funds for social projects should be established.

Honduras Basic changes should be sought in the land tenancy, military, judicial and political systems through conditioned aid programs and constant consultation with the popular sectors. More training of agronomists, extension agents and rural education is badly needed. Participation

of the popular sector is required not only to insure that the aid programs benefit everyone, but also to avoid corruption.

El Salvador Basic changes are required. Systems don't function for benefit of the majority. A.I.D. programs have to be conditioned on worker participation. Tripartite, yes, no; government and business are natural allies and would overpower worker participation. Workers must be represented "like Kirkland on the Kissinger Commission."

Guatemala A.I.D. programs should go directly to popular groups. Strengthen labor unions to combat abuses. Put in provisions that guarantee union freedoms.



