

INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps. Each original is also photographed in one exposure and is included in reduced form at the back of the book.

Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.

UMI

**A Bell & Howell Information Company
300 North Zeeb Road, Ann Arbor MI 48106-1346 USA
313/761-4700 800/521-0600**

ABSTRACT

Title of dissertation: *LA PLUS ÇA CHANGE: ASSESSING CONTINUITY IN
U.S. FOREIGN POLICY*

Griffin Carl Hathaway, Doctor of Philosophy, 1998

Dissertation directed by: **Professor George Quester**

Department of Government and Politics

Prevailing theories about United States policy toward Latin America presume general policy continuity across U.S. presidential administrations. Traditionally these theoretical exegeses of U.S. policy toward Latin America have emphasized either security or economic concerns as structural determinants of U.S. policy choices. The discourse on U.S. policy toward the region, therefore, remains anchored in a debate over the proper conventional framework to be employed.

This dissertation transcends the debate over the correct frame of reference and instead illuminates the misleading characteristics that both inherently contain. Since both analytic paradigms presume the relevant decision-makers (the state or elite economic classes) to be rational and unitary, both carry an intrinsic assumption of continuity, because both typically ignore internal state dynamics, characteristics and processes in favor of the larger structure of the international state system. Therefore, these analytical frameworks provide no mechanism to account for policy discontinuities from administration to administration.

This is a serious omission in the examination of U.S. policy motivations toward Latin America. The United States is not a unitary actor in the sense that existing theoretical models posit, and policies adopted by various presidential administrations are not as static as these models suggest. There are important distinctions both between successive presidential administrations as well as within each of them.

The most effective way to test this hypothesis is to incorporate a case-study analysis of U.S. policy toward Nicaragua from 1979 until 1990, and will demonstrate multiple examples of policy discontinuity on a single foreign policy issue that stretches across several presidential administrations that – if employing traditional frameworks for analysis – should not be present.

The second element of the dissertation, after having established the presence of policy discontinuity, will ascertain and identify its sources. The work posits that the two explanations for policy discontinuity will be cognitive psychology, buttressed in large measure by bureaucratic politics, and it will demonstrate starkly the relationship between these two explanations and the resultant policy inconstancy.

LA PLUS ÇA CHANGE:
ASSESSING CONTINUITY IN AMERICAN FOREIGN POLICY

by

Griffin Carl Hathaway

Dissertation submitted to the Faculty of the Graduate School of the
University of Maryland at College Park in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy
1998

Advisory Committee:

Professor George Quester, Chair
Professor Ken Conca
Professor Karen Dawisha
Professor William LeoGrande
Professor Keith Olson

UMI Number: 9925803

UMI Microform 9925803
Copyright 1999, by UMI Company. All rights reserved.

**This microform edition is protected against unauthorized
copying under Title 17, United States Code.**

UMI
300 North Zeeb Road
Ann Arbor, MI 48103

©Copyright by
Griffin Carl Hathaway
1998

*This dissertation is dedicated to my parents, Kent and Martha Hathaway,
and to my siblings Stuart and Holt.*

TABLE OF CONTENTS

Chapter I:	Continuity in U.S. Foreign Policy: The United States and Nicaragua, 1979-90.....	1
Chapter II:	Reluctant Accedence: The Carter Administration and Nicaragua, 1979-80.....	54
Chapter III:	Shifting Course: The Reagan Administration and Nicaragua, 1981-82.....	115
Chapter IV:	The Two-Front War: The Reagan Administration and Nicaragua, 1983.....	182
Chapter V:	Policy-Making As <i>Jihad</i> : The Reagan Administration and Nicaragua, 1984.....	231
Chapter VI:	Past As Prelude: The Reagan Administration and Nicaragua, 1985-86.....	281
Chapter VII:	Tug of War: The Reagan Administration and Nicaragua, 1987-88.....	340
Chapter VIII:	Solons Ascendent: The Bush Administration and Nicaragua, 1989-90.....	399
Chapter IX:	Sophistry, Syllogism and Sobriety: The United States and Nicaragua, 1979-90.....	441
Bibliography.....		462

Central America is the most important place in the world for the United States today.

Jeane Kirkpatrick, 1981¹

The level of attention devoted to Central America in the '80s was the product of a special set of circumstances which were absolutely unique and no longer exist.

Elliott Abrams, 1991²

The conspicuous characteristic of United States policy towards Latin America, as the epigraph illustrates, is its traditional oscillation between polar extremes, navigating between invasion and indifference.³ Consequently, theoretical explanations of American⁴ policy behavior toward the region have tended toward one of two approaches: either they examine isolated, temporal incidents such as an invasion

¹Quoted in Roy Gutman, *Banana Diplomacy: The Making of American Policy in Nicaragua 1981-1987* (New York: Simon and Schuster, 1988), 31.

²Quoted in Al Kamen, "Reagan-Era Zeal for Central America Fades," *Washington Post*, 16 October 1991, A17.

³American policy toward its southerly neighbors, one observer noted, could be summed up in three words and two options: "intervention or neglect." See Linda Robinson, *Intervention or Neglect: The United States and Central America Beyond the 1980s* (New York: Council on Foreign Relations Books, 1991).

⁴Although the descriptive term "American" is most appropriately applied to all citizens of the hemisphere, this work asks the indulgence of the reader in limiting its usage to the United States.

(Grenada, the Dominican Republic); or they utilize explanations of international relations theory *writ large* as causal factors of U.S. policy and decision-making.⁵

THE CORE ARGUMENT

It is the contention of this dissertation that neither approach constitutes an adequate framework for analyzing U.S. hemispheric policy insofar as both emphasize policy continuity as a core assumption. In instances of invasion, the nature of the policy-making process too frequently occurs in an overly compressed environment to afford a systemic survey of, or explanation for, American policy in the region. It may explain *how* a decision was reached, but not necessarily *why* the policy was chosen. Additionally, given the condensed time-frame and subject matter in which crises, by their very nature, occur, attempts to use a singular invasion to generate larger applicability for U.S. policy motivation necessarily rely heavily on continuity across presidential administrations.

As for broader, structuralist approaches, traditionally these theoretical exegeses of U.S. policy toward Latin America have emphasized either security (“realism” and “neorealism”) or economic (“dependency” and “world systems”) concerns as structural determinants of U.S. policy choices. The discourse on U.S. policy toward the region, therefore, remains anchored in a debate over the proper conventional framework – realism or neo-Marxism – to be employed.

⁵“Most of them have overtly or implicitly employed a systems perspective as an analytic framework.” See G. Pope Atkins, *Latin America in the International Political System* 3rd ed (Boulder: Westview Press, 1995), 5.

This dissertation transcends the debate over the correct frame of reference and instead illuminates the misleading characteristics that both inherently contain. Since both analytic paradigms presume the relevant decision-makers (the state or elite economic classes) to be rational and unitary, both carry an intrinsic assumption of continuity⁶, because both typically ignore internal state dynamics, characteristics and processes in favor of the larger structure of the international state system.

Moreover, both attempt to explain U.S. policy choices as dictated by, and enacted for, the national interest of the United States. While their competing tenets — security or economics — retain important differences, their common emphasis on the ‘national interest’ likewise suggests strong currents of policy continuity across presidential administrations. For either paradigm, the United States, following Lord Palmerston’s maxim, has permanent interests that are shared by policy-makers and that are reflected in policy decisions that may experience slight tactical variance but will not – and cannot – fluctuate significantly contingent on Oval Office occupancy.⁷

Theories arguing that leaders act in the national interest are not always heuristically helpful, as one critique has argued. “That national interest is a necessary criterion of policy is obvious and unilluminating. No statesman, no publicist, no scholar would seriously argue that foreign policy ought to be conducted in opposition to, or in

⁶Continuity here is defined as a quality or state of uninterrupted continuance without essential or significant change. Discontinuity, therefore, would be significant change or alteration of that state or quality.

⁷“We have no eternal allies and we have no perpetual enemies,” Lord Palmerston told the House of Commons on 1 March 1848. “Our interests are eternal and perpetual, and those interests it is our duty to follow.”

disregard of, the national interest.”⁸ In addition, such approaches may be illusive, insofar as by emphasizing broad continuity, they discount the possibility of policy inconstancy and reduce potential examples to mere variances (tactics) that are insignificant and trivial.

This dissertation challenges that assumption by proving that policy variances are not really ‘distinctions-without-differences’ at all, but in fact represent examples of fundamental policy discontinuity. Specifically, this dissertation will demonstrate multiple examples of policy discontinuity on a single foreign policy issue that stretches across several presidential administrations that – if employing either realist or neo-Marxist frameworks for analysis – should not be present.

The second element of the dissertation, after having established the presence of policy discontinuity, will ascertain and identify its sources. The work posits that the two explanations for the presence of policy discontinuity will be cognitive psychology, buttressed in large measure by bureaucratic politics, and it will demonstrate starkly the relationship between these two explanations and the resultant policy inconstancy.

It is the contention of this work that state leaders and policy-makers across presidential administrations harbor interpretations of what meets the national interest so incongruous as to transcend mere tactical diversity and constitute fundamental policy discontinuity – something for which conventional continuity theories cannot and do not account. At specific issue here, this dissertation will demonstrate that successive presidential administrations – those of Jimmy Carter, Ronald Reagan, and George Bush

⁸Thomas Cook and Malcolm Moos, “The American Idea of International Interest,” American Political Science Review 97 (March 1953): 28.

– reached significantly dichotomous interpretations as to whether the continued existence of a particular regime did or did not pose a(n) (un)acceptable challenge to the national and regional interests of the United States.

The origins for such contradictory interpretations of whether a specific regime is either acceptable or unacceptable to the United States are, this dissertation argues, found in two explanations of the foreign policy decision-making process: cognitive psychology and bureaucratic politics. The former accounts for the discontinuity between the Carter, Reagan and Bush administrations, while the latter plays a subordinate yet important role in developing the policy inconsistency between the Reagan and Bush administrations.

To accomplish these concurrent tasks, the dissertation tests the assumptive validity of core continuity in U.S. policy-making as predicted by conventional theories of international relations by employing a case-study methodology involving American responses to revolutionary regime change in Latin America. The region is ideal for such testing, insofar as it more than any other starkly demonstrates the clash between U.S. ideals and U.S. security and economic interests; it reveals the widest gap between an American commitment to democratic principle and its application of power. Though these interests are not mutually exclusive, U.S. policy-makers have in Latin America often felt impelled to choose one or the other.⁹

⁹See Robert A. Pastor, *Condemned to Repetition: The United States and Nicaragua* (Princeton: Princeton University Press, 1988), xii; and Harold Molineu, *U.S. Policy Toward Latin America: From Regionalism to Globalism* (Boulder: Westview Press, 1990), 117.

Heretofore, historical interpretations of U.S. hemispheric policy have presumed and predicted great continuity in the choices and decisions made by U.S. policy-makers. “[I]n the main,” as Michael Kryzanek writes, “this country has been the model of consistency in dealing with Latin America.”¹⁰ G. Pope Atkins adds that “from the beginning of U.S.-Latin American relations in the early nineteenth century to the late 1980s, at a fundamental level U.S. policy was consistent and continuous.”¹¹ “Since approximately the turn of the century,” Howard Wiarda summates,

the interests of the United States in Latin America — especially in the Caribbean basin — have been almost constant. It has not mattered a great deal, except in terms of emphases and nuance, which administration was in power. The fact is there has been remarkable consistency in the bedrocks of United States policy toward the area over the past eighty years. These historical continuities of policy are perhaps as strongly present even now as they were nearly a century ago.”¹²

This dissertation does not challenge the larger verity of this historical view, but it does challenge its theoretical utility. The United States has viewed radical and revolutionary regime change in Latin America with more concern and trepidation than in any other area of the world. The tremors of revolutionary change in this region are felt more intensely in the U.S. than changes in other regions in large measure because American economic interests tend to be much larger and security concerns more anxiously perceived than elsewhere in the world. It is during times of revolutionary

¹⁰Michael J. Kryzanek, *U.S.-Latin American Relations* (New York: Praeger Press, 1985), xv.

¹¹Atkins, *Latin America in the International Political System*, 107.

¹²Howard Wiarda, *In Search of Policy: The United States and Latin America* (Washington, D.C.: American Enterprise Institute, 1984), 24.

regime transformation that this choice between principle or power in U.S. foreign policy is most prominently accentuated, since it is at this time that policy-makers must make calculated decisions about the likely impact of the revolutionary regime upon American security and economic interests. Practically speaking, regime change provides a fruitful test for continuity, insofar as it reduces state objectives to their lowest common denominator: accommodation or removal, or in implementary terms, containment or rollback.¹³

Consequently, therefore, theoretical explanations stressing either economic or security motivations for U.S. policy should be at their strongest and most transparent whenever Washington confronts radical revolutionary regime change in Latin America. Hence the best way to test the soundness of international relations theory explanations of U.S. policy behavior toward Latin America is to examine a case study in which security and economic interests appeared threatened. If successive presidential administrations symmetrically strive for the removal of the regime, then one has continuity in policy, and rational actor models of foreign policy (realism or radicalism¹⁴) analysis may be the most appropriate paradigms of analysis. If, conversely, the policies

¹³Cole Blasier notes that in the aftermath of a successful revolution, the United States faces the choice of either cooperation or conflict with the new regime. In the process of selecting the appropriate response, Washington answers two critical questions. Firstly, is it possible to achieve a *modus vivendi* with the new regime regarding conflicting interests? Secondly, is the revolutionary government likely to further challenge U.S. influence by aligning with a rival power? See Blasier, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America, 1910-1985* rev. ed. (Pittsburgh: University of Pittsburgh Press, 1985), 216.

¹⁴Though the term "radicalist" connotes a constellation of non-realist, non-pluralist explanations for international state behavior, this work employs the economic, neo-Marxist model.

either across or within administrations oscillate between accommodation and removal, then one has discontinuity, and must then identify the causal factors involved.

THE TEST CASE

Despite the general serenity that realist and radicalist analytic models assume for policy-making in the national interest, this dissertation posits a far more cacophonous procedure. As Jerel Rosati has observed,

the making of U.S. foreign policy is a complex process. It is also a messy process, for the variety of individuals and institutions that affect U.S. foreign policy do not stand still, but constantly interact and impact on one another.¹⁵

This degree, scope and frequency of interactive influence on American foreign policy decision-making, therefore, strongly suggests the probable (if not inevitable) occurrence of policy inconstancy not only across multiple presidential administrations, but even within them.

On a regional application, despite the general concern exhibited by Washington toward revolutionary change in Latin America, the historical record suggests that actual U.S. policies in specific regime-change cases have been far from uniform or consistent as traditional models would presume. In some cases the United States attempted to work with the new regime, believing that establishing a constructive relationship was both possible and likely to moderate its more extreme elements and mitigate against the pursuit of more radical policy alternatives and alignments.¹⁶

¹⁵Jerel A. Rosati, *The Politics of U.S. Foreign Policy* (Fort Worth: Harcourt, Brace, Jovanovich, 1993), 3.

¹⁶Consider the Truman administration and Juan José Arévalo Bermejo (1944-50)
(continued...)

At other times, conversely, the United States reacted forcefully and coercively toward regime change, concluding that the revolutionary regime posed unacceptable and implacable threats to American interests. As a result, U.S. policy reflected the belief that neither constructive relations nor accommodative approaches were likely to be efficacious, and so it sought to compel regime compliance through military and economic force or eliminate the regime altogether.¹⁷

The work will focus on United States policy toward Nicaragua from 1979 until 1990. A Central American country no bigger than the state of Massachusetts, Nicaragua nonetheless induced a vexation remarkably disproportionate to its size. Former Secretary of State Jim Baker referred to it simply as “our country’s Vietnam of the 1980s.”¹⁸ Debate over the issue oscillated from acrimony to puerility, with political discourse often conducted at the level of bumper stickers touting “Nicaragua” and “El Salvador” as symbolic Spanish either for Vietnam or Afghanistan, depending on one’s point of view.

The nadir was a visceral redux of McCarthyism in which one’s position on contra aid, in the words of a senior Reagan administration official, “would reveal whether [one] stands with Ronald Reagan and the resistance – or Daniel Ortega and the

¹⁶(...continued)
in Guatemala; the Eisenhower administration and Víctor Paz Estenssoro in Bolivia (1952-56) and the Nixon administration and General Juan Velasco Alvarado (1968-75) in Peru.

¹⁷Consider the Truman and Eisenhower administrations and Jacobo Arbenz Guzmán in Guatemala (1950-54), and the Nixon administration and Salvador Allende Gossens in Chile (1970-73).

¹⁸James A. Baker, III, *The Politics of Diplomacy: Revolution, War and Peace, 1989-1992* (New York: G. P. Putnam’s Sons, 1995), 48.

Communists.” Opposition to contra aid meant “becom[ing], with Moscow, the co-guarantor of the Brezhnev Doctrine in Central America.”¹⁹ President Ronald Reagan himself proved susceptible to such baiting, insisting that opponents of his Central American policies “were in effect furthering Moscow’s agenda in Latin America.”²⁰ “If you’re not for the contras, you’re for communism,” he warned a delegation of Senators visiting the White House. “The enemy is Managua.”²¹

“This has been,” as Speaker of the House Jim Wright ruefully commented to President-elect George Bush in November 1988, “the most implacable issue of the last eight years, also the most politically polarizing and personally divisive question on the entire agenda.”²² The vitriolic and occasionally irrational polemics that framed the

¹⁹Patrick J. Buchanan, “The Contras Need Our Help,” *Washington Post*, 5 March 1986, A19. At the time, Buchanan was White House Director of Communications.

²⁰Ronald Reagan, *An American Life* (New York: Simon and Schuster, 1990), 478. In his memoirs, Reagan bitterly complained of eight years of “frustration” and “downright exasperation over my difficulties in convincing the American people and Congress of the seriousness of the threat in Central America.” See *ibid.*, 479.

²¹Quoted in Donald T. Regan, *For the Record: From Wall Street to Washington* (New York: Simon and Schuster, 1988), 54.

²²Jim Wright, *Worth It All: My War For Peace* (Washington, D.C.: Brassey’s, 1993), 219. See also Baker, *Politics of Diplomacy*, 47-8. Though generally acrimonious, the discourse was not entirely devoid of humor. One political satirist wondered whether Nicaragua was “a Bulgaria with marimba bands or just a misunderstood Massachusetts with Cuban military advisers.” See P. J. O’Rourke, “Sightseeing in Sandinistland,” *Rolling Stone*, no. 514 (3 December 1987): 37.

Another amusing anecdote concerned CIA director William Casey’s inability to pronounce Nicaragua correctly (he would consistently stammer “Nicawawa”). After the DCI repeatedly flubbed the name during testimony, one committee member proposed that “we don’t approve plans to overthrow the government of any country that Casey can’t pronounce.” See Joseph E. Persico, *Casey: From the OSS to the CIA* (New York: Viking Press, 1990), 275.

policy discourse grew so fierce that one former U.S. diplomat likened it to a mass outbreak of lycanthropy.²³

Despite the struggles over U.S. policy toward Nicaragua, both realist and radicalist explanations for the policy in this time frame presume general continuity between and among the various American presidential administrations involved – those of Jimmy Carter, Ronald Reagan, and George Bush. Both conventional models attempt to explain United States policy toward revolutionary regimes such as Nicaragua as essentially a function of what these regimes do. Presumably, therefore, if two different regimes that carry roughly the same level of interest to the United States were to behave in the same way, they would elicit similar if not exactly the same U.S. policy responses. This focus on Nicaragua allows for a valid test-analysis for several reasons: firstly, the time frame is sufficiently long to qualify as “strategic policy” — long-term policies “designed to assert and implement the basic...foreign policy stance of the United States toward other nations.”²⁴ Strategic policy, therefore, should highlight the core goals and tactics of the U.S. toward Nicaragua from 1979 until 1990, which would allow for any policy distinctions, variations and discontinuities that may be present to be clearly discernable and researchable.

²³Wayne S. Smith, Chief of the U.S. Interests Section in Cuba from 1978-1982, remarked that “Nicaragua exercised the same influence on American foreign policy as the full moon does on werewolves.” Interview by the author, 10 June 1991, Washington, D.C.

²⁴Randall B. Ripley and Grace A. Franklin, *Congress, the Bureaucracy and Public Policy* 5th ed. (Pacific Grove, CA: Brooks/Cole, 1991), 23-4. See also James M. Lindsay and Randall B. Ripley, “How Congress Influences Foreign and Defense Policy,” in *Congress Resurgent: Foreign and Defense Policy on Capitol Hill* ed. *ibid.*, (Ann Arbor: University of Michigan Press, 1993).

Secondly, the work covers three distinct presidential administrations of different political parties of competing and contradictory ideologies that confronted the largely analogous issue of Nicaragua. This will further reveal any policy discontinuities that may be present, or will corroborate the existing theories by demonstrating institutional and bipartisan continuity through shared interpretations of what policy the national interest dictates.

Thirdly, the single-case study approach is useful for two reasons: one, it minimizes the number of alternative sources for potential policy discontinuity because one deals with a single object of inquiry. Two, moreover, Nicaragua's Sandinista government remained essentially static and unchanged throughout the time frame of the inquiry, such that there was little variance in the threat level posed to U.S. interests. The nine-member ruling directorate of the Sandinista party when the FSLN entered Managua on 19 July 1979 remained unchanged throughout the entire course of Sandinista rule in Nicaragua. Additionally, the dynamic of power within the directorate also remained largely unchanged, as Daniel Ortega Saaverda served as its unofficial head from beginning to end. Presumably, therefore, the threatening or nonthreatening behavior of the regime as judged by the United States would remain roughly the same regardless of the Oval Office occupant, each of whom faced the same fundamental choice of accepting or removing the Sandinista-led government.

Fourthly, the general level of attention from significant policy actors focused on U.S. policy toward Nicaragua remained extraordinarily high from the victory of the revolution in July 1979 until the electoral defeat of the Sandinistas in February 1990. Executive agencies, department heads, both chambers of Congress and public opinion

all expended enormous energy and effort across the three administrations in attempts to exert influence over the course and conduct of U.S. policy toward Nicaragua. This point will allow for further analysis of various competing factions and institutions for input into the decision-making process. This is helpful to the analysis for two reasons: firstly, it will highlight the sources of policy continuity or discontinuity both within and between successive presidential administrations. Secondly, if policy discontinuity is discovered, the sources of and for such inconstancy may be examined and identified as such.

Fifthly, the issue is, in judicial terms, 'ripe' for analysis. "One of the striking characteristics of post-World War II [U.S.] foreign policy," two political scientists note,

is the extent to which persistence and continuity have been its hallmarks. Although eight different presidents have occupied the Oval Office during this period, the defining characteristics of foreign policy...have proven to be remarkably resilient....new decision-makers act like and reach the same kinds of decisions as their predecessors. Although changes in personnel often produce changes in style, rhetoric and tactics, we should not mistake these surface changes for fundamental changes in values and images which give rise to new foreign policy goals, objectives and strategies.²⁵

In a regional context, moreover, most scholarly treatment of U.S. relations with Latin America reflects either of the two dominant paradigms of analysis; hence they posit policy continuity. Writing from the neo-Marxist radicalist perspective, Morris Morley argues that "the argument for a sharp break between the 'soft' Carterities and the 'hard' Reaganites is...blurred" and that "the continuities and overlapping approaches

²⁵Charles W. Kegley and Eugene Wittkopf, *American Foreign Policy: Pattern and Process* 2nd ed. (New York: St. Martin's Press, 1982), 528, 530.

[of Carter and Reagan]...suggest a much less fundamental shift in policy took place after January 1981.”²⁶

Emphasizing a realist-oriented security approach, and stressing their common “antagoni[sm] toward the new Nicaraguan regime,” G. Pope Atkins notes that “the thrust of policy and rhetoric [between Carter and Reagan] remained the same: the United States was unwilling to accept a Marxist government in Nicaragua.”²⁷ This view is seconded by former Director of Central Intelligence Robert Gates, who saw “great continuity” between the Carter and Reagan administrations regarding Central America.²⁸ “The Reagan administration’s reading of the situation in Central America had much in common with that of Jimmy Carter’s national security team....two very different administrations saw the situation, and the dangers of Soviet and especially Cuban meddling, pretty much the same,” he concluded.²⁹ From Reagan to Bush, Howard Wiarda writes that “continuity rather than change was anticipated to be the hallmark of the Bush administration.”³⁰

²⁶Morris Morley, *Washington, Somoza, and the Sandinistas: State and Regime in U.S. Policy Toward Nicaragua, 1969-1981* (Cambridge: Cambridge University Press, 1994), 312.

²⁷Atkins, *Latin America in the International Political System*, 319-20.

²⁸Robert M. Gates, *From the Shadows* (New York: Simon and Schuster, 1996), 177-9, 557-8.

²⁹*Ibid.*, 297.

³⁰Howard Wiarda, “From Reagan to Bush: Continuity and Change in U.S.-Latin America Policy,” in *United States Policy in Latin America: A Decade of Crisis and Challenge* ed. John D. Martz (Lincoln: University of Nebraska Press, 1995), 26.

These works predict policy consistency in the strategic objectives of the three administrations regarding Nicaragua. Tactical differences, such as there were, possess little significance in policy-makers' decision-making, because they are not seen as meaningfully altering the broader and commonly-shared strategic objectives. In utilizing standard theories of international relations behavior this field of literature intrinsically presumes policy continuity across presidential administrations. Whether motivated by reasons of security, hegemony, or economic imperialism — and irrespective of domestic factors — United States policy toward Latin America remains steadfast in its pursuit of the national interest across and within presidential administrations.

The second camp agrees that presidents and other foreign policy actors share fundamental objectives in Latin America, but argues that this is uninformative and risks missing critical areas of tactical differences that lead to policy discontinuity. The contributions in this camp, however, do not by-and-large subject this assertion of policy discontinuity to rigorous scholarly examination. There are pockets within this second camp that analyze segments of U.S. Nicaragua policy-making for a particular administration and suggest causal factors for that specific policy. While these works reflect strong contributions to the literature of U.S.-Latin American policy-making, none heuristically tests United States policy toward Sandinista-led Nicaragua from revolutionary inception to electoral defeat against the framework of standard assumptions for policy motivation.

Many scholars have focused on the legislative-executive wars over Nicaragua policy with exhaustive detail yet proffer a limited framework with which to analyze the

data. Cynthia Arnson provides the most thorough examination of these institutional skirmishes – she is one of the few to trace policy-making from Carter through Bush – but her concentration on the political tug-of-war between the White House and Capitol Hill eclipses alternative explanations for policy discontinuity. “Even before Ronald Reagan took office, essential threads of his policy were put in place by Carter,” Arnson observed. “It would be a mistake, however, to exaggerate the continuity between the two administrations.”³¹

Works from Robert Pastor and William LeoGrande similarly stress policy inconstancy between the Carter, Reagan and Bush administrations without rigorously investigating causes for it. While indicating that “U.S. policy [toward Nicaragua] is not so neatly divided between the Carter and Reagan administrations as some might think,” political scientist and former NSC official Robert Pastor avers that “the differences between the two [presidencies]...dwarfed the similarities.”³²

Though seeking “the same fundamental objective,” LeoGrande writes, “the differences between Jimmy Carter’s and Ronald Reagan’s policies in Central America

³¹Cynthia J. Arnson, *Crossroads: Congress, the President and Central America, 1976-1993* 2nd ed. (University Park: Pennsylvania State University Press, 1993), 51. Robert Kagan also addresses the totality of U.S. policy toward Sandinista Nicaragua, but does not provide a theoretical component. See Kagan, *A Twilight Struggle: American Power and Nicaragua, 1977-1990* (New York: The Free Press, 1996).

³²Pastor, *Condemned to Repetition*, 191-2. In subsequent works Pastor alludes to “interbranch politics” as a source for policy discontinuity. See Pastor, *Whirlpool: U.S. Foreign Policy Toward Latin America and the Caribbean* (Princeton: Princeton University Press, 1992), 104-17; and *ibid.*, “Disagreeing on Latin America: The Balance of Interbranch Power—Cyclical, Secular or Similar?,” in *The President, The Congress and The Making of Foreign Policy* ed. Paul E. Peterson (Norman: University of Oklahoma Press, 1994), 204-27.

were as sharp as any in the recent history of U.S.-Latin American relations.”³³

Likewise, “the differences between the Bush and Reagan policies towards Nicaragua were subtle, but real.”³⁴ Though he argued for continuity between Carter and Reagan, G. Pope Atkins adds that Bush “in effect repudiated the basic tenets of the Reagan policies, in which Bush as vice-president had played an active part”, but does not pursue its sources.³⁵ Others likewise detect a shift in policy but do not investigate further.³⁶

Conversely, perceptual factors comprise the core of Martha Cottam’s contributions, though at the expense of institutional or bureaucratic sources of discontinuity.³⁷ Works by Atkins, Cole Blasier and Lars Schoultz allude similarly to

³³William M. LeoGrande, et al., “Grappling with Central America: From Carter to Reagan,” in *Confronting Revolution: Security Through Diplomacy in Central America* ed. Morris Blachman, William M. LeoGrande and Kenneth Sharpe (New York: Pantheon Books, 1986), 325. See also LeoGrande, *Our Own Backyard: The United States and Central America, 1977-1993* (Chapel Hill: University of North Carolina Press, 1998).

³⁴LeoGrande emphasizes, however, that this “did not mean that his [Bush’s] goals differed fundamentally from Reagan’s.” See LeoGrande, “From Reagan to Bush: The Transition in U.S. Policy Towards Central America,” *Latin American Studies* 22, no. 3 (October 1990): 599, 620. See also Philip Brenner and William M. LeoGrande, “Congress and Nicaragua: The Limits of Alternative Policy-Making,” in *Divided Democracy: Cooperation and Conflict Between the President and Congress* ed. James A. Thurber (Washington, D.C.: Congressional Quarterly Press, 1991), 219-53.

³⁵Atkins, *Latin America in the International Political System*, 130.

³⁶Pastor argued for “a subtle but real shift in Latin America policy” between the Reagan and Bush administrations, the cause for which he identifies as “pragmatism.” See Pastor, “George Bush and Latin America: The Pragmatic Style and the Regionalist Option,” in *Eagle in a New World: American Grand Strategy in the Post-Cold War Era* ed. Kenneth A. Oye, Robert J. Leiber, and Donald Rothchild (New York: HarperCollins Publishers, 1992), 368.

³⁷Martha L. Cottam, *Images and Intervention: U.S. Policies in Latin America* (Pittsburgh: University of Pittsburgh Press, 1994); and *ibid.*, “The Carter Administration’s Policy toward Nicaragua: Images, Goals and Tactics,” *Political*

(continued...)

psychological sources for policy inconstancy, but do not explore this claim further.³⁸ Anthony Lake argues that policy discontinuity stems from “conflicting concepts” of radical regime change and its implications for U.S. interests: “regionalists” support containment through accommodation, while “globalists” argue for elimination through aggression.³⁹ This interpretation is shared by Harold Molineu, who observes “a recurring struggle between the regionalist perspective and a globalist one” within U.S. policy-making toward Latin America.⁴⁰ Both studies, however, neglect to examine the role of bureaucratic agents and other influences external to the globalist-regionalist outlook.

Works from Roy Gutman, Bob Woodward, Stephen Kinzer, Shirley Christian and others represent valuable sources of information, but are academically circumscribed given their journalistic style and nature.⁴¹

³⁷(...continued)
Science Quarterly 107, no. 1 (1992): 123-46.

³⁸Atkins notes that U.S. policy “fluctuated with perceptions of foreign threats”, which may account for “shifting U.S. policy approaches.” See Atkins, *Latin America in the International Political System*, 108. Schoultz opines that U.S. policy toward Latin America “is not [based] upon geostrategic facts but upon policy-makers’ beliefs.” See Lars Schoultz, *National Security and United States Policy Toward Latin America* (Princeton: Princeton University Press, 1987), xv. Also see Blasier, *The Hovering Giant*, 291-2.

³⁹Anthony Lake, *Third World Radical Regimes: U.S. Policy Under Carter and Reagan* (New York: Foreign Policy Association, 1985), 5.

⁴⁰Molineu, *U.S. Policy Toward Latin America*, 256.

⁴¹Gutman, *Banana Diplomacy*; Bob Woodward, *Veil: The Secret Wars of the CIA 1981-1987* (New York: Simon and Schuster, 1987); Stephen Kinzer, *Blood of Brothers: Life and War in Nicaragua* (New York: G. P. Putnam’s Sons, 1991); Shirley Christian, *Nicaragua: Revolution in the Family* (New York: Random House, (continued...))

METHODOLOGICALLY TESTING FOR CONTINUITY

A state's policy may be defined as the aggregation of its interests, its objectives, and the multiple tools utilized in pursuit of those interests and objectives. *Foreign policy* would then refer to the goals that a state's leadership seeks to attain abroad, the values that give rise to those objectives, and the means to pursue them; in short, "the external goals for which a nation is prepared to commit its resources."⁴² As such, foreign policy tools would involve levels and offers of direct economic assistance; official encouragement of U.S. and international private investment; support for the revolutionary regime's applications for international loans and financial assistance; levels and offers of military assistance both to the regime itself as well as to internal and external opponents; U.S. treatment of members of the regime's domestic opposition and responses to opposition demands; the degree of relevance and influence of various U.S. institutions involved in the decision-making process; and diplomatic resolution of disputes between the United States and the revolutionary regime.

In terms of process, foreign policy reflects "a complex and often time-consuming series of steps by which officials in the executive and legislative branches formulate external goals or objectives and decide upon the most appropriate means for

⁴¹(...continued)

1985); Christopher Dickey, *With the Contras: A Reporter in the Wilds of Nicaragua* (New York: Simon and Schuster, 1987); and Sam Dillon, *Comandos: The CIA and Nicaragua's Contra Rebels* (New York: Henry Holt, 1991).

⁴²Cecil V. Crabb, Jr., and Pat M. Holt, *Invitation to Struggle: Congress, the President and Foreign Policy* 4th ed. (Washington, D.C.: Congressional Quarterly Press, 1992), 6.

reaching them.”⁴³ If prevailing international-relations explanations, either realist or radicalist, are correct in their assumptions of the rational, unitary actor, then one should see a great deal of policy continuity in relation to the above tools in the Carter, Reagan and Bush administrations. Each presidency would share and reflect a collective understanding of the national interest at stake in Nicaragua and what policy approaches the national interest dictates. Hence the United States would act in predictable ways that do not meaningfully diverge from that commonly-held objective. Economic assistance, for example, would either be offered or denied to the revolutionary regime; and diplomatic resolution of disputes would either be pursued or avoided, depending on the constant interpretation of what best served the national interest. Levels, types, and degrees of assistance to internal and external opposition forces would also remain fundamentally constant and unchanged provided the regime did not alter its threat level to the United States.

If, on the other hand, careful analysis of the presidential administrations and their policies toward Nicaragua were to reveal significant and meaningful discontinuity in terms of policy objectives and the means used to achieve them; in other words, if it can be shown that United States policy toward a particular revolutionary regime that remained essentially unchanged in fact varied significantly from presidential administration to administration, then an important contribution to the study of American foreign policy will have been established. For example, differences across administrations in the extension of assistance to internal and external opposition forces

⁴³Ibid., 7.

– such as military aid and weapons – would provide strong evidence that different administrations held inconstant views as to the acceptability of the continued existence of that regime. Additionally, the pursuit of negotiated settlements of disputes between the U.S. and the revolutionary regime would suggest an American acceptance of the permanence and implicit legitimacy of that regime, while an abandonment of diplomacy would strongly imply an unwillingness to accept the continued existence of the revolutionary government.

By demonstrating that prevailing theoretical explanations of such policy lack emphasis on policy discontinuity, scholars will be able to better understand the motivations of how and why the United States acts in the ways that it does toward Latin American revolutionary regimes. If this is the case, then alternative explanations for these policy divergences must be sought.

In determining not only policy discontinuity but also its source of cognitive psychology, the research methodology concentrated heavily on primary sources. Personal interviews with policy-makers and relevant executive branch officials from the Carter, Reagan and Bush administrations, as well as officials and actors from the Congress and the ambassadorial corps were an obvious and immediate source of information. This research technique, while valuable, also carries limitations. Access to policy-makers remains an evident problem, and reliance upon personal interviews alone runs the considerable risk of skewed information, insofar as the information would come only from those officials willing to talk.

Thus the research did not limit itself to personal interviews alone, but cast a much wider net to include interviews conducted by the press and other authors; written

and oral remarks in the *Congressional Record* and the *Weekly Compilation of Presidential Documents*; written works and public speeches by policy-makers; and hearings before Congress in which policy-makers answered questions and exchanged views.

Additionally, the research conducted a thorough analysis of declassified official documents from the agencies and institutions involved in the decision-making process. These documents included Department of State cables, embassy memoranda, intelligence reports, briefing papers, presidential findings and Congressional reports. The executive branch institutions covered include the Departments of Defense, State and Treasury, the National Security Council, the Central Intelligence Agency, the Defense Intelligence Agency, the White House, and the U.S. embassies in Nicaragua, El Salvador, Honduras, Guatemala and Costa Rica.

Within Congress, the committees on foreign relations, defense affairs, intelligence, appropriations and the subcommittees on Latin America and hemispheric affairs from both chambers were researched, as well as information provided during the Iran-contra hearings. The multi-volume compendium *Report of the Congressional Committees Investigating the Iran-Contra Affair* was especially informative and contains thousands of pages of declassified documents, depositions and testimony. Moreover, the Office of the Independent Counsel and the official findings of the Walsh and Tower Commissions that investigated and issued detailed reports on the Iran-contra affair also provided a fruitful source of internal, declassified information on U.S. policy-making.

The literature of secondary research is vast and growing, and offers memoirs from former high-ranking officials and decision-makers in the Carter, Reagan and Bush administrations active in Nicaragua policy-making. In addition, given the intensity of the issue, there are several scholarly books, journal articles and newspaper accounts of U.S. policy toward Nicaragua during the 1979-1990 time period. Although secondary in nature, newspaper articles remained a critical venue for policy debates within presidential administrations over the issue of Nicaragua, particularly for the Reagan presidency. Competing factions within the Reagan administration frequently used newspapers to advance their respective and conflictive agendas. Both factions engaged in an intense frequency of leaks that – while each was inherently subjective – nonetheless taken as a whole afford valuable insights into presidential decision-making processes.

INADEQUACIES OF REALIST AND RADICALIST MODELS

As noted above, much of the theoretical literature concerning U.S. policy toward Latin America has tended to utilize prevailing schools of international relations theory; the two dominant schools of thought employed for explanation being realism and neo-Marxist radicalism. This dissertation suggests that applications of either model in analyzing American policy will prove inadequate because of the intrinsic assumptions about rationality, national interest and the unitary state that both concepts possess. An expanded explanation follows.

Realism: Realist explanations focus on power as the driving force of international behavior. The analytic unit is the state; national security is the paramount issue of concern; and the state is seen as both unitary and rational. The unitary

condition assumes that the state is integrated and speaks with one voice on foreign policy matters; indeed, the state has only one policy at any given time on a particular issue. To the extent that internal differences exist among policy-making actors, they are presumed to be resolved in advance of state action. As a behavioral dynamic, the state considers actions and make choices as a single entity; it identifies its interests and ranks them in terms of value and priority; it makes cost-benefit analyses that calculate the likely costs and potential benefits of a particular policy action. The state sets goals and then considers feasible alternatives to achieve these goals given existing capabilities; it assesses the relative likelihood of attaining these objectives through various alternatives under consideration; and it appraises the costs/benefits associated with each. In evaluating each alternative, the state selects the policy that maximizes utility (maximizes benefit or minimizes cost), which meets with universal internal approval. In short, it assumes “a discernable congruence between ends and means, between national goals and the strategy to achieve them.”⁴⁴

This congruence, under realism, would extend both vertically and horizontally within and across presidential administrations. Presidents would be expected to pursue roughly identical policies regardless of party affiliation; and foreign policy actors would likewise harmonize policy advocacies irrespective of institutional competition. Indeed, partisan differences and bureaucratic ambition play no meaningful role in realism, as all actors are presumed to share a fundamental appreciation of the national interest and

⁴⁴Harold Molineu, “Making Policy for Latin America: Process and Explanation,” in *U.S.-Latin American Policy-making* ed. David W. Dent (Westport, CT: Greenwood Press, 1995), 222.

agreement on the means to achieve it. Instead, “it is the external dynamics of the international system, a game where power is the only important currency, that determines U.S. policy decisions.”⁴⁵

Several works on U.S. policy toward Latin America reflect this belief.⁴⁶ “If one wants to study the core of United States policy toward Latin America,” as Lars Schoultz avers, “one studies security.... This basic causal linkage – instability in Latin America causes a threat to United States security -- is the cognitive bedrock of United States policy toward Latin America.”⁴⁷ The American quest for hemispheric security, this argument goes, predates the Cold War: its roots are clearly discernable in the Monroe Doctrine of 1823, the Roosevelt Corollary of 1904, the Lodge Corollary of 1912, and in the rationale for dozens of overt and covert U.S. military interventions in the Western hemisphere. “The historical record,” G. Pope Atkins writes, “suggests...that security against foreign threats transcended other considerations....[U.S. policy was] almost always calculated in terms of security.”⁴⁸ “Since the nineteenth century,” the authors of a seminal work on U.S. national security add, “the primary interest of the United States

⁴⁵Ibid., 223.

⁴⁶See, for example, Atkins, *Latin America in the International Political System*; Schoultz, *National Security and United States Policy Toward Latin America*; Samuel Bemis, *The Latin American Policy of the United States* (New York: Harcourt, Brace, 1943); J. Lloyd Mecham, *A Survey of U.S.-Latin American Relations* (Boston: Houghton-Mifflin, 1965); and Margaret Hayes, *Latin America and the U.S. National Interest* (Boulder: Westview Press, 1984).

⁴⁷Schoultz, *National Security and United States Policy toward Latin America*, xi, 38.

⁴⁸Atkins, *Latin America in the International Political System*, 107-8.

in Latin America has been to have the area be a peaceful, secure southern flank.”⁴⁹

Edward Luttwak further observed that “the realism of [U.S.] political and policy perceptions” as well as “the strategic interests of the United States” were challenged in Central America during the 1980s.⁵⁰

While realist views of U.S. policy toward Latin America might explain the policies of a particular administration, they appear conceptually insufficient when applied in a broader framework of analysis that involves multiple presidential administrations grappling with the same or similar issues. Failing to consider relevant the often chaotic, cacophonous, and muddled process that typifies foreign policy decision-making and the requisite compromises that result, realism is forced to rely on assumptions of continuity and convergence of interests, ideas and ideologies both within and across presidential administrations — as well as other institutions and actors. If, as Atkins writes, “U.S. policy-makers...almost always formulate policies in terms of the perceived realities of national interest and security”⁵¹, then one must expect policy continuity toward Nicaragua from Presidents Carter, Reagan and Bush. The contention of this work is that realist explanations are inadequate to explain the policies of the

⁴⁹Amos Jordan and William Taylor, Jr., *American National Security: Policy and Process* (Baltimore: The Johns Hopkins University Press, 1981), 436.

⁵⁰Edward N. Luttwak, “The Nature of the Crisis,” in *Central America and the Western Alliance* ed. Joseph Cirincione (New York: Holmes and Meier, 1985), 71. Former Carter NSC chair Zbigniew Brzezinski writes of “a strategic calamity” for the United States and a “genuine strategic triumph” for the USSR in Central America. See Brzezinski, “Strategic Implications of the Central American Crisis,” in *ibid.*, 106.

⁵¹Atkins, *Latin America in the International Political System*, 340.

presidential administrations regarding Sandinista-led Nicaragua given their innate expectations of broad policy continuity marked by irrelevant tactical distinctions.

Neorealism: A variation on the realist theme — neorealism or structural realism — has likewise been used to explain U.S. policy toward Latin America. Neorealism codifies many of core assumptions that realism holds true: that states are the primary actor in international relations operating on the basis of self-help, pursuing power as a necessary means for survival. State behavior is determined primarily by the nature of the international system, in particular the system's distribution of power.⁵² Neorealist explanations, however, do vary in their values and emphases. For Piero Gleijeses, the United States acts in Latin America out of "imperial hubris" in its quest for "*pax americana*."⁵³ Guy Poitras sees Washington acting to preserve the "credibility of its hegemony" in the hemisphere,⁵⁴ while Abraham Lowenthal emphasizes the "hegemonic presumption" of the U.S. in formulating and implementing its Latin American policy.⁵⁵

⁵²See Kenneth Waltz, *The Theory of International Politics* (New York: McGraw-Hill, 1979); and *ibid.*, "Realist Thought and Neorealist Theory," in *Controversies in International Relations Theory: Realism and the Neoliberal Challenge* ed. Charles Kegley (New York: St. Martin's Press, 1995), 67-83.

⁵³Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton: Princeton University Press, 1991), 361; and *ibid.*, *The Dominican Crisis: The 1965 Constitutionalist Revolt and American Intervention* (Baltimore: The Johns Hopkins University Press, 1978), 286-7.

⁵⁴Guy Poitras, *The Ordeal of Hegemony: The United States and Latin America* (Boulder: Westview Press, 1990), 157.

⁵⁵Abraham Lowenthal, "Changing U.S. Interests and Policies in a New World," in *The United States and Latin America In the 1990s: Beyond the Cold War* ed. Jonathan Hartlyn, Lars Schoultz and Augusto Varas (Chapel Hill: University of North Carolina Press, 1992), 69. See also Lowenthal, *Partners in Conflict: The United States and Latin America in the 1990s* rev. ed. (Baltimore: The Johns Hopkins

(continued...)

Other political scientists consider great powerism⁵⁶ and geostrategy⁵⁷ as influential determinants of American policy-makers.

Although some attention is paid to varying fluctuations in policy due to domestic factors, in the end neorealism emphasizes the binding structure of the international system as the principal determinant in predicting a state's foreign policies. As such, structural realism also assumes and anticipates basic continuity in U.S. policy regardless of presidential administrations or other internal factors. "Structural constraints", as Kenneth Waltz noted, "explain why the [same] methods are repeatedly used despite differences in the persons and states who use them."⁵⁸ By failing to account for policy discontinuity, structural realism is also not the most appropriate barometer by which to measure and explain U.S. policy toward Latin America.

Neo-Marxist Radicalism: Neo-Marxist radicalism holds that the state is really the agent or vehicle for capitalist development both within and without itself. This in turn, like realism, suggests that the state is basically unitary and rational, albeit divided along class lines as determined by their roles in the economic superstructure. Neo-Marxist radicalism does consider a greater link between the international system and

⁵⁵(...continued)
University Press, 1990); and Molineu, *U.S. Policy Toward Latin America*.

⁵⁶See Blasier, *The Hovering Giant*; and *ibid.*, *The Giant's Rival: The USSR and Latin America* rev. ed. (Pittsburgh: University of Pittsburgh Press, 1987).

⁵⁷Michael Desch, *When the Third World Matters: Latin America and United States Grand Strategy* (Baltimore: Johns Hopkins University Press, 1993); Schoultz, *National Security and United States Policy Toward Latin America*; and Tom J. Farer, *The Grand Strategy of the United States in Latin America* (New Brunswick, NJ: Transaction Books, 1988).

⁵⁸Waltz, *Theory of International Politics*.

domestic politics than realists would allow; the economic structure of the state will dictate whether that state is inherently peaceful (socialist states) or warlike and aggressive (capitalist states).

In terms of U.S. policy toward Latin America, neo-Marxist theories hold that economic factors like capital flow, investment, labor, terms of trade, migration and access to raw materials are the determinants of American behavior, which additionally seeks to maintain the hemisphere as a market for U.S. consumer products. This economic interpretation of U.S. reactions toward revolutionary regimes in Latin America considers Washington's strategic and security concerns as mere pretexts for the perpetuation of Latin American dependency on the United States and the concurrent promotion of U.S. business interests. "For the United States," according to Walter LaFeber, "capitalism and military security went hand-in-hand. They have, since the nineteenth century, formed two sides of the same policy in Central America."⁵⁹ Additional authors positing policy continuity on the basis of economic exploitation include Morris Morley, David Ryan, George Black, Mary Vanderlaan, Thomas Walker,

⁵⁹Walter LaFeber, *Inevitable Revolutions: The United States in Central America* 2nd ed. (New York: W.W. Norton, 1993),15. See also Richard Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin: University of Texas Press, 1982), 123-4.

Gary Prevost and Henry Vanden.⁶⁰ The two related neo-Marxist explanations employed by these and other observers are dependency theory and world-systems theory.

Dependency Theory: Dependency theory — or *dependencia* — holds that American policy seeks to perpetuate a dependent relationship between Latin America and the United States in which U.S. capitalist elites exploit the region for inexpensive raw materials and then sell manufactured products back at higher prices, thus securing exponential profit. The continuance of this relationship suppresses economic growth in the extraction state, which causes the underdevelopment that perpetuates its dependent status.⁶¹ “By dependence,” a leading theorist on the subject has written,

we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies, and between those and world trade, assumes the form of dependence when some countries (the dominant ones) can expand and can be self-sustaining, while other countries (the dependent

⁶⁰See Morley, *Washington, Somoza, and the Sandinistas*; David Ryan, *US-Sandinista Diplomatic Relations: Voice of Intolerance* (New York: St. Martin's Press, 1995); George Black, *The Good Neighbor* (Boulder: Pantheon Books, 1988); Mary Vanderlaan, *Revolution and Foreign Policy in Nicaragua* (Boulder: Westview Press, 1986); Thomas Walker, ed., *Revolution and Counterrevolution in Nicaragua* (Boulder: Westview Press, 1991); and Gary Prevost and Harry Vanden, eds., *The Undermining of the Sandinista Revolution* (New York: St. Martin's Press, 1997).

⁶¹See LaFeber, *Inevitable Revolutions*; Harry Magdoff, *The Age of Imperialism* (New York: Monthly Press Review, 1969); Theotonio dos Santos, “The Structure of Dependence,” *American Economic Review* 60 (May 1970): 231-6; Osvaldo Sunkel, “Big Business and ‘Dependencia’,” *Foreign Affairs* 50 (April 1972): 517-31; Raymond Duvall, “Dependence and *Dependencia* Theory,” *International Organizations* 32 (May 1978): 51-78; Ronald Chilcote and Joel Edelstein, eds., *Latin America: The Struggle With Dependency and Beyond* (New York: Schenkman Press, 1974); Chilcote, ed., *Dependency and Marxism* (Boulder: Westview Press, 1982); and Robert Packenham, *The Dependency Movement: Scholarship and Politics in Development Studies* (Cambridge: Cambridge University Press, 1992).

ones) can do this only as a reflection of that expansion, which can have either a positive or negative effect on their immediate development.⁶²

Dependency theory does consider the internal dynamics and characteristics of a state, but only those of the dependent state.⁶³ The exploiting state is considered rational and unitary; reflecting its socio-economic superstructure, it acts in predictable ways that protect and preserve the interests of its ruling capitalist elites. Hence policy continuity is assumed.

World-System Theory: The related conceptual framework of world-system theory is similar to dependency, though broader in scope. World-system theory is globalist in nature, meaning that there is no single national economy to protect, as dependency posits, but instead a world-wide system of interrelated multinational elites that use states to implement and preserve the dominant capitalist structure.⁶⁴ As one advocate explains,

Economic activities in each part of a true world-economy depend on and make possible the activities of the other parts. The result is an economic system that includes a number of cultural areas, states or societies but

⁶²dos Santos, "The Structure of Dependence," 231.

⁶³This is done through dualism, or 'enclave economy', and the *comprador* classes.

⁶⁴See Immanuel Wallerstein, *The Politics of the World Economy* (Cambridge: Cambridge University Press, 1984); and *ibid.*, *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York: Academic Press, 1974); Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil* rev. ed. (New York: Monthly Review Press, 1969); Paul A. Baran, *The Political Economy of Growth* (New York: Monthly Review Press, 1967); Thomas Shannon, *An Introduction to the World-System Perspective* 2nd ed (Boulder: Westview Press, 1996); William Thompson, ed. *Contending Approaches to World-System Analysis* (Beverly Hills, CA: Sage Press, 1983); James Petras and Morris Morley, *U.S. Hegemony Under Siege: Class, Politics and Development in Latin America* (New York: Verso Press, 1990); and Morley, *Washington, Somoza, and the Sandinistas*.

constitutes a single economy based on a complex division of labor. Each part or area has acquired a specialized role producing goods that it trades to others to obtain what it needs. Thus, the world-economy is tied together by a complex network of global economic exchanges.⁶⁵

In essence, the systemic division of labor is hierarchically aggregated into core (manufacturing region) and periphery (extraction region), with a semiperiphery of states floating nebulously in-between. The system functions as an integrated whole, extracting and transferring wealth from the periphery to the imperial core. Like dependency theory, then, the state's internal characteristics matter little, given that they are determined by the economic superstructure of the overall system; like realism and neorealism, internal decision-making processes and dynamics are not considered relevant in determining state policy. As a result, state behavior is considered predictable and hence policy continuity across presidential administrations is assumed.

ALTERNATIVE EXPLANATIONS FOR DISCONTINUITY

As previously stated, the dissertation posits that the above models are inadequate gauges for measuring systemic U.S. policy toward Latin America because they fail to account for policy discontinuity across presidential administrations. If the work is to investigate for such discontinuity, it must consider the possible sources for such inconstancy. Such an investigation suggests the use of theories of decision-making that explain policy in terms of the reasons, beliefs and processes by which officials and policy-makers reach their decisions. According to one study, the state is "defined as its official decision-makers: those whose authoritative acts are...the acts of the state. State

⁶⁵Shannon, *An Introduction to the World-System Perspective*, 23-4.

action is the action taken by those acting in the name of the state.”⁶⁶ Decision-making theories, then, allow for policy discontinuity insofar as the models rely on the variables that change with the individual actors themselves. This dissertation argues that the evident inconstancy regarding U.S. policy toward Nicaragua results primarily from psychological factors, buttressed in part by bureaucratic models of analysis.

Psychological Factors: Psychological studies of foreign policy decision-making involve two primary methods of analysis: groupthink and cognitive psychology. The former model involves dynamics of human behavior within groups — the claim is that the group takes on a collective mindset that emphasizes cohesion and conformity over candor and dissent. The processing of information bends to conformist pressure, a homogenization of viewpoints occurs, and objective thinking devolves into syllogism and sloganeering. The strong and well-known views of a president and like-minded advisers can thus drown out alternative views on the wisdom of particular courses of action. The group is driven to consensus – having appeared collectively to settle on a certain course of action, individual participants find it difficult to raise challenges to it. If they do, they risk recrimination from the group and ostracization from future meetings and thus elimination from the decision-making process.⁶⁷ Cohesion, therefore,

⁶⁶Richard C. Snyder, H. W. Bruck and Burton Sapin, “Decision-Making as an Approach to the Study of International Politics,” in *Foreign Policy Decision-Making*, ed. *ibid.*, (New York: Free Press, 1963), 65.

⁶⁷See Irving Janis, *Groupthink* (Boston: Houghton-Mifflin, 1982); Alexander George, *Presidential Decisionmaking in Foreign Policy: The Effective Use of Information and Advice* (Boulder: Westview Press, 1980); and Gutman, *Banana Diplomacy*.

becomes the primary objective of the collective over an objective analysis of the national interest.

This dissertation argues that while the decision-making process within the Reagan administration was effectively dominated by a clique of assertive advisers who vigorously advocated sterner policy preferences, alternative options were neither eclipsed nor drowned out. It is true that certain officials felt an irresistible group dynamic that served to silence their objections and doubts on Nicaragua policy. Former NSC advisor Robert McFarlane, for example, clearly felt the presence of groupthink in the Reagan administration's policy-making on Nicaragua. When asked in Congressional testimony why he did not advise President Reagan of his doubts over the efficacy of the administration's emphasis on the contras, McFarlane admitted that "we didn't choose the right instrument."

Succinctly put, where I went wrong was not having the guts to stand up and tell the president that. To tell you the truth, probably the reason I didn't is because if I had done that, Bill Casey, Jeane Kirkpatrick and Cap Weinberger would have said I was some sort of commie.⁶⁸

Another anonymous administration official likewise described a similar atmosphere in the White House regarding Nicaragua policy-making. "Man, if you

⁶⁸Testimony of Robert C. McFarlane, Gaston J. Sigur, Jr., and Robert W. Owen, *Joint Hearings Before the House Select Committee to Investigate Covert Arms Transactions With Iran and Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition* (hereafter *Iran-Contra Hearings*), Vol. 100-2 (Washington, D.C.: United States Government Printing Office [hereafter USGPO], 1987), 270.

weren't hard enough in your support for the contras, you were a commie. You had to be hard."⁶⁹

Despite such commentary, however, the continued presence of alternative policy advocacy remained starkly clear in the presence of Secretary of State George Shultz, who consistently argued with administration hardliners over the nature and scope of White House policy toward Nicaragua. Indeed, the Reagan administration was beset by titanic and acrimonious policy meetings on Nicaragua policy, underscored by relentless bureaucratic guerrilla warfare – elements that never would have occurred had groupthink eclipsed policy opposition and effectively silenced alternative voices. The answer for policy discontinuity, therefore, cannot lie with groupthink.

Cognitive Psychology: A related psychologically-based explanation for foreign policy decision-making is cognitive psychology. Since decision-makers cannot absorb and process all available stimuli about a particular event — much less ascertain that which is relevant and that which is not — they must selectively choose the information to which they do pay attention. To accomplish this, they employ image perception to structure and translate informational signals from the environment. Such an organizational process allows policy-makers to discern what data are important (i.e., correct, convincing) and what data are irrelevant (false, misleading). In the policy-making context, these cognitive images contain information about an external actor in a particular environment, and that information is then employed to evaluate subsequent

⁶⁹Quoted in Cannon, *The Role of a Lifetime*, 381.

information, enabling the official to predict and interpret the intentions of the external actor and thus to plan the U.S. policy response.

This is accomplished through the intake of several possibly unrelated and perhaps even irrelevant factors, but ones that the policy-maker believes are critical to a correct understanding of the issue. What is perceived – and thus concluded – by the policy-maker is therefore fundamentally dependent upon the belief system of the perceiver. A policy-maker’s perceptions, as one pioneer in the field notes:

are filtered through clusters of beliefs or ‘cognitive maps’ of different parts of his social and physical environment. The beliefs that comprise these maps provide the individual with a more or less coherent way of organizing and making sense out of what would otherwise be a confusing array of signals picked up from the environment by his senses.⁷⁰

Officials “organize and simplify their environment in a cognitively efficient manner,” another political scientist observes, “to permit them to understand the meaning of the actions of other countries and to formulate a response without having to filter and interpret all the information available to them.”⁷¹

Since, however, this multilayered and reinforcing process involves information screens, affective biases and syllogistic analogizing, rationality risks distortion through attempts to produce and maintain cognitive balance — the tendency to always affirm images of the world that are logically consistent with a decision-maker’s line of

⁷⁰Ole Holsti, “Foreign Policy Viewed Cognitively,” in *Structure of Decision: The Cognitive Map of Elites*, ed. Robert Axelrod (Princeton: Princeton University Press, 1976), 19. See also Martha Cottam, *Images and Intervention*, 18.

⁷¹Martha Cottam, *Images and Intervention*, 18.

thinking.⁷² Hence, the “actions and policies [of state leaders] are based not only on subjectively perceived national interests and objectives, but also on subjective perceptions of the interests and intentions of others.”⁷³ The decision-maker thus ignores information that might challenge this logical model image, and often leads to a hardened image of the enemy and all its actions, since ‘bad’ people doing ‘good’ things generates unacceptable cognitive dissonance.⁷⁴

Ideology plays a prominent role here, serving as a heuristic device that generates a frame of reference by and through which actors sort and evaluate information. In this sense, ideology operates as a subset of cognitive psychology, providing “an interrelated set of convictions or assumptions that reduces the complexities of a particular slice of reality to easily comprehensible terms and suggests appropriate ways of dealing with that reality.”⁷⁵ In his seminal work on presidential decision-making, Alexander George

⁷²See Keith Shimko, “Foreign Policy Metaphors: Falling ‘Dominoes’ and Drug ‘Wars’,” in *Foreign Policy Analysis: Continuity and Change in Its Second Generation* ed. Laura Neack, Jeanne Hey, and Patrick Haney (Englewood Cliffs, NJ: Prentice-Hall, 1995), 71-84.

⁷³Raymond L. Garthoff, *Détente and Confrontation: American-Soviet Relations from Nixon to Reagan* rev. ed. (Washington, D.C.: The Brookings Institution, 1994), 20.

⁷⁴See Robert Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976); Axelrod, ed., *Structure of Decision*; Richard Ned Lebow, *Between Peace and War* (Baltimore: The Johns Hopkins University Press, 1983); *Foreign Policy Decisionmaking: Perception, Cognition and Artificial Intelligence* ed. Donald A. Sylvan and Steve Chan (New York: Praeger, 1984); Richard Cottam, *Foreign Policy Motivation* (Pittsburgh: University of Pittsburgh Press, 1977); George, *Presidential Decisionmaking in Foreign Policy*; Martha Cottam, *Images and Intervention*; and *ibid.*, *Foreign Policy Decision-Making: The Influence of Cognition* (Boulder: Westview Press, 1986).

⁷⁵Michael Hunt, *Ideology and U.S. Foreign Policy* (New Haven: Yale University Press, 1986) (continued...)

observed that ideology provides “a generalized, deductive belief system which, applied to a particular situation, can help the decision-maker to cut through its complexity to illuminate whether, when and how he should respond.”⁷⁶

In terms of determining and implementing foreign policy, “all stages of U.S. policy-making *vis-à-vis* Latin American countries – from forming policy through carrying it out – have been influenced by U.S. images and perceptions.”⁷⁷ This dissertation argues that changes in the perceptual prism through which the Sandinista government was viewed accounts for the discernible policy inconstancy toward a relatively static Nicaragua across three presidential administrations. Each president under inquiry faced substantially the same issue – the presence of a Sandinista government in Nicaragua – and through careful analysis of their policy actions, it is clear that each approached the issue very differently from the other. Under conventional theories of international relations that explain U.S. policy toward Latin America, this should not be the case.

This carries serious implications for foreign policy-making, since in practical terms it suggests a mutually-reinforcing dynamic of cause and effect. If decision-makers within the Carter, Reagan and Bush administrations harbored similar views of the Sandinista regime in Nicaragua and shared similar expectations as to the threat that

⁷⁵(...continued)
Press, 1987), xi.

⁷⁶George, *Presidential Decisionmaking in Foreign Policy*, 44.

⁷⁷Martha Cottam, *Images and Intervention*, 34.

Nicaragua posed to U.S. interests, then one should anticipate comparable policies across the three administrations.

This dynamic would stem from Ole Holsti's pioneering work on the influence of the "enemy image" and subsequent expansion by Ralph White to include "mirror-imaging." The three administrations would each approach Sandinista Nicaragua in a hostile fashion, in accordance with their belief that Managua now represented an implacable enemy. The predictably negative responses and non-accommodation to U.S. regional interests on the part of the Sandinistas would then be viewed as validation of originally-held assumptions. For Holsti, this "inherent bad faith" model thus tended to remain self-perpetuating and continuous in nature.⁷⁸

Ralph White's use of "mirror-imaging" is consistent with Holsti's approach, but expands to incorporate the images held by both parties in a hostile relationship.⁷⁹ This mechanism allows each side to selectively emphasize the most negative features of the other, a self-prophetic exercise that in turn serves to reinforce and validate initial misgivings and suspicions. It is a process that one political scientist termed the "cross-fertilization of animosity."⁸⁰

⁷⁸Ole Holsti, "Cognitive Dynamics and Images of the Enemy: Dulles and Russia," in *Image and Reality in World Politics* ed. John C. Farrell and Asa P. Smith (New York: Columbia University Press, 1967), 17, 24.

⁷⁹Ralph White, *Nobody Wanted War: Misperception in Vietnam and Other Wars* (New York: Doubleday, 1968), 275.

⁸⁰Richard E. Welch, Jr., *Response to Revolution: The United States and the Cuban Revolution, 1959-1961* (Chapel Hill: University of North Carolina Press, 1985), 24.

This dissertation argues that decision-makers within the Carter, Reagan and Bush administrations carried differing perceptions of the intelligence, facts and information concerning Nicaragua, which accounted for fundamental policy discontinuities. Indeed, even if U.S. policy-makers started out equating the Nicaraguan revolution with the Cuban one, it may be demonstrated that some degree of ‘learning’ occurred when one side began acting in positive ways that were not anticipated by the other, yet were positively reciprocated.⁸¹

One sees evidence of this phenomenon in contrasting the views of Presidents Carter and Reagan regarding the possibility of reaching a negotiated settlement with Nicaragua. When Carter officially welcomed Nicaraguan leaders to the White House in September 1979 and pointedly asked them not “to hold me responsible for everything that occurred under my predecessors,” he signaled a belief that accommodation between the two governments was feasible and desirable.⁸²

Carter’s successor in the White House, conversely, appeared to hold a much less sanguine view of the utility of such an approach. “The key question we need to consider now,” National Security Advisor McFarlane raised at a 25 June 1984 NSC meeting, “is what we believe about the prospects for further talks with Nicaragua: do we

⁸¹On government learning, see Lloyd S. Etheredge, *Can Governments Learn? American Foreign Policy and Central American Revolutions* (New York: Pergamon Press, 1985), 141-69; and Alex R. Hybel, *How Leaders Reason: U.S. Intervention in the Caribbean Basin and Latin America* (Cambridge, MA: Basil Blackwell Publishers, 1990).

⁸²See the account of the 24 September meeting in Pastor, *Condemned to Repetition*, 207.

believe that Nicaragua wants to come to a reasonable agreement?" President Reagan answered:

If we are just talking about negotiations with Nicaragua, that is so far-fetched to imagine that a communist government like that would make any reasonable deal with us....I can't imagine that Nicaragua would offer anything reasonable in a bilateral treaty.⁸³

Bureaucratic Politics: While the dissertation argues that psychological factors of cognitive balance provide the source of policy discontinuity between the Carter and Reagan administrations, it does not do so alone for the inconstancy found between Reagan and Bush. While cognition continued to play the fundamental role in generating discontinuity, an additional factor was at work, underscoring the influence of cognition: bureaucratic politics.

The bureaucratic politics model of analysis posits that foreign policy decision-making is at root the result of intense competition among, within and between various actors (institutions and individuals) with vested or perceived interests in a particular policy.

Primarily bureaucratic politics refers to the tendency of an institutional coalition⁸⁴ to parochially equate the national interest with its own, hence the axiom that, for any

⁸³The White House, Minutes, National Security Planning Group, Subject: *Central America*, 25 June 1984, in *The Iran-Contra Scandal: The Declassified History* ed. Peter Kornbluh and Malcom Byrne (New York: The Free Press, 1993), 75, 81. In his memoirs, Reagan wrote that "I didn't have much faith in communists or put much stock in their word." See Reagan, *An American Life*, 269.

⁸⁴Political scientists also note that bureaucratic influences may come from transinstitutional ideological coalitions forged around a particular issue – such as, for example, U.S. aid to the Nicaraguan contras. See Molineu, "Making Policy for Latin America," 239.

given issue, 'where you stand is where you sit'.⁸⁵ In the competitive policy-making environment marked by shrinking budgets, scarce resources and competitive turf battles, contesting institutions and actors view control over a particular policy as exigent to their continued relevance to and in the decision-making process. The policy outcome, then, is less the product of a commonly-accepted national interest than a reflection of "the interests of whatever faction happens to be controlling the policy process at the time."⁸⁶ In this way rationality is short-circuited at the level of the national interest.

Policy discontinuity, therefore, results from the waxing and waning of bureaucratic and institutional fortunes within and across the three presidential administrations in two critical and not mutually-exclusive ways. The first explanation for policy discontinuity center on the relative influence and strength of intrabranched actors, namely agencies and institutions within the executive branch. While the Constitution established and endowed a triumvirate of co-equal branches of federal governance, traditionally in matters of foreign policy the exercise of power and policy-making has been more Orwellian: all branches are equal, but some are more equal than others. Though hardly rivaling Louis XIV's "*L'état, c'est moi*" dictum, the executive branch and especially the office of the presidency have been the fountainhead of

⁸⁵The standard works are Graham T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown and Company, 1971); and Morton H. Halperin, *Bureaucratic Politics and Foreign Policy* (Washington, D.C.: The Brookings Institution, 1974).

⁸⁶Molineu, "Making Policy for Latin America," 238.

American foreign policy – “the locus of decision-making” – making for much of the twentieth century.⁸⁷

But while, for the most part, presidents have enjoyed considerable deference in foreign policy from their legislative and judicial cousins, titanic struggles for policy control have been often waged within the executive branch itself. The executive branch institutions that traditionally vie for control in foreign policy are the Departments of State, Defense and Treasury, as well as the National Security Council and the Central Intelligence Agency. In comparing and contrasting the policies of the Carter, Reagan and Bush administrations toward Nicaragua, the influence of bureaucratic politics is discovered in two areas relating to policy inconstancy.

First, bureaucratic politics remained an influential sub-element of the cognitive factors driving policy discontinuity between the Carter and Reagan administrations – as well as within the Reagan administration itself. The influence of the CIA, for example, fluctuated significantly from Carter to Reagan to Bush. The agency was de-emphasized as an bureaucratic player in Nicaragua policy-making under Presidents Carter and Bush (albeit for different reasons), but it flourished under President Reagan, particularly in his first term, when the Director of Intelligence was awarded Cabinet-level status and took the lead not only in formulating but in fact implementing the administration’s policy

⁸⁷Crabb and Holt, *Invitation to Struggle*, 5. See also Crabb and Kevin V. Mulcahy, *Presidents and Foreign Policy Making: FDR to Reagan* (Baton Rouge: Louisiana State University Press, 1990); Barbara Kellerman and Ryan J. Barilleaux, *The President As World Leader* (New York: St. Martin’s Press, 1990); Carnes Lord, *The Presidency and the Management of National Security* (New York: The Free Press, 1988); and Richard E. Neustadt, *Presidential Power and the Modern Presidents* (New York: The Free Press, 1991).

toward Nicaragua.⁸⁸ Casey's influence was so great that in effect, according to one official, he

ran his own State Department and his own Defense Department. He was everywhere, doing everything. 'CIA Director' was only a label, not a job description.⁸⁹

The CIA and NSC in the Reagan administration were principal bureaucratic actors vying for control of U.S. policy toward Nicaragua and were intent on altering the policy course established by the Carter administration and subsequently endorsed in principle by members of the State Department. It would be inaccurate to posit that bureaucratic politics alone served to generate policy inconstancy between Carter and Reagan, insofar as it remained critical what individual actors were placed in charge of these competing institutions. For example, if forceful anti-communists like William Casey, Jeane Kirkpatrick or Caspar Weinberger had been awarded the portfolio of State as each deeply coveted, the State Department clearly would not have used its institutional strength to press for a diplomatic solution to the issue of Nicaragua. Thus the cognitive mindsets of those in charge of these institutions remain crucial to any understanding of policy discontinuity across presidential administrations.

To assess policy inconstancy between the Reagan and Bush administrations, however, it is necessary to expand the concept of bureaucratic politics to include non-

⁸⁸See Gutman, *Banana Diplomacy*; Woodward, *Veil*; Gates, *From the Shadows*; Clarridge, *A Spy for All Seasons*; and Pastor, *Condemned to Repetition*.

⁸⁹Glenn Campbell, chairman of the Presidential Intelligence Oversight Board, quoted in Peter Schweizer, *Victory: The Reagan Administration's Secret Strategy That Hastened the Collapse of the Soviet Union* (New York: Atlantic Monthly Press, 1994), xvi.

executive branch institutions such as the Congress. The fundamental policy shift between Reagan and Bush was the result of interbranch conflicts between the executive and legislative branches of government, driven by competing cognitive evaluations of the issue of Nicaragua and what was at stake.

Despite the general deference paid to presidents in international matters, it is useful to remember that, as one distinguished scholar wrote, “the Constitution...is an invitation to struggle for the privilege of directing American foreign policy.”⁹⁰ There are currently “over fifty congressional committees, subcommittees, caucuses and groups with jurisdiction over some facet of the Latin American policy of the United States.”⁹¹ Should the legislative branch feel sufficiently motivated, therefore, it enjoys a potent array of tools to wield in foreign policy matters, especially through its power of the purse, as well as its lawmaking powers and oversight responsibilities.⁹²

⁹⁰Edward S. Corwin, *The President: Office and Powers, 1787-1957* 4th rev. ed. (New York: New York University Press, 1957). See also Crabb and Holt, *Invitation to Struggle*; and Thomas E. Mann, ed., *A Question of Balance: The President, The Congress and Foreign Policy* (Washington, D.C.: The Brookings Institution, 1990).

⁹¹Phillip Brenner and Geoffrey Plague, “The U.S. Congress,” in *U.S.-Latin American Policy-making*, ed. Dent, 363-4.

⁹²The literature on Congress and foreign policy continues to grow. See James M. Lindsay, *Congress and the Politics of U.S. Foreign Policy* (Baltimore: The Johns Hopkins University Press, 1994); James A. Nathan and James K. Oliver, *Foreign Policy Making and the American Political System* 3rd ed. (Baltimore: The Johns Hopkins University Press, 1994); Paul E. Peterson, ed., *The President, The Congress and The Making of Foreign Policy* (Norman: University of Oklahoma Press, 1994); David Gray Adler and Larry N. George, eds., *The Constitution and the Conduct of American Foreign Policy* (Lawrence: University Press of Kansas, 1996); and Thomas M. Franck and Edward Weisband, *Foreign Policy by Congress* (New York: Oxford University Press, 1979).

As a source for policy discontinuity, Congress may act in two related ways. The legislature may attempt to exact influence over the course and conduct of U.S. foreign policy, yet still leave the core administration of that policy in the hands of the executive branch. In effect, the legislature serves as watchdog, applying corrective measures in an attempt to ensure proper policy ballast. As a result, presidents may encounter mitigating influences on policy preferences stemming from auspices outside the executive branch and hence over which they exercise limited control. Policy discontinuity, therefore, may be the result of Congressional influences that abridge policy choices available to the president.

In fashioning the Bush administration's approach to Nicaragua, Secretary of State James Baker recognized Congress's long shadow. "I agree with you we ought to have a tougher policy," he told one Congressional skeptic. "But where are you going to get the votes for it? We both know they aren't there."⁹³ The final bipartisan solution, Baker acknowledged, amounted to "a *de facto* congressional veto."⁹⁴

More boldly, however, Congress may attempt to construct an alternative foreign policy of a purely legislative locus to compete directly with — and perhaps eclipse — that of the executive branch. Though uncommon, Congressional foreign policy making can arise on occasions when the executive branch rebuffs or ignores legislative attempts to moderate a particular policy. Were a determined legislature to develop a clear and distinctive policy alternative to that proffered by the administration, it retains the

⁹³Baker, *The Politics of Diplomacy*, 58.

⁹⁴*Ibid.*, 57.

Constitutional wherewithal (if not institutional fortitude) to place its own indelible imprimatur on American foreign policy, regardless of presidential purposes. Beginning in 1983, as William LeoGrande and Phillip Brenner note, “Congress began to develop its own policy [for Nicaragua] when the Reagan administration refused to accede to early congressional attempts to moderate the policy.”⁹⁵

Such legislative exertions of Constitutional might over the course and conduct of U.S. foreign policy might also generate policy inconstancy, insofar as presidents may find preferred policy approaches circumscribed or blocked altogether, and thus may be forced down alternative paths not of their choosing. This dissertation concluded that while the bureaucratic influence of the Congress was strong in the latter Reagan years and dominant in the Bush term regarding U.S. Nicaragua policy, it was not the source for the resultant policy continuity. Instead, it was the effect of competing cognitive views of Nicaragua between the White House and Capitol Hill that aroused Congressional interest, ultimately leading to legislative dominance of the policy-making process.

THE DOG THAT DIDN'T BARK

Given the extremely vitriolic and heavily publicized debates over U.S. policy toward Nicaragua, one might reasonably have expected to see considerable or at least significant influence of public opinion on policy-making, especially during the Reagan administration. In surprising fact, however, public opinion did not directly matter to the pursuit and conduct of U.S. policy toward Nicaragua. Polling data throughout the

⁹⁵Brenner and LeoGrande, “Congress and Nicaragua: The Limits of Alternative Policy Making,” 247.

1980s consistently revealed public opposition to the administration's policy of aiding the contras, yet the Reagan White House remained undeterred in its relentless efforts to win Congressional approval. More surprisingly, Congress supported the contra program to one degree or another almost uninterruptedly throughout Reagan's presidency.

The reason largely stemmed from the general public's relative disinterest in the issue provided U.S. troops were not directly involved and provided that Sandinista Nicaragua did not succeed in communizing the region. "Both Congress and the executive could afford to be unresponsive to public opinion," one observer noted, "because the issue never achieved a high enough level of salience for the mass public to focus on it."⁹⁶ When queried by pollsters, respondents consistently opposed the contra program and largely favored a diplomatic resolution to the issue, but proved insufficiently motivated to pursue the matter further than the conclusion of the interview.

Ironically, Congress was more likely than the executive to react to polling data, but it did so in an unexpected and inverse fashion. Public opinion consistently demonstrated that the issue of contra aid was not politically dangerous, and that opposition to it delivered no negative electoral consequences. Nonetheless, several Congresspeople proved sufficiently fearful of what opposition to the contra program could become under changed circumstances – if, for example, the Sandinista regime

⁹⁶William LeoGrande, "Did the Public Matter?," in *Public Opinion in U.S. Foreign Policy: The Controversy Over Contra Aid* ed. Richard Sobel (Lanham, MD: Rowman and Littlefield Publishers, 1993), 185.

were to completely eliminate the contra forces. Would such members then wind up on the wrong end of a ‘who lost China?’ allegation? In short, as one observer concluded,

none of the elites involved in the contra aid debate were greatly worried about what public opinion was, but they were all terrified of what it might become.... What the public actually thought about Nicaragua had vastly less influence over the shape of U.S. policy than did the specter of what fury the public might unleash if contra aid policy went awry.⁹⁷

In that narrower sense, one can say that public opinion did have indirect bearing on Nicaragua policy-making, as it established the firm parameters within which that policy could operate largely free from public influence. Supporters of the contra program could advocate everything short of a direct U.S. invasion of Nicaragua, while opponents felt compelled to support some policy alternative to simply abandoning the contras and risking political vulnerability on ‘losing’ Nicaragua. So long as Nicaragua never developed into ‘another Cuba’ or ‘another Vietnam’, therefore, policy-makers were free to ignore public opinion with impunity. “For the administration,” Elliott Abrams spoke of the Reagan White House, “the importance of public opinion was relatively low. It was not a direct constraint.”⁹⁸

While the policies pursued in Nicaragua and Central America by the Reagan administration certainly generated grass-roots opposition, these peace activists and other opponents were unable to achieve their objectives of changing policy. “In the end,” as

⁹⁷Ibid., 186, 187.

⁹⁸Elliott Abrams, “Public Opinion and Reagan Policy,” in *Public Opinion In U.S. Foreign Policy*, ed. Sobel, 108.

one scholar concluded, “the Reagan administration essentially had its way.”⁹⁹ This view was shared by several veteran peace activists, who uniformly believed that they had largely failed in their efforts to bring about an end to U.S. hostility toward Nicaragua and support for government forces in El Salvador.¹⁰⁰

Lastly, there appeared virtually no cross-case policy influence between what was happening in Nicaragua and what was happening in El Salvador, despite an intuitive sense that there perhaps there should be. Given the low level of attention paid to events in Central America by the public, media coverage of regional atrocities – especially in El Salvador – did not spark mass opposition to (or support for) U.S. policy toward Nicaragua under any administration.¹⁰¹ In fact, public opinion remained consistently confused throughout the decade over who the U.S. was supporting and who it was opposing, and where. A June 1983 poll discovered that only eight percent of respondents could correctly identify which side the United States was supporting in both El Salvador and Nicaragua. Though that staggeringly low number modestly improved over time, the public in general “had a hard time keeping straight which side

⁹⁹Christian Smith, *Resisting Reagan: The U.S. Central America Peace Movement* (Chicago: University of Chicago Press, 1996), 366.

¹⁰⁰Tbid. In an indirect sense, however, the peace movement was more successful, insofar as these grass-roots activists successfully lobbied Congressional members to oppose Reagan and Bush administration policies toward Nicaragua. Without such lobbying, there likely would have been less potent Congressional opposition.

¹⁰¹For example, the December 1980 rape and murder of four American churchwomen by U.S.-supported El Salvadoran soldiers; or news of the My Lai-esque massacre of townspeople in the Salvadoran town of El Mozote, also by U.S.-supported Salvadoran forces, in December 1981.

the U.S. supported when it backed the government against the rebels in one country (El Salvador) and the rebels against the government next door (Nicaragua).”¹⁰²

To the extent, then, that cross-case policy influence occurred in Nicaragua policy-making, it only served to harden and reinforce the prevailing views among policy-makers and elites. Opponents were only further outraged by events in El Salvador, claiming U.S. military support served to further erode American objectives by contributing to the turmoil and violence there. Supporters, meanwhile, cited the continued presence of the Sandinista regime in Nicaragua as the elemental cause of Salvador’s violence, and thus was symptomatic of the challenges facing U.S. interests should the FSLN government be allowed to stand. Therefore, both sides viewed events in El Salvador as largely a subset of their larger regional objectives to restore stability and serve American interests in Central America.

CONCLUSION

In sum, then, there remains considerable ambiguity and vagary in the literature over arguably the most controversial foreign policy issue to confront the United States since the Vietnam War. Several political scientists have examined U.S. policy toward Nicaragua in a compartmental fashion, looking at a single administration, but not analyzing the totality of American policy from the revolutionary seizure of power in July 1979 to the Sandinistas’ ceding of office following their February 1990 electoral defeat.

¹⁰²LeoGrande, “Did the Public Matter?,” 177.

In the absence of a book-length analysis, scholars and students alike are forced to fall back on standard macro-theories of international relations behavior that emphasize policy continuity across and within presidential administrations, along with historical interpretations of U.S. Latin American policy that likewise stress latent constancy. This reliance, as the preceding discussion demonstrates, contains serious flaws: by failing to account for policy differences, traditional theoretical approaches render them trivial and insignificant.

This dissertation fills that void, insofar as it comparatively analyzes the policy approaches of the Carter, Reagan and Bush administrations as each dealt with fundamentally the same issue of accepting or rejecting Sandinista rule in Nicaragua as measured against U.S. regional and national interests. Continuity as predicted by prevailing theories of international relations should have clearly emerged as approaches to diplomatic resolution of disputes, levels of economic assistance, material assistance to internal opposition groups, military aid to external armed opposition forces, U.S. regional military maneuvers, and other policies were researched and analyzed across the Carter, Reagan and Bush administrations. The three presidential administrations should have exhibited roughly the same approach to the same issue that each faced: how to reconcile U.S. regional interests with the continued existence of a Sandinista government in Nicaragua. To the extent that variance occurs, it should have been fairly minor and incidental to the larger objective (i.e., \$100 million in economic assistance versus \$60 million). In short, they ought to have been distinctions without differences.

In fact, however, the dissertation demonstrated conclusive policy discontinuity over the course of the three presidencies. To cite but a single example, one

administration extended economic assistance and sought diplomatic resolution of disputes, while a successive one eschewed both, thereby generating a fundamental discontinuity. This strategic policy inconstancy reflected competing interpretations regarding the national interest of the United States and the compatibility of that interest and the presence of Sandinista rule in Nicaragua. Such policy inconstancy, therefore, was then explored to discover its origins and reasons in order to distill a larger dynamic of foreign policy-making. The discovery of the dissertation was that cognitive factors, buttressed by bureaucratic factors, remain the principal reason for policy inconstancy regarding Nicaragua across the three presidential administrations.

We can be excellent friends, but also excellent enemies.

Minister of the Interior Tomás Borge Martínez¹

We have a good relationship with the new government. We hope to improve it.

President Jimmy Carter²

RELUCTANT ACCEDECE: THE CARTER ADMINISTRATION AND NICARAGUA, 1979-80

Armed revolt as the traditional method of political articulation has been a tragic constant in Nicaraguan history — from its first day of independence the tiny Central American country has known little but violence, despotism and civil strife.³ When Daniel Ortega Saavedra honored the results of the 25 February 1990 election and

¹Quoted in Panama City Agencia Centro Americana de Noticias (ACAN), 28 February 1980, in Foreign Broadcast Information Service-Latin America (hereafter FBIS-LAM), 29 February 1980, P7-8.

²*Public Papers of the Presidents of the United States: Jimmy Carter, 1979*, Book II, June 23 to December 31, 1979 (Washington, D.C.: USGPO, 1980), 1307.

³“Peaceful change between different factions of the ruling classes, which have been rather frequent in other Latin American countries, have not taken place in Nicaragua,” noted Carlos Fonseca Amador, the founding father of the FSLN. “This traditional experience predisposed the Nicaraguan people against electoral farces and in favor of armed struggle....the Nicaraguan people have a rich tradition of rebellion.” Quoted in Pastor, *Condemned to Repetition*, 16.

relinquished the presidency to Violeta Barrios de Chamorro two months later, it marked the first peaceful transfer of power in Nicaraguan history.⁴

Keen and consistent interest in the political affairs of Nicaragua and their impact on American security interests have also been a hallmark of the United States. “I have the most conclusive evidence,” the president of the United States warned in a somber address to Congress,

that arms and munitions in large quantities...have been shipped to the revolutionists....The United States cannot fail to view with deep concern any serious threat to stability and constitutional government...tending toward anarchy and jeopardizing American interests, especially if such a state of affairs is contributed to or brought about by outside influence or by a foreign power.⁵

“I want you to go down there,” the president told a close aide, “and if you can see a way to clean up that mess, I want you to do it.”⁶ The American president was speaking about Nicaragua, specifically the ‘Sandinistas’ and the threat they posed to Washington’s interests in the region and elsewhere. But he was not Jimmy Carter, nor Ronald Reagan, nor George Bush — he was Calvin Coolidge, and he was speaking not in 1979, nor in 1983, nor in 1989 — but in 1927.

The precursor to the Nicaraguan revolution that culminated in July 1979 and so bedeviled three consecutive U.S. presidencies occurred a half-century earlier, when

⁴See Robert Pastor, “Nicaragua’s Choice: The Making of a Free Election,” *Journal of Democracy* 1, no. 3 (Summer 1990): 13-25. Pastor was staff director of the delegation led by former President Jimmy Carter to observe the Nicaraguan electoral process and transfer of power from July 1989 through the inauguration on 25 April 1990.

⁵The text of Coolidge’s address is in *New York Times*, 11 January 1927, A2.

⁶Quoted in Claude M. Fuess, *Calvin Coolidge: The Man From Vermont* (Boston: Little, Brown and Company, 1940), 415.

fears that “Bolshevik Mexico” under then-President Plutarco Elías Calles was planning with Moscow’s connivance to absorb Nicaragua prompted the United States to dispatch Marines to Nicaragua in 1926 and occupy the country.⁷ It was against this occupation that nationalist hero Augusto César Sandino waged a guerrilla campaign in the late 1920s. Though Sandino was no Communist, his struggle and his popularity induced Washington to depict him as “eager to grasp the opportunity to establish Bolshevism in Nicaragua.”⁸

The Soviet Comintern had, in fact, briefly provided assistance to Sandino early in his crusade, but that aid ended after the nationalist Sandino bitterly broke with the Salvadoran Communist Agustín Farabundo Martí in 1929 over the nature and objectives of the Nicaraguan’s struggle.⁹ Sandino “did not want to embrace the Communist program for which I was fighting,” Martí complained. “He had raised only the flag of independence, of emancipation, while my aim was social revolt.”¹⁰

⁷See William Kamman, *A Search for Stability: United States Diplomacy Toward Nicaragua 1925-1933* (University of Notre Dame: Notre Dame, 1968), 69-81.

⁸Captain Matthew Ridgeway, quoted in Andrew Bacevich, Jr., “The American Electoral Mission in Nicaragua,” *Diplomatic History* 4, no. 3 (Summer 1980): 250.

⁹Marc Edelman, “The Other Superpower — The USSR and Latin America 1917-1987: In From the Cold,” *NACLA: Report on the Americas* 21, no. 1 (January/February 1987): 13. Incensed, Martí wrote that Sandino had been supported by “revolutionary anti-imperialist organizations [Comintern], before he betrayed the world anti-imperialist movement to turn into a petit bourgeois liberal *caudillo* with aspirations of ruling Nicaragua in a semi-feudal, semi-colonial mold.” See Martí’s letter dated 22 February 1931, reprinted in Robert S. Leiken and Barry Rubin, eds., *The Central American Crisis Reader* (New York: Summit Books, 1987), 86; and Neil Macaulay, *The Sandino Affair* (Durham: Duke University Press, 1985), 160.

¹⁰See Leiken and Rubin, *The Central American Crisis Reader*, 86; and quoted in (continued...)

Sandino continued uninterrupted his battle for another four years against intermittent American occupation forces until the final departure of the Marines in 1933. In the wake of the U.S. departure, however, Washington established a well-armed police force — the *Guardia Nacional* (GN), headed by Anastasio Somoza García — to maintain security. Under the pretext of a cease-fire, Somoza tricked and assassinated Sandino, and then declared himself president of Nicaragua, beginning a forty-year family dynasty that ended with the overthrow of his second son Anastasio Somoza Debayle in July 1979.

The years separating Somoza García's establishment of dictatorship and Somoza Debayle's abdication of it, Nicaragua experienced consistent though rarely effective revolutionary violence.¹¹ An important reason for that was the conservative *Partido Socialista Nicaraguense's* (PSN) embracement of the post-war Soviet insistence on non-violent struggle and peaceful paths to power in Nicaragua.¹² Two fiery and radical revolutionaries — Carlos Fonseca Amador and Tomás Borge Martínez — ultimately broke with the PSN and on 23 July 1961 gathered in the Honduran capital of Tegucigalpa with another disillusioned PSN radical — Silvio Mayorga — to form their own revolutionary party — the *Frente de Liberación Nacional*. A year later Fonseca

¹⁰(...continued)

Stephen Clissold, *Soviet Relations With Latin America, 1918-1968: A Documentary Survey* (New York: Oxford University Press, 1970), 15.

¹¹A notable exception was the assassination of Somoza García by Rigoberto López Pérez in September 1956.

¹²The PSN's Marxism, Borge added, was "mired in a policy of class collaboration, of support to the bourgeoisie and to U.S. imperialism." Quoted in Gary Prevost, "The FSLN as Ruling Party," in *Revolution and Counterrevolution*, ed. Walker, 103.

grafted the name of Nicaragua's foremost patriot — Augusto Sandino — to his fledgling organization, renaming it the *Frente Sandinista de Liberación Nacional* (FSLN).¹³ In its initial years, however, the incipient *frente* enjoyed little success in sporadic engagements with Somoza's forces, and it was not long before the movement acrimoniously fragmented into three squabbling factions deeply divided over tactical revolutionary approaches.¹⁴

Although the atomized FSLN continued to wage mainly rhetorical war on the Somoza regime, their revolution was going nowhere.¹⁵ That all changed on the morning of 10 January 1978, when unidentified gunmen assassinated long-time Somoza opponent Pedro Joaquín Chamorro Cardenal, editor of the anti-Somoza newspaper *La Prensa* and the most popular opposition figure in the country. Though never proven, there was no question in the minds of the Nicaraguan people that Somoza had somehow, somehow, been behind the murder.¹⁶ Chamorro's assassination ignited a

¹³Michael Radu and Vladimir Tismaneanu, *Latin American Revolutionaries: Groups, Goals, Methods* (Washington, D.C.: Pergamon-Brassey, 1990), 291, 294. See also Arturo Cruz Sequeira, "The Origins of Sandinista Foreign Policy," in *Central America: Anatomy of Conflict*, ed. Robert Leiken (New York: Pergamon Press, 1984).

¹⁴It took the personal mediation of Fidel Castro himself to finally unite the three bitterly-divided factions. See Arturo Cruz, "The Origins of Sandinista Foreign Policy," in *Anatomy of Conflict* ed. Leiken, 101-2. The Cuban leader's role is also discussed in a declassified CIA memorandum of 2 May 1979, which appears in *Congressional Record* 125, Part 14, 96th Congress, 1st Session (29 June-13 July 1979): 17678-80.

¹⁵A June 1977 intelligence report by the State Department estimated FSLN fighting strength at little more than fifty soldiers. See Pastor, *Condemned to Repetition*, 49.

¹⁶See Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza* (Pittsburgh: (continued...))

firestorm of anti-government unrest and unleashed what one reporter characterized as a “national mutiny.”¹⁷

The massive reaction also breathed new life into the gasping Sandinista movement, as Nicaraguans began to equate the assassination with the failure of nonviolent paths either to reform or power.¹⁸ Just eight months later, the Sandinistas shocked the world with a dramatic seizure of Nicaragua’s National Palace, home of the country’s General Assembly. The next month saw massive waves of uprisings across the country following the Sandinista lead; abruptly, the FSLN found itself catapulted into the vanguard of the anti-Somoza revolution.¹⁹

THE CARTER RESPONSE

While watching events accelerate in Nicaragua (and failing to control them), public and private comments from senior Carter administration officials made clear that the administration was increasingly concerned over potential radicalization and

¹⁶(...continued)

University of Pittsburgh Press, 1993), 34-6.

¹⁷Alan Riding, “National Mutiny in Nicaragua,” New York Times Magazine, 30 July 1978.

¹⁸“The assassination of Pedro Joaquin Chamorro Cardenal,” Arturo J. Cruz wrote, “is by far the most relevant of all circumstances which led to the Sandinistas’ ascent to power.” Arturo Cruz, “Nicaragua: The Sandinista Regime at a Watershed,” Strategic Review (Spring 1984): 15.

¹⁹It was a role for which the Sandinistas, initially at least, were unprepared. “The mass movement went beyond the vanguard’s capacity to lead,” Humberto Ortega recalled. “It was a spontaneous reaction on the part of the masses.” Quoted in Pastor, *Condemned to Repetition*, 73.

concomitant possibility of 'another Cuba'.²⁰ As early as June 1978, President Carter had openly voiced concern over "how to constrain Cuban and other Communist intrusion in the internal affairs of Caribbean and Latin American countries." A year later, in his Vienna summit with Soviet leader Leonid Brezhnev, Carter warned Moscow and Havana against "becoming more active in the Caribbean and Central America;" and expressed "concern over their constant impulse to inject military aid into any trouble spot."²¹ Already subject to scathing criticism over his policies toward Latin America and the Soviet Union (as symbolized by the highly-controversial Panama Canal and SALT II treaties, respectively), Carter felt acutely vulnerable to charges of acquiescing to communist influences in Nicaragua. Given the increasingly polarized climate of the time, Pezzullo observed, "the Carter administration was understandably concerned about being faulted for 'losing' Nicaragua [to communism.]"²²

Consequently, Carter felt compelled to respond to his critics. Reporting to Congress on the results of his Vienna summit just one month prior to Somoza's fall, Carter displayed his sensitivity on the issue. "I made it clear to President Brezhnev," Carter stressed, "that...the growing Cuban involvement in the problems of Central

²⁰Secretary of State Vance, for example, in spring 1979 linked the complications facing SALT II's ratification to other "worrisome signs of future problems in U.S.-Soviet relations in Afghanistan and in Central America, where Nicaragua was drifting into civil war." Cyrus R. Vance, *Hard Choices: Critical Years in America's Foreign Policy* (New York: Simon and Schuster, 1983), 136.

²¹Jimmy Carter, *Keeping Faith: Memoirs of a President* (London: Collins, 1982), 178, 254, 257. See also Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Adviser 1977-1981* (New York: Farrar, Straus and Giroux, 1983), 341-4.

²²Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza*, 246.

America and the Caribbean...sponsored by or supported by the Soviet Union...can only have a negative impact on U.S.-Soviet relations [as a whole].”²³ In addition, the president personally revised a major speech on Nicaragua to be delivered to the OAS by Secretary of State Cyrus Vance, changing it into a more strident and explicit warning to Moscow and Havana to stay out of Nicaragua.²⁴

Despite its strategic fears and ideological misgivings regarding the FSLN, the Carter administration consistently fell behind the curve of the rapidly accelerating Nicaraguan revolution. Such lagging could have been predicted, given the surfeit of domestic and international winds buffeting the White House. The tense hostage crisis in Iran, continuing complexities in SALT II talks with the Soviet Union, midwifing a onerous Middle East peace accord, secret negotiations with China, and grappling both with bitter budgetary battles, a debilitating energy crisis, and a faltering domestic economy, among other equally-pressing issues — all commanded the immediate attention of President Carter and his top advisors.²⁵ “Our decision-making circuits were

²³Carter’s address, delivered on 18 June 1979, appears in *Public Papers of the Presidents of the United States: Jimmy Carter, 1979*, Book I, January 1 to June 22, 1979 (Washington, D.C.: USGPO 1980).

²⁴Pastor, *Condemned to Repetition*, 141; Anthony Lake, *Somoza Falling* (Boston: Houghton Mifflin, 1989), 224. In addition, Brzezinski pushed the president to “indicate to the Soviets that we may no choice but to counter their moves...in Central America.” See Brzezinski, *Power and Principle*, 421.

²⁵Given the surfeit of international crises, the administration was forced to engage a hierarchical approach of national interests. Thus President Carter observed that “our nation would not be threatened by the Sandinistas as it would by the fall of the Shah [of Iran].” Quoted in Pastor, *Whirlpool*, 133.

heavily overloaded,” as the administration’s National Security advisor Zbigniew Brzezinski reflected.²⁶

The consequence of this presidential distraction was that “we were always behind the curve” in responding the situation in Nicaragua, then-Assistant Secretary of State for Inter-American Affairs Viron Vaky recalled.²⁷ The critical flaw in the Carter administration’s approach to the revolution in Nicaragua was that, while it grounded all of its policy options in the desire to prevent a Sandinista victory, it was nonetheless unwilling to muscle Somoza out and preserve the basic integrity of virtually all Nicaraguan institutions. To do this would have constituted in Carter’s eyes a fundamental — and unacceptable — departure from his pledge of nonintervention; thus, in many ways like its successor, the Carter administration eventually engendered precisely the opposite outcome that it had assiduously strove to avoid. In short, the administration’s contradiction, paralysis, and incrementalism all worked to engender a fatal temporization about the Nicaraguan revolution. “There was always the sense that the U.S. could somehow prevent a Sandinista victory,” Lawrence Pezzullo, the U.S.

²⁶Brzezinski, *Power and Principle*, 358. In fact, there is a striking absence of detailed commentary on Nicaragua in the memoirs of the administration’s top three foreign policy actors — President Carter, Secretary of State Cyrus Vance, and National Security advisor Brzezinski. Only Robert Pastor, the director of Latin American affairs on the National Security Council (NSC) staff, has written a memoir on the Carter administration’s policies toward Nicaragua from start to finish. Memoirs from Ambassador Lawrence Pezzullo and State Department Director of Policy Planning Anthony Lake cover only the period of revolutionary insurrection. See Lake, *Somoza Falling*; and Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza*.

²⁷Quoted in Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza*, 34.

ambassador to Nicaragua, recalled. "There was a real reluctance on the part of the administration to consider what would we do if it happened."²⁸

The rapidly accelerating pace of events in Nicaragua, however, forced the administration to confront the notion of a Sandinista-dominated Nicaragua. In a high-level 2 July 1979 crisis meeting, all present were "obsessed with the power vacuum that would result from Somoza's departure. They were loath to consider the possibility that the Sandinistas would fill it."²⁹ Secretary of Defense Harold Brown insisted "that the Sandinistas were dominated by hardcore Marxist-Leninists."³⁰ Carter did not challenge Brown's view. "We don't want Ortega to be Minister of Defense," he said.³¹

Clearly the administration's fears of a Sandinista Nicaragua centered on the revolutionaries' ties to and affections for Cuba and by extension the Soviet Union. Robert Pastor, the director of Latin American affairs on the National Security Council (NSC) staff, acknowledged that "the administration was aware of the Sandinista orientation toward Cuba and the Soviet Union from the beginning and that was an

²⁸Lawrence Pezzullo, U.S. Ambassador to Nicaragua, 1979-1981. Interview by the author, 15 May 1991, Baltimore.

²⁹Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza*, 151.

³⁰Quoted in Morley, *Washington, Somoza, and the Sandinistas*, 221. Then-NSC official Richard Feinberg further noted that "the White House's dominant view was that key Sandinista leaders were Cuban-trained Marxist-Leninists who were intent upon eventually establishing a one-party socialist state [in Nicaragua]." See Richard E. Feinberg, *The Intemperate Zone: The Third World Challenge to U.S. Foreign Policy* (New York: W.W. Norton, 1983), 63.

³¹Quoted in Pastor, *Condemned to Repetition*, 161. Humberto Ortega did, in fact, become Minister of Defense in December 1979.

important factor in motivating us to deal with the Nicaraguan succession crisis.”³² Washington, according to Pezzullo, “wanted assurances that Nicaragua would not become a Soviet satellite” should the FSLN emerge victorious.³³

These geostrategic and regional concerns were serious enough to prompt discussion of a military intervention in the waning days of the insurrection in order to forestall a categorical Sandinista victory while preserving the basic edifice of Somoza’s *Guardia Nacional*. The *Guardia*, the administration hoped, would act as lever, brake, and check on whatever post-Somoza political order emerged following the revolution. NSC advisor Brzezinski strongly argued called for some form of intervention, and warned of grave geostrategic consequences should the United States failed to act.³⁴

The president was persuaded to instruct Secretary of State Vance to propose to the Organization of American States (OAS) a multinational force to intercede in Nicaragua and separate the warring factions, thus preventing the complete collapse of the *Guardia*. The American proposal, however, was decisively trounced by the OAS, and with Carter himself leaving “no doubt that he had no intention of intervening unilaterally”, the worst-case scenario for U.S. interests was all but inevitable.³⁵

³²Robert Pastor, correspondence with the author, 16 July 1991.

³³Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza*, 151.

³⁴What was at stake, Brzezinski argued, “is not just the formula for Nicaragua, but a more basic matter, namely whether in the wake of our own decision not to intervene in Latin American politics, there will not develop a vacuum, which would be filled by Castro and others. In other words, we have to demonstrate that we are still the decisive force in determining the political outcomes in Central America.” Quoted in Pastor, *Condemned to Repetition*, 161-2.

³⁵*Ibid.*, 147-8.

For their part, the abruptly-victorious Sandinistas were equally suspicious of the United States. The FSLN victory radically reoriented U.S.-Nicaraguan relations away from *Somocista* fealty to Washington and ushered in a decidedly leftist, fervently nationalist approach. The Sandinista leadership held deep-seeded misgivings of the United States, having waged what its members saw as a long and bloody war to free Nicaragua from the yoke of *Yanqui* imperialism. "It was to be expected," as one scholar noted,

that a radical, nationalist movement such as that led by the FSLN would harbor deep suspicions of the United States, especially given the history of U.S. intervention in Nicaragua, with fourteen official or filibuster invasions between 1853 and 1926, two decades of direct occupation in this century, [and] four decades of support for the Somoza dictatorship.³⁶

THE HORNS OF A DILEMMA

That the administration, therefore, found itself on the horns of a dilemma in Nicaragua was hardly lost on the Carter White House. "Few had illusions about the Sandinista Directorate's preferences for Cuba and Marxism, and its visceral hatred of the United States," as Pastor noted.³⁷ However, the administration also understood that short of direct American military intervention, the United States was going to have to live with the FSLN in power. "The fact is," as State Department Director of Policy Planning Anthony Lake recalled, "the Carter administration was caught with no good

³⁶Marc Edelman, "Soviet-Nicaraguan Relations and the Contra War," in *Vital Interests: The Soviet Issue in U.S. Central American Policy* ed. Bruce D. Larkin (Boulder: Lynne Rienner, 1988), 351.

³⁷Pastor, *Condemned to Repetition*, 193-4. "We have to be against the United States in order to reaffirm ourselves as a nation," Jaime Wheelock Román told one reporter. See Kinzer, *Blood of Brothers*, 119.

options.”³⁸ “We didn’t have too many cards to play for a major confrontation with the Sandinistas,” as Under Secretary for Political Affairs David Newsom explained.³⁹

Another high-ranking administration official framed the conundrum in precise terms. “The Sandinistas are in,” he said, “the worst-case has been realized. Okay, now what do we do?”⁴⁰ That question was addressed in a top-level Special Coordination Committee (SCC) meeting the day following the Sandinistas’ triumphant march into Managua in which, “faced with the inevitable,” as one observer phrased matters, “the Carter administration set out to control the damage.”⁴¹

The administration framed the discussion in the context of a similar revolutionary crisis some twenty years previous: Cuba. As Robert Pastor explained, the Carter administration re-examined U.S. reactions and policies toward Castro’s Cuba to glean useful lessons that might “avoid repeating the rest of the Cuban experience in Nicaragua.” To Pastor, the administration was “haunted” by “the ghost of Cuba past.”⁴² “Nobody wanted ‘another Cuba’ in Nicaragua, but the fear was always there,” Pezzullo observed. “The trick was how do you prevent it.”⁴³ The fundamental lesson learned, in short, was that American hostility had been counterproductive, accelerating Castro’s

³⁸Lake, *Somoza Falling*, 263.

³⁹Quoted in Morley, *Washington, Somoza and the Sandinistas*, 228.

⁴⁰Quoted in Arnson, *Crossroads*, 36.

⁴¹Coatsworth, *The United States and Central America*, 146.

⁴²Pastor, *Condemned to Repetition*, 192-3. Ambassador Pezzullo employed a similarly apparitional metaphor: “The specter of Cuba hung over our heads.” See Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza*, 151.

⁴³Lawrence Pezzullo, interview with the author.

radicalism and hastening Cuba's passage into the Soviet-bloc alliance. The Carter administration was determined not to make the same mistake twice.

After having failed to prevent the Sandinista ascension to power, Ambassador Pezzullo noted that "there were really three options open for the United States in policy terms."

One was to wait and see what happened. Or you could take the position of hostility. Or you could take the last option which was to accept the fact that this revolution had occurred whether we liked it or not, and try as best we could to be helpful and in the process maybe have some effect over the course of events.⁴⁴

In the SCC meeting, according to Pastor, "no one argued for either disassociation or hostility toward the new regime....these issues were not debated at any length because no one saw any other viable option other than to seek a good relationship with the new government."⁴⁵ "The worst alternative took place," Assistant Secretary of State Viron Vaky said,

but maybe it was still a ball game. The options were not good, but there were other options that were bad and worse. There was no feeling that it was all through and it was time to circle the wagons. [The prevailing consensus was] what can we do to influence events in Nicaragua from here on out.⁴⁶

The administration defined American objectives in Sandinista Nicaragua as promoting democracy and private enterprise in the country, pursuing good relations with Managua in order to forestall a Soviet-Cuban military presence, and working to

⁴⁴Quoted in *Crisis in Central America: Revolution in Nicaragua* (Boston: WGBH-Public Television, 1977). Videocassette.

⁴⁵Pastor, *Condemned to Repetition*, 193-4.

⁴⁶Quoted in Morley, *Washington, Somoza and the Sandinistas*, 238.

prevent Nicaraguan involvement in other regional insurrections. To achieve these goals, Washington would extend a generous and friendly hand to the new regime in the form of immediate and long-term economic assistance, and also encourage elements of the private sector and foreign governments to likewise work with the Sandinistas.⁴⁷

Secretary of State Vance laid out the administration's post-revolutionary approach in a secret cable to U.S. ambassadors across Central America. "With respect to Central America as a whole, our objectives are to prevent the consolidation of extreme left regimes," Vance wrote. Squaring the administration's regional objectives with the Nicaraguan situation, Vance observed that

the manner of Somoza's departure left behind in Nicaragua a variety of political currents whose ultimate direction may not be established for some time....It is in our interest to identify and strengthen moderate elements in the GRN [Government of National Reconstruction], the private business sector, the church, the media, labor and elsewhere who are able and willing to work toward keeping the revolution on a left-of-center course and to unite to resist efforts of the radical left to monopolize key activities in areas such as security, propaganda and education.⁴⁸

The American Embassy in Managua was instructed to "seek out moderates and independent elements and encourage and assist them to play an active role in defining the structures and policies of the new regime."⁴⁹ Viron Vaky described U.S. policy in Nicaragua to Congress as "strengthening our contacts...with many groups on which a

⁴⁷See Pastor, *Condemned to Repetition*, 194-5.

⁴⁸Department of State Telegram, Secret State 210125, Secretary of State (Vance) to American Embassy, London, Info All American Republic Diplomatic Posts, Subject: *U.S. Central American Policy*, 12 August 1979, National Security Archive, *Nicaragua Collection*, fiche 01049.

⁴⁹Pastor, *Condemned to Repetition*, 196-7.

healthy pluralistic society depends: the church, labor, the media, and of the utmost importance, the private sector.”⁵⁰ “Through these efforts,” Ambassador Pezzullo explained, “we hope to reinforce moderate tendencies and have a positive influence in helping the development of a democratic structure.”⁵¹

“We gave the revolution a chance,” Robert Pastor added, “in the hope that they [sic] were going to have to reach an accommodation with the United States and with Western governments. The longer we played for time...the more likely they were going to accept a moderate course.”⁵² The onus for a rupture in relations, therefore, fell squarely on the Sandinistas themselves. “The Nicaraguans had to prove it wouldn’t work,” Viron Vaky said of the Carter approach. “You had to try it and if it didn’t work, then it proved something.”⁵³

In short, the Carter administration adopted the ‘gamble’ option: the White House could not promise success if it acted to embrace the Sandinista regime, but it could assure failure if it did not. Secretary of State Vance explained the administration’s reasoning in similar terms. By “extending our friendship and economic assistance, we enhance the prospects for democracy in Nicaragua,” he told New York’s Foreign Policy

⁵⁰Testimony of Viron Vaky, Hearing and Markup Before the Committee on Foreign Affairs, House of Representatives, 96th Congress, 1st Session, *Special Central American Economic Assistance* (Washington, D.C.: USGPO, 27 November and 11 December 1979), 6.

⁵¹Department of State Telegram, Confidential State 03422, American Embassy, Managua, to Secretary of State (Vance), Subject: *Meeting With [Excised]*, 31 July 1979, National Security Archive, *Nicaragua Collection*, fiche 01011.

⁵²Quoted in *Crisis in Central America: Revolution in Nicaragua*, WGBH Public Television.

⁵³Quoted in Morley, *Washington, Somoza and the Sandinistas*, 228.

Association on 27 September. “We cannot guarantee democracy will take hold there. But if we turn our backs on Nicaragua, we can almost guarantee that democracy will fail.”⁵⁴ In private, Vance advised Carter that Nicaragua’s “future policies” were “likely to be influenced by whether the Sandinistas perceive the United States as sympathetic or hostile. Our ability to exert influence during this formative period is contingent on their believing that our policies are not aimed against them.”⁵⁵ Pezzullo cabled similar advice from Managua. “We must move carefully and not — repeat, not — reinforce a siege mentality.”⁵⁶

In practical terms, therefore, the Carter administration’s approach not only meant an *acceptance* of Sandinista rule in Nicaragua, but — provided it respected certain parameters of behavior — the *permanence* of FSLN power as well. While certainly conditional in nature, the policy foundation was firmly rooted in a belief that a Sandinista-led regime in Nicaragua did not, *ipso facto*, threaten or pose unacceptable risks to American interests. Moreover, the administration’s approach would be accommodating and patient, employing the ‘carrot’ as its operative tool as opposed to the ‘stick’. To Pezzullo, to deny economic assistance and offer only hostility “would drive the Sandinistas straight into the Soviet bloc.”⁵⁷ To Pastor, “the question was

⁵⁴Department of State, *Bulletin* 79, no. 2032 (November 1979): 15.

⁵⁵Confidential Memorandum from Secretary of State (Vance) to the President, 7 January 1980, quoted in Kagan, *A Twilight Struggle*, 124.

⁵⁶Department of State Telegram, Secret State 03459, American Embassy, Managua, to Secretary of State (Vance), Subject: *Need for Bridge Building*, 6 August 1979, National Security Archive, *Nicaragua Collection*, fiche 01030.

⁵⁷Lawrence Pezzullo, interview by the author, 15 May 1991.

whether [the FSLN's] ideology could be moderated by a tolerant U.S. policy....the Administration believed that a Communist regime was more likely to emerge if the United States adopted a confrontational approach."⁵⁸

To forestall a Communist regime, the Carter administration immediately extended the possibility of forging a new relationship with revolutionary Nicaragua, accepting the reality of its new leadership in an effort to limit Managua's anticipated relations with Cuba and the Soviet bloc.⁵⁹ The Carter White House was far from naïve about the ideological tendencies of the Sandinistas, and it harbored no illusions as to where the FSLN's sympathies lay. Quite the contrary — the administration was willing to concede the issue, up to a point. "The intimacy of contact between Cuba and the FSLN was very strong," Ambassador Pezzullo recalled. Consequently the administration was "always sensitive to the Cuban influence" in Nicaragua, "very suspicious [of it]."⁶⁰ "We viewed this as ominous," Robert Pastor said of the Sandinistas' Cuban preferences, "but we didn't necessarily think that was the end of it."⁶¹

From Managua, Ambassador Pezzullo counseled understanding and warned against "forming mindsets about the new figures and currents we have to deal with

⁵⁸Pastor, *Condemned to Repetition*, 194-5.

⁵⁹Lawrence Pezzullo, interview by the author, 15 May 1991.

⁶⁰Ibid.

⁶¹Quoted in *Crisis in Central America: Revolution in Nicaragua*, WGBH Public Television.

here.”⁶² “A leftist trend is inevitable,” Pezzullo wrote in another cable. “The question is how far will it go. The countries that wait and agonize about the degrees of radicalization here will lose the opportunity to play a positive role in preventing radicalization.”⁶³

In his first public statement on the matter following the Sandinista victory, Carter strove to disassociate preconceived ‘mindsets’ of ‘another Cuba’ from the changes in Nicaragua. “It’s a mistake,” the president said,

for Americans to assume or to claim that every time...an abrupt change takes place in this hemisphere, that somehow it’s the result of secret, massive Cuban intervention. The fact in Nicaragua is that the incumbent government, the Somoza regime, lost the confidence of the Nicaraguan people....I do not attribute all the change in Nicaragua to Cuba. We have a good relationship with the new government. We hope to improve it.⁶⁴

FROM WORDS TO DEEDS

Putting the goodwill policy into practice, Carter “approved a generous relief package” for the shattered Nicaraguan state that included emergency funds and several hundred tons of food and medical equipment.⁶⁵ Much of the emergency relief aid was dispatched on Air Force One in a gesture the administration hoped the FSLN

⁶²Department of State Telegram, Secret Managua 3420, American Embassy (Pezzullo) to Secretary of State, Subject: *Military Assistance*, 31 July 1979, National Security Archive, *Nicaragua Collection*, fiche 01032.

⁶³Department of State Telegram, Secret State 03459, Subject: *Need for Bridge Building*.

⁶⁴*Public Papers of the Presidents of the United States: Jimmy Carter, 1979*, Book II, June 23 to December 31, 1979 (Washington, D.C.: USGPO, 1980), 1307.

⁶⁵Pastor, *Condemned to Repetition*, 196.

government would appreciate.⁶⁶ By the end of September, in fact, the United States delivered \$23.5 million worth of emergency assistance.⁶⁷ Ambassador Pezzullo delivered much of the aid personally, telling the Sandinistas that “the word of my president [is] that we want to maintain very intimate and friendly relations” with the new regime.⁶⁸ At a private meeting with *comandante* Tomás Borge, Pezzullo “pledged our willingness to continue to provide humanitarian assistance and to help in the reconstruction effort.”⁶⁹ As an expression of such American sincerity, in mid-August, the administration released some \$35 million of loans for various economic projects that had been approved for, though not disbursed to, the Somoza government.⁷⁰ The administration also heavily lobbied international lending agencies to assist in Nicaragua’s post-revolutionary reconstruction, pressing for \$500 million in loans over the next three years from the IABD, including an immediate \$200 million for emergency reconstruction.⁷¹

⁶⁶“The President is sending this special plane as an expression of his personal good will to the people of Nicaragua and to the new government,” the White House announced. See Weekly Compilation of Presidential Documents 15, no. 30 (30 July 1979): 1317-8.

⁶⁷“Nicaragua: US Aid Package Better Late Than Never,” Latin America Weekly Report, 7 December 1979, 70.

⁶⁸Karen Delovy, “US Offers ‘Intimate’ Ties to Sandinista Leaders,” Washington Post, 29 July 1979, A12.

⁶⁹Department of State Telegram, Secret State 3382, American Embassy, Managua, to Secretary of State (Vance), Subject: *Borge Greeting at Airport*, 28 July 1979, National Security Archive, *Nicaragua Collection*, fiche 01005.

⁷⁰“Nicaragua: US Aid Package Better Late Than Never,” 70.

⁷¹ “Executive Says Bank Will Give Nicaragua \$500 million in Loans,” New York Times, 5 August 1979. See also Morley, *Washington, Somoza and the Sandinistas*, (continued...)

The Sandinistas, for their part, appeared somewhat appreciative of the American diplomatic effort given the difficulties their unexpected victory presented for Washington. "It's obvious enough that the United States has fears about our intentions and the future of this country," Foreign Minister Miguel d'Escoto Brockman told reporters.⁷² "The Sandinista victory is not the outcome the US was expecting," Moises Hassan noted, adding that "this might make life difficult" for both states.⁷³ Still, d'Escoto was publicly optimistic as to the future shape of U.S.-Nicaraguan relations, emphasizing "a new start" and that "there is no point in discussing mistakes of the past."⁷⁴

The 'clean-slate' approach was endorsed by American officials. "The aim is to be patient and open-minded," explained one, "and to judge them not by what they've said in the past but by what they do in the future."⁷⁵ Pezzullo likewise pressed such patience and understanding on both Managua and Washington. "I suggest[] we avoid being prisoners of the past," Pezzullo told Borge.⁷⁶ As for the Americans, Pezzullo warned the administration to expect some tough rhetoric but not "to jump into this in an

⁷¹(...continued)
256-92.

⁷²Stanley Meisler, "Junta Greeted in Managua, Has Kind Words for US", Los Angeles Times, 21 July 1979, A5.

⁷³"Differences buried," Financial Times, 24 July 1979, 12.

⁷⁴Meisler, "Junta Greeted in Managua".

⁷⁵John Goshko, "US to Go Easy in Approach to Nicaragua," Washington Post, 25 July 1979, A24.

⁷⁶Department of State Telegram, Confidential Managua 3422, Subject: *Meeting with [Excised]*.

ideological fashion and reacting to some of the more strident statements, postures, and activities” on the part of Sandinista leaders.⁷⁷

As a tangible gesture to reaffirm its commitment to close relations, the Carter administration granted a White House meeting with the president to a Nicaraguan delegation headed to the United Nations.⁷⁸ Meeting on 24 September with *junta* members Daniel Ortega, Sergio Ramirez and Alfonso Robelo, along with Foreign Minister Miguel d’Escoto, President Carter “reiterated his desire for friendship” and asked that the Sandinistas tone down some of their fiery anti-American rhetoric by taking up Pezzullo’s ‘bygones be bygones’ theme. “If you don’t hold me responsible for everything that occurred under my predecessors,” Carter asked, “I will not hold you responsible for everything that occurred under your predecessors.” The Nicaraguan delegates smiled, and Ortega told Carter that “we will not link you with the past.”⁷⁹

The Nicaraguans asked for reconstruction assistance — “we know you can provide a lot,” Ortega said. The Americans agreed to work for greater assistance, but — “to Ortega’s apparent surprise” — emphasized “Carter’s goal to reduce the budget deficit and its implications for aid to Nicaragua.”⁸⁰ In subsequent attempts at explanation, Ambassador Pezzullo strove to impress upon the Sandinistas the complex workings of the U.S. budgetary processes. “I stressed that we are approaching the end

⁷⁷Department of State Telegram, Confidential Managua 3598, American Embassy (Pezzullo) to Secretary of State, Subject: *Humanitarian Assistance*, 8 August 1979, National Security Archive, *Nicaragua Collection*, fiche 01009.

⁷⁸See Pastor, *Condemned to Repetition*, 206-7.

⁷⁹Ibid.

⁸⁰Ibid.

of the fiscal year and that funding flexibility is extremely limited,” he told the *comandantes*. “We hope to be able to provide significant additional assistance in the new fiscal year.”⁸¹ The explanations proved insufficient to overcome innate Nicaraguan skepticism, however, and Sandinista suspicions regarding U.S. intentions toward their revolution began to harden.⁸²

THE COVERT PROGRAM

While publicly calling for close relations between the two countries, the Carter administration behind the scenes explored covert methods to achieve its stated objectives in post-revolutionary Nicaragua. Within two weeks of the Sandinista victory, President Carter signed a top-secret Presidential Finding on Nicaragua that “was focused primarily on propaganda, exposing what the Sandinistas were all about, and the Cuban role in supporting the Nicaraguan revolution,” according to former CIA Director Robert Gates.⁸³ On 19 October the administration adopted “a broader finding authorizing CIA actions to counter the Soviets and Cubans throughout Latin America”, which Carter signed as an additional Finding on 24 November.⁸⁴

The Carter Findings authorized covert activity designed to achieve the goals laid out by Vance in the immediate days following the Sandinista triumph: identify and

⁸¹Department of State Telegram, Confidential Managua 3443, American Embassy, Managua, to Secretary of State (Vance), Subject: *Credentials Ceremony Conversations with Junta—Economic Topics*, 1 August 1979, National Security Archive, *Nicaragua Collection*, fiche 01014.

⁸²See Arturo Cruz Sequeira, “The Origins of Sandinista Foreign Policy,” 103.

⁸³Gates, *From the Shadows*, 150-1.

⁸⁴*Ibid.*

strengthen moderate elements across the Nicaraguan polity. According to former CIA official Duane Clarridge, the Findings “specifically concerned political action in support of democratic forces”.⁸⁵ The covert programs provided nearly \$1 million to support “pluralistic” elements in the post-Somoza Nicaraguan polity, such as opposition political parties, trade unions, and the media. The CIA was “to provide political support to opponents of the Sandinistas — money and backing to encourage and embolden the political opposition, newsprint and funds to keep the newspaper *La Prensa* alive.”⁸⁶

According to administration officials, Carter’s covert program did not, however, have a military component to it. “My administration provided no funding or support of any kind to any contra group fighting against the Sandinista government,” Carter insisted.⁸⁷ CIA Director Stansfield Turner likewise confirmed the absence of a paramilitary dimension: “The Carter Administration had no program of covert action that would have permitted any paramilitary support to the contras.”⁸⁸

Instead, Carter’s covert operation

was a standard political-action program to boost the democratic alternative to the Sandinistas — to develop alternatives to parties and people thought to be close to the Soviet Union and its line. This covert action was intended to build ties for the agency to the political center, to

⁸⁵Clarridge, *A Spy for All Seasons*, 197.

⁸⁶Woodward, *Veil*, 113.

⁸⁷Jimmy Carter, “Letter to the Editor,” Times of the Americas, 25 March 1987, 8.

⁸⁸Quoted in Robert Toth and Doyle McManus, “Contras and CIA: A Plan Gone Awry,” Los Angeles Times 3 March 1985, A1.

keep an opposition alive and insure that the agency would have contacts and friends among new leaders [in Nicaragua].⁸⁹

Another source described the “very general finding” as “nothing paramilitary, nothing too broad or sophisticated; a matter of a few dollars to a politician here, a few planted stories there in the local press....it did not amount to much.”⁹⁰

In fact, the Carter administration had ample opportunity to explore possible paramilitary *coups* against the Sandinista regime, yet it declined or passed on all. Just weeks after the revolution, in fact, at the same time that the administration was finalizing its covert strategy in Nicaragua, the U.S. ambassador to Honduras reported that the embassy had been informed of “attempts to recruit a counter-revolutionary force among GN refugees in Honduras.” Given the White House’s disinterest, “in absence of instructions to the contrary, emboff [embassy officials] will tell [excised]” that Washington would pass.⁹¹ The State Department cabled back to express doubt on the reports: “we believe we would be aware of any such effort of more than nuisance size.”⁹² The American embassy in Guatemala likewise cabled to report that the presence

⁸⁹Woodward, *Veil*, 113.

⁹⁰Dickey, *With the Contras*, 78.

⁹¹Department of State Telegram, Secret Cable 4140, American Embassy, Honduras, to Secretary of State (Vance), 30 July 1979, Subject: *National Guard Refugees in Honduras*, National Security Archive, *Nicaragua Collection*, fiche 01007.

⁹²Department of State Telegram, Secret Cable 197806, Secretary of State (Vance), to American Embassy, Managua, Subject: *Meeting with Interior Minister Borge*, 30 July 1979, National Security Archive, *Nicaragua Collection*, fiche 01008.

of “one hundred or so *ex-Guardia* troops” in that country “as [having] no significance”, and the embassy was not encouraged to pursue the matter further.⁹³

Finally, in fall 1980 the U.S. embassy was informed of a conspiracy by moderate civilians and members of the Nicaraguan military to overthrow the Sandinista Directorate. While the conspirators did not ask the U.S. for direct help in their *coup d'état*, the Carter administration nonetheless entertained the possibility of joining the effort, seeing the “high-risk temptation” as possibly “the last chance to depose the Communists in the Nicaraguan government.”⁹⁴ In the end, however, Ambassador Pezzullo convinced Washington that the *coup* leaders were being set up by Sandinista agents, in which case American involvement would doom the administration’s efforts to moderate the Sandinista regime. Following Pezzullo’s counsel, therefore, the United States passed on the opportunity.⁹⁵

SELLING THE POLICY

On 11 September 1979, the Carter administration publicly announced plans to commit U.S. financial aid to Nicaragua as a means of countering Marxist elements in the revolutionary government as well as potential Soviet and Cuban influences. Although the aid package itself was “relatively meager” given budgetary constraints⁹⁶, the administration nonetheless anticipated political turbulence and so dispatched several

⁹³Department of State Telegram, Secret Cable 3549, *Need for Bridge Building*.

⁹⁴Pastor, *Condemned to Repetition*, 221-3.

⁹⁵On 16 November *coup* leader Jorge Salazar Argüello was ambushed and shot dead by Sandinista security forces, confirming Pezzullo’s suspicions of entrapment.

⁹⁶Pastor, *Condemned to Repetition*, 209.

top-level officials to Capitol Hill to sell a skeptical Congress on the merits of its 'gamble' policy toward Nicaragua. "The course of the Nicaraguan revolution," Viron Vaky testified, will

be affected in no small way by how the U.S. perceives it and relates to it. We might write it off as already radicalized and beyond redemption, but that would not only be untrue, it would also surely drive the revolution into radicalization.⁹⁷

Working with the Nicaraguan revolution — not against it — was, he argued, the course "most likely to achieve an outcome compatible with our own interests."⁹⁸

Both Warren Christopher and Vaky also sought to convince Congress that the administration's approach was not the result of starry-eyed pollyanna-ism, but instead was firmly grounded in sober-minded realism. "There is definitely the risk that Nicaragua could become a 'second Cuba'," Christopher told a House subcommittee.

We are realists, Mr. Chairman. We recognize that some elements of the present government might prefer a closed, Marxist society. We recognize as well that Cuba is already providing substantial advice and assistance to Nicaragua. But the situation, nevertheless, in our judgement, remains fluid. The moderate outcome that we seek will not come about if we walk away now. Precisely because others are assisting Nicaragua and may seek to exploit the situation there, I feel we must not turn our backs.⁹⁹

⁹⁷Testimony of Viron Vaky, Hearings before the Committee on Foreign Affairs, Subcommittee on Inter-American Affairs, House of Representatives, 96th Congress, 1st Session, *Central America at the Crossroads* (Washington, D.C.: USGPO, 11-12 September 1979), 4.

⁹⁸Ibid.

⁹⁹Testimony of Warren Christopher, Hearings before the Committee on Appropriations, Subcommittee on Foreign Operations and Related Programs, House of Representatives, 96th Congress, 1st Session, *Foreign Assistance and Related Programs Appropriations for 1980, Part 7* (Washington, D.C.: USGPO, 11 September 1979), 47, 100.

“It is conceivable,” Vaky further admitted, that “if you did everything right, it might still go sour. One never knows. But certainly, if you do not help, it will almost surely push the revolution out of desperation into radical authoritarian molds.”¹⁰⁰

Addressing Congressional concerns over Sandinista ideology, Pezzullo noted that while some FSLN *comandantes* may “have been weaned on Marxist philosophy...the practicality of running a government with economic difficulties of monumental proportions forces them to be pragmatic.”¹⁰¹ Vaky concurred, emphasizing that even with a take-over of power by Marxist forces, “in the course of needing to cope with the tremendous needs that they have...they may find themselves so hemmed in that their game plan does not quite work.”¹⁰²

Christopher then neatly summed up the administration’s ‘gamble’ option in regards to policy approaches and objectives by emphasizing

that there is a substantial chance that if we work with the new government along with our Latin American neighbors, that if we provide friendly cooperation, that if we provide aid to it, that the chances will be enhanced that it will move in the direction of a democratic regime. But I am even surer, Mr. Chairman, that if we walk away from it we will make almost certain the result that we hope will not come about, and that is that there will be a Communistic or Marxist or Cuban domination of that country.¹⁰³

¹⁰⁰Ibid., 28.

¹⁰¹Testimony of Lawrence Pezzullo, in *ibid.*

¹⁰²Testimony of Viron Vaky, in *ibid.*, 29.

¹⁰³Testimony of Warren Christopher, in *ibid.*, 52-3.

“You concede it is something of a gamble,” Subcommittee chairman Clarence Long (D-Md) then asked Christopher, “but you feel it is a valid calculated risk?” “Exactly,” Christopher replied.¹⁰⁴

Initial developments in Nicaragua in the immediate wake of the revolution appeared to augur well for the administration’s ‘gamble’ approach. Moderate and even conservative members of the Nicaraguan polity were awarded key governmental posts in the new regime — especially important in Washington’s view was the re-affirmation of leading moderates Violeta Barrios de Chamorro and Alfonso Robelo Callejas to the Nicaraguan Government of National Reconstruction (GRN) *junta*, along with FSLN members Daniel Ortega Saavedra, Moisés Hassán Morales, and Sergio Ramírez Mercado.¹⁰⁵ Moreover, the *junta* announced plans to form a 33-seat interim Council of State to exercise legislative powers until elections to a national assembly could be held. The announced composition of the Council of State assured moderate forces — not the FSLN — a clear majority of the seats.

On 9 November, the Carter administration completed its proposed aid package and shipped it to Capitol Hill. “I strongly urge rapid congressional action on this bill”, the president said, as a signal “that the United States can be relied upon.”¹⁰⁶ The administration sought \$75 million in overall assistance for Nicaragua, with \$70 million

¹⁰⁴Ibid., 53.

¹⁰⁵At the time, Ramírez’s Sandinista affiliations were unknown.

¹⁰⁶“Special Central America and Caribbean Security Assistance Act of 1979,” in *Congressional Record* 125, Part 24, 96th Congress, 1st Session (5 November-13 November 1979): 31957.

in the form of a loan (sixty percent of which was restricted to private-sector use) and the remaining \$5 million to be a grant for private organizations operating in the country.

Congressional deliberations on the aid bill largely eschewed its specific characteristics and instead concentrated on its fundamental utility. In short, debate on the bill became a larger referendum on the Nicaraguan revolution, bifurcated into two rigidly opposing camps: those who saw it as troubling but potentially recoverable through patience and assistance; and those who viewed it as irretrievably lost to a Communist orbit.

Aware of its predicament, the Carter White House instructed Ambassador Pezzullo to warn the Sandinistas to expect some rough rhetorical turbulence from Capitol Hill as the aid package was debated, but not to make the mistake of radicalization in retaliatory response. After explaining these views to the Nicaraguan leadership, Pezzullo cabled back to Washington. "We were hopeful," he said he told them, that

Congress would approve a generous contribution to the reconstruction effort but we expect some opposition. The strength of the opposition would depend on a number of factors including the image of the GRN. I said it was essential that we work together very closely in this cooperative effort to avoid creating problems which might adversely affect the Congressional attitudes....It was important, I added, for those in authority to understand our decision-making process and the role that Congress plays in approving funds....The image of the GRN could be either a positive or negative factor when we go forward for a supplementary [aid package request].¹⁰⁷

¹⁰⁷Department of State Telegram, Confidential Cable 3652, American Embassy, Managua, to Secretary of State (Vance), Subject: *Meeting with [Excised]*, 10 August 1979, National Security Archive, *Nicaragua Collection*, fiche 01043.

The Senate was the first chamber to vote on the aid package, with both aid factions invoking Cuba early and often. “To withhold assistance from Nicaragua for fear that the country may become a ‘second Cuba’ is only to create a self-fulfilling prophecy,” aid supporter Senator David Durenberger argued. “There are obvious risks involved in providing foreign aid to Nicaragua. But there are even greater risks involved in not providing for aid for Nicaragua.”¹⁰⁸ “I want to emphasize,” echoed strong aid supporter Senator Edward Zorinsky, “that it is an opportunity for Nicaragua. It is not a guarantee. But so long as the opposition exists, the United States ought to recognize it, nurture it, and support it.”¹⁰⁹

Senate aid opponents, conversely, argued that Nicaragua was already irretrievably ‘lost’ — hence the administration’s aid package was an “exercise in wishful thinking”, according to one opponent. “By sending this money to the Sandinistas,” Senator Robert Dole (R-KN) argued, “we are helping to set up another Cuba. Where is the sense in that?”¹¹⁰ Describing the aid package as money “being poured down a Communist rat hole,” Senator Jesse Helms (R-NC) likewise questioned the wisdom of the administration’s ‘carrot’ approach:

The notion that \$75 million of the U.S. taxpayers’ money is going to keep Nicaragua from going to the left is so preposterous that it hardly needs comment....What kind of upside-down mentality do we have

¹⁰⁸*Congressional Record*, 126, Part 1, 96th Congress, 2nd Session (3 January-30 January 1980): 1083.

¹⁰⁹*Congressional Record*, 126, Part 9, 96th Congress, 2nd Session (9 May-21 May 1980): 11647.

¹¹⁰*Ibid.*, 11676.

where we propose to use the taxpayers' money to build up Communism?¹¹¹

Despite these rhetorical dust-ups, however, the Senate battle for aid culminated in a 55-34 vote victory on 29 January 1980. Events in Nicaragua as well as world-wide, however, were conspiring to imperil the bill's fate in the House of Representatives. By the time the House took up the Senate-approved legislation in February 1980, the Soviet brigade in Cuba crisis had erupted, SALT II had been removed from Senate ratification, American hostages had been seized in Iran, and the Soviet Union had invaded Afghanistan — all on top of rising economic difficulties at home. Such events did little to inspire confidence in the Carter administration's foreign policy acumen and political leadership — yet this was precisely the foundation upon which the White House's policy toward Nicaragua lay.

Political changes inside Nicaragua, moreover, took on a more radical nature as the Sandinistas moved to consolidate hegemonic power. In pursuit of its own agenda and operating on its own timetable, the FSLN ignored Pezzullo's advice and in late December and early January announced several crucial cabinet changes at the highest levels of the Nicaraguan government — all in favor of Marxist Sandinista members. Roberto Mayorga Cortes, a conservative economist and leading figure in the private sector, was ousted from his post as Minister of Economic Planning in favor of Soviet-educated Henry Ruíz Hernandez. Bernardino Larios was sacked as Minister of Defense and replaced by Humberto Ortega Saavedra. Finally, the Ministries of Agriculture and Agrarian Reform were merged into a single structure under the control of Jaime

¹¹¹Ibid., 11652, 11656; and *Congressional Record*, 126, Part 1, 1086.

Wheelock Román.¹¹² It was not, in short, a propitious time for already skeptical House members to commit further to the Carter administration's faith and judgement that American dollars could make a difference in what many took to be signs of Nicaragua's inevitable drift eastward.

House aid opponents quickly seized on the internal changes in the Nicaraguan polity as additional proof of Managua's foregone status, and they assailed the administration's basic premise for the assistance. "We have no reason to contribute aid to make Marxism work in Nicaragua," Congressman Robert Livingston (R-La) argued.

The Carter administration is deluding itself and the American people by thinking that we can buy friendship [with the Sandinistas]. This \$75 million aid program will do the opposite — it will brand the United States a 'patsy' in the eyes of the world.¹¹³

Insisting that "the ruling Nicaraguan junta...is firmly aligned with Cuban and Soviet objectives in our hemisphere," Congressman Eldon Rudd (R-Ariz) argued that the aid package will only

cement a permanent Communist dictatorship in Nicaragua. The notion that providing the pro-Marxist Sandinista regime of Nicaragua with \$75 million in hopes that such aid will gain us influence with that government is sheer folly. Yet this is precisely what the Carter administration would have us believe....It is sheer naïveté.¹¹⁴

¹¹²"Nicaragua's cabinet," *Latin America Weekly Review*, no. 1 (4 January 1980): 1.

¹¹³*Congressional Record*, 126, Part 3, 96th Congress, 2nd Session (13 February-27 February 1980): 3554-5.

¹¹⁴*Congressional Record*, 125, Part 26, 96th Congress, 1st Session (27 November-6 December 1979): 33959; and *Congressional Record*, (13 February-27 February 1980): 3556.

Congressman Robert Bauman (R-Md) added that any amount of assistance “to keep [Nicaragua] from turning Communist will fail because they already have a Communist government and they are dominated by Communists trained in Cuba.”¹¹⁵ Another aid opponent, Congressman Robert Lagomarsino (R-Cal), framed the matter in terms of a ‘duck test’: “if it looks like a Cuba, and walks like a Cuba, and quacks like a Cuba, [then] like a duck, it is probably a Cuba.”¹¹⁶

Administration officials rushed to assuage House fears of rising Cuban influence in Nicaragua. Ambassador Pezzullo testified that of course the administration was aware that the Sandinistas “had close relations with Cuba. We have known that from the beginning. This is not a secret....That is nothing new in terms of the developing relationship. There is a closeness and there is a great deal of sympathy between the two.”¹¹⁷ Deputy Secretary Christopher tried to use the concern over Cuba to the administration’s advantage:

I don’t have any illusions about the Cuban influence in Nicaragua or their desire to influence the situation in Nicaragua....But it is precisely

¹¹⁵Ibid., 3542.

¹¹⁶*Congressional Record* 125, Part 26, 33959. Congressman Lagomarsino’s ‘duck’ analogy was seconded in the Senate by Jesse Helms (R-NC):

Why do we have to wonder whether this creature in Nicaragua is a duck? It has webbed feet, it quacks, and it has feathers. It waddles like a duck and it is a duck. It is a Communist duck that is going to get \$75 million of the American taxpayers’ money.

See *Congressional Record*, 126, Part 9, 11670.

¹¹⁷Testimony of Lawrence Pezzullo, Hearings before the Committee on Foreign Affairs, Subcommittee on Inter-American Affairs, House of Representatives, 96th Congress, 2nd Session, *Assessment of Conditions in Central America* (Washington, D.C.: USGPO, 29 April and 20 May 1980), 76-7.

because they are there that I think the United States should involve itself in a way so that we can cope with their presence.¹¹⁸

The game was not yet up in Nicaragua, Vaky added, but Washington needed to hurry. "The political situation remains in flux and provides additional compelling arguments for U.S. assistance," he testified.

It is essential that we contribute generously so that we too will have an impact and influence with the new nation now emerging there....There is no guarantee that this aid is going to result, frankly, in democracy. But if we do not try, we will surely see this development turn out adversely. With aid there is a good chance that we can influence events there in terms of our interest.¹¹⁹

Nonetheless, anxiety over the Cuban role in Nicaragua reached such a crescendo that on 25 February the House for only the third time in its history met in secret session to hear and review classified intelligence data on Soviet and Cuban involvement in Nicaragua. Emerging afterwards, Congressman Jim Wright (D-Texas) declared that he had heard nothing which convinced him that Nicaragua was dominated by the Soviet bloc and was therefore a 'lost cause'. "We were told that some Sandinistas were Marxists," Wright said of the secret session. "Well, we already knew that."¹²⁰ Other members were not similarly persuaded. The Sandinistas are "looking like junior Fidel

¹¹⁸Testimony of Warren Christopher, Hearings before the Committee on Foreign Relations, U.S. Senate, 96th Congress, 1st Session, *Special Central American and Caribbean Security Assistance Act of 1979* (Washington, D.C.: USGPO, 6-7 December 1979), 96.

¹¹⁹Testimony of Viron Vaky, *Special Central American Economic Assistance*, 5, 7, 11.

¹²⁰Jim Wright, Speaker of the House of Representatives, 1987-1989. Correspondence with the author.

Castros,” said Congressman Edward Derwinski. “Except for the lack of a beard, these Sandinistas...[are] Fidel Castros 20 years later.”¹²¹

Supporters of the aid package, meanwhile, candidly admitted that it was far from certain that American dollars could ‘save’ Nicaragua from communism. Precisely because of that ambiguity, however, the United States could not afford to back away. Congressman Clement Zablocki openly acknowledged that “I cannot give my colleagues any assurances that if we approve this assistance that Nicaragua will not fall within the Marxist orbit.” The “political purpose” of the aid is predicated on

trying to influence the direction which the country moves....not to provide assistance would be to walk away and concede victory to the Cubans and Soviet surrogates....we will be abandoning the field to Castro and his Soviet bosses — with adverse consequences for our own national security.¹²²

Congressman Jim Wright similarly urged his colleagues to embrace the Carter ‘gamble’ approach, regardless of the sums involved. “Maybe it is like rolling dice,” he admitted,

I do not know. Maybe we waste whatever money we send, that is possible. But I think we ought to be caught trying....What we have to do now is look to the present and to the future. There is a chance, maybe an outside chance, but a chance that we can win in Nicaragua.¹²³

Ultimately, after four days of torturous and intense debate, the House on 27 February narrowly passed legislation providing the \$75 million that the administration

¹²¹Statement of Congressman Edward Derwinski, *Special Central American Economic Assistance*, 86.

¹²²*Congressional Record*, 126, Part 3, 3553.

¹²³Quoted in *Congressional Quarterly, CQ Almanac 1980* (Washington, D.C.: Congressional Quarterly Press, 1981), 319.

had sought.¹²⁴ To win approval, however, aid supporters were forced to affix some twenty conditions on the use of the aid — including a certification from the president that Nicaragua was not aiding regional insurgencies; a ‘Buy-American’ clause stipulating that the credit line be used exclusively for U.S. products; a categorical ban on money spent in health and education projects in which Cubans were involved; and a requirement that one percent of the funds be spent “to make publicly known to the people of Nicaragua the extent of U.S. aid programs to them.”¹²⁵

MILITARY ASSISTANCE FOR MANAGUA?

A principal consequence of the Sandinista’s stunning victory was the categorical disintegration of Somoza’s army, the *Guardia Nacional*, leaving FSLN troops as the only organized armed force in the country. The allegiance of the *Ejército Popular Sandinista* (EPS) was not in question, but the source of its weaponry and training very much was. The FSLN, in fact, viewed rapid consolidation of the EPS with an utmost sense of urgency. “History tells us,” as a top Sandinista Foreign Ministry official noted, that “there’s never been a revolution without a counterrevolution, and in the history of Latin America, there’s never been a counterrevolution without the participation of the CIA.”¹²⁶ “Where in the world did a revolution not have its counterpart, a counter-

¹²⁴Unlike the comfortable twenty-one vote cushion in the Senate, the aid package scraped by with a 202-197 vote.

¹²⁵For a full list of the conditions, see Congressional Quarterly, *CQ Almanac 1980*, 331-2.

¹²⁶Alejandro Bendaña, quoted in Thomas W. Walker, “The Armed Forces,” in *Revolution and Counterrevolution in Nicaragua*, ed. Thomas W. Walker (Boulder: Westview Press, 1991), 80.

revolution?”, Tomás Borge asked rhetorically.¹²⁷ A top advisor to Pezzullo echoed the Sandinista concerns, saying they were “fixated on the counterrevolutionaries. They knew it was coming, that they would be aided by the United States.”¹²⁸ As Humberto Ortega later recalled: “We truly believed the United States would not accept the revolution as we designed it.”¹²⁹

In the immediate months following their victory, the Sandinistas became increasingly skittish about an imminent U.S.-led invasion. Tense relations with Honduras, where remaining *Guardia* forces had taken refuge and were mounting small border skirmishes, only heightened Sandinista anxiety. Ambassador Pezzullo was called in to meet with the Ortega brothers, Jaime Wheelock, Sergio Ramírez and others in late October and was told “in very serious tones” that the FSLN viewed these events as “a real security threat.”¹³⁰ Though Pezzullo “dismissed” the reports as “nonsense”, he cabled Washington that the Sandinistas “had become paranoid after their unexpected victory, and thought everyone was out to destroy them.”¹³¹

The Sandinista regime, therefore, viewed immediate military assistance as crucial to the revolution’s survival; surprisingly, it did not publicly rule out efforts to obtain U.S. military assistance and training, and in fact initially expressed interest in

¹²⁷O Globo (Rio de Janeiro), 19 August 1979, in FBIS-LAM, 23 August 1979, P4.

¹²⁸Unidentified Department of Defense official, quoted in Morley, *Washington, Somoza and the Sandinistas*, 243.

¹²⁹Quoted in Kagan, *A Twilight Struggle*, 128.

¹³⁰Lawrence Pezzullo, interview by the author, 15 May 1991.

¹³¹*Ibid.*

establishing such a security relationship with Washington. Shortly after the revolution, Interior Minister Tomás Borge raised the issue with Pezzullo and later with other American officials at the inauguration of Ecuadoran President Jaime Roldos on 11 August.¹³²

The administration's response was skeptically intrigued, according to Pezzullo, and he was instructed to tell Borge that "the United States was prepared in principle" to provide military assistance, but to keep the matter confined to the theoretical.¹³³ Others saw the issue as thornier and more complicated, in that "it raised questions that the Administration preferred to avoid. One does not want to arm a potentially unfriendly nation."¹³⁴ The White House was also fearful that any serious discussion of U.S. military assistance to Nicaragua would gravely imperil larger and more critical elements within a dubious Congress of its conciliatory approach, chiefly economic assistance. "Arms requests for Nicaragua wouldn't get anywhere in the U.S. Congress," one official explained, and it would unnecessarily complicate a still quite fragile relationship.¹³⁵

Instead, the Carter White House encouraged military relations between Nicaragua and its regional neighbors, such as Colombia and Brazil, as well as its non-

¹³²Ibid; Paul Reichler, legal counsel to the FSLN government, interview by the author, 17 September 1991, Washington, D.C. See also Charles Krause, "Nicaraguans Ask the United States for Military Aid," Washington Post, 30 July 1979, A1; and Richard Meislin, "Nicaraguan Says Red Bloc Won't Be Asked for Arms," New York Times, 13 August 1979, A3.

¹³³Lawrence Pezzullo, interview by the author.

¹³⁴Pastor, *Condemned to Repetition*, 205.

¹³⁵Karen DeYoung, "U.S., Nicaragua Easing Mutual Suspicions," Washington Post, 1 December 1979, A14.

Cuban benefactors during the revolution, Venezuela and Panama. Offers of security assistance from the latter two states, however, were effectively spurned by the FSLN government. On 1 August, for example, Venezuelan Foreign Minister José Alberto Zambrano and the Deputy Director of the Venezuelan National Security Council José Antonio Olavarria flew to Managua to convey Caracas' offer of military aid and advice — an offer which, according to Olavarria, was “enthusiastically” accepted by then-Defense Minister Bernardino Larios. The deal was immediately vetoed, however, by then-Chief of Staff of the Armed Forces Humberto Ortega, despite his ostensible role as Larios' subordinate. Ortega firmly explained to the Venezuelans that Cuba was meeting all of Nicaragua's defense and security needs. In a similar incident, top Panamanian military advisers sent by General Omar Torrijos Herrera were relegated to training Nicaragua's traffic police. Insulted by the Sandinistas' slight after so many years of critical support, Torrijos recalled his advisers and instead offered the FSLN “friendly warnings” against overreliance on the Cubans.¹³⁶

The possibility of direct American military assistance likewise fizzled out. During a White House meeting between President Carter and a Nicaraguan delegation headed by *junta* leader Daniel Ortega, Foreign Minister Miguel d'Escoto, and *junta* members Sergio Ramírez and Alfonso Robelo in late September 1979, the Sandinistas made no mention of seeking U.S. military assistance, despite voicing interest in the

¹³⁶Pastor, *Condemned to Repetition*, 205-7. Former Sandinista Arturo Cruz Sequeira wrote that “Managua never made a genuine effort to diversify the sources of its military aid,” preferring to deal exclusively with Cuba and the Soviet bloc. See Cruz, “Origins of Sandinista Foreign Policy,” 104. For a dissenting view, see Robert Matthews, “The Limits of Friendship: Nicaragua and the West,” *NACLA: Report On the Americas* 19, no. 3 (May-June 1985): 22-3.

matter for nearly two months — nor, for that matter, did their delegation include any prominent military or defense officials. It was later revealed that Carter had authorized three U.S. military officers stationed in Managua “to discuss military training with the Sandinistas.”¹³⁷ Responses from Nicaragua, however, were slow and ambiguous; American embassy efforts to receive “definitive guidance” on the matter from Sandinista officials “have not met with success other than repeated assurances that they are in fact still interested.”¹³⁸ Despite the evident Nicaraguan disinterest, the administration attempted to insert \$5.94 million of non-lethal military aid in its economic assistance package. As anticipated, the move engendered bipartisan opposition, and was easily stripped out of the bill by the House.¹³⁹

Beginning in 1980, the Sandinistas began to turn to the Soviet bloc for military and security assistance. The Carter administration was not surprised, and in fact fully anticipated that there would be security ties between Nicaragua and the socialist community, especially with Cuba. Instead of “ordering the Sandinistas around” with “scare stories — ‘if you do this, we will hurt you’” — the White House instead hoped that its accommodating approach would serve to mitigate the scope of military ties to

¹³⁷Pastor, *Condemned to Repetition*, 205; and Morley, *Washington, Somoza and the Sandinistas*, 245.

¹³⁸Department of State Telegram, Confidential Managua 0426, American Embassy (O'Donnell) to Secretary of State, 29 January 1980, Subject: *FY80 IMET for Nicaragua*, 29 January 1980, National Security Archive, *Nicaragua Collection*, fiche 01044.

¹³⁹Senator Jesse Helms presciently argued that any U.S. military aid to Nicaragua “should go to the liberation groups who are fighting clandestinely to take back their country from the Communists.” See *Congressional Record*, Vol. 126, Part 12, 96th Congress, 2nd Session (16 June-21 June 1980): 15070.

the USSR and Cuba. Washington's concerns were communicated "informally" by Pezzullo to Sandinista officials, and were limited primarily to "advice" not to acquire Soviet MiG fighters, which the Sandinistas were suspected of coveting.¹⁴⁰

Overall, Soviet-bloc military assistance to Nicaragua during the Carter administration never emerged as a dominant or divisive issue in the relationship. American intelligence reports estimated that Nicaragua received some \$5 million in military assistance from the Soviet bloc in 1979, and between \$6 to \$7 million in 1980.¹⁴¹ With sums so low and with Managua heeding Pezzullo's advice not to import the MiGs, the potentially explosive issue was largely avoided during Carter's tenure as president.¹⁴²

THE ORDEAL OF THE \$75 MILLION

The House's February authorization approval of the administration's aid package, however, was hardly the end of the saga or even close to it. Not only was the House's version different from the Senate-approved bill (which required conference committee reconciliation at some point); not only were the funds only authorized, meaning the additional process of appropriation was yet to come; but the money could not in any event be included in the Fiscal Year 1980 foreign aid appropriations bill

¹⁴⁰Lawrence Pezzullo, interview by the author.

¹⁴¹The figures are cited in Clifford Krauss and Robert Greenberger, "Despite Fears of U.S., Soviet Aid to Nicaragua Appears to Be Limited, Wall Street Journal, 3 April 1985, 1.

¹⁴²An additional reason for the absence of the Soviet MiG fighters was the abysmal performance of Nicaraguan pilots sent to Bulgaria for training. "Yes, they are there," confirmed one Sandinista official privately to reporters. "But don't worry. They are flunking the course." Quoted in LaFeber, *Inevitable Revolutions*, 305. See also Arturo Cruz, Jr., *Memoirs of a Counterrevolutionary*, 141.

because Congress had already exceeded its spending limit. Both the Carter administration and Hill proponents of the aid, therefore, decided to delay a new vote on the package because of the narrow voting margin of the February outcome.

The acrimonious debate and the torturous delay in Washington did not escape the Sandinistas' attention, many of whom considered the aid bill a litmus test of American intentions toward their revolution.¹⁴³ "The economic aid had taken on symbolic importance," Congressman Jim Wright reported following a visit to Nicaragua. "Everyone with whom we talked considered it potentially decisive in shaping the future of U.S.-Nicaraguan relations."¹⁴⁴ Shortly after the revolution's end, Ambassador Pezzullo had warned Washington of excessive Nicaraguan expectations regarding the scope and pace of American assistance packages.¹⁴⁵ Compounding the problem was the unsurprising fact that the young revolutionaries did not have a firm grasp of the intricate, byzantine operations of the U.S. budgetary process; the mere fact that Washington did not immediately come up with the assistance package was seen as confirmation of FSLN suspicions that once again the United States was conspiring to

¹⁴³Nicaraguan Foreign Ministry Official, interview with the author, 21 November 1991, Washington, D.C. See also Matthews, "The Limits of Friendship," 23.

¹⁴⁴Wright, *Worth It All*, 46; and *ibid.*, *Balance of Power: Presidents and Congress From The Era of McCarthy to The Age of Gingrich* (Atlanta: Turner Publishing, 1996), 415.

¹⁴⁵"We may face an early moment of truth," Pezzullo cabled, "with GRN expectations far out-distancing our ability to respond quickly." Department of State Telegram, American Embassy, Managua, to Secretary of State (Vance), 28 July 1979, Subject: *Borge Greeting at Airport*.

intervene in Nicaragua.¹⁴⁶ Deputy Assistant Secretary of State John Bushnell testified that delays in approving and appropriating the aid package were seen in Managua as “some kind of sinister plot” against the revolution¹⁴⁷; while Secretary of State Vance emphasized the “wide-spread impression” among Nicaraguan leaders that the closed 25 February House session was “really a reflection of CIA opposition...aimed at destabilizing the Nicaraguan government.”¹⁴⁸ And, in fact, this was precisely what the Sandinista media were reporting.¹⁴⁹

Such interpretations, of course, served to undercut the administration’s ‘gamble’ approach to Nicaragua, since it was entirely predicated, as Ambassador Pezzullo explained, on convincing the Sandinistas “that we’re not going to do them in” and that “they don’t think the United States is trying to destabilize them.”¹⁵⁰

¹⁴⁶According to Arturo Cruz Sequeira, the Sandinistas “did not differentiate among branches of the U.S. Government., between U.S. public opinion and the administration, or among the various currents within the Carter administration itself. As far as they were concerned, imperialism could only act as a single person, with a single will.” See Cruz, “Origins of Sandinista Foreign Policy,” 103.

¹⁴⁷Testimony of John Bushnell, Hearings before the Committee on Appropriations, Subcommittee on Foreign Operations and Related Agencies, House of Representatives, 96th Congress, 2nd Session, *Foreign Assistance and Related Programs Appropriations for 1981, Part 2* (Washington, D.C.: USGPO, 5 March 1980), 375, 366.

¹⁴⁸Testimony of Cyrus Vance, Hearings before the Committee on Appropriations, Subcommittee on Foreign Operations and Related Programs, House of Representatives, 96th Congress, 2nd Session, *Foreign Assistance and Related Programs Appropriations for 1981, Part 1* (Washington, D.C.: USGPO, 18 March 1980), 273.

¹⁴⁹The House debate, according to the official FSLN newspaper *Barricada*, was evidence “that the CIA is interfering in our country to destabilize the revolutionary process.” See Panama City ACAN, 23 February 1980, in *FBIS-LAM*, 25 February 1980, P11-12.

¹⁵⁰Testimony of Lawrence Pezzullo, Hearings before the Committee on
(continued...)

Nicaraguan responses to events in Washington were predictably negative and hostile. Hyper-sensitive on the matter of sovereignty, Sandinista officials were especially incensed over the conditions affixed by the House to the aid money, and they denounced the provisions as “childish”, “absurd”, and “a new form of intervention.”¹⁵¹ The “humiliating” process had been “a horrible nightmare.”¹⁵² “They [the Americans] are responsible for that animosity,” Tomás Borge said of the tension in the relationship, and went so far as to warn that the United States was plotting to destroy the Nicaraguan revolution.¹⁵³

Frustrated administration officials knew the corrosive impact the American aid debate was having in and on Nicaragua, and they pleaded with Congress for relief. “The delay in approval of the \$75 million supplemental aid appropriation has had an unfortunate effect on our bilateral relations [with Managua],” Secretary of State Vance warned. “The delay in the bill was a great disappointment to Nicaraguan leaders who are...particularly concerned over and critical of the ‘conditions’ attached.” The U.S.

¹⁵⁰(...continued)

Appropriations, Subcommittee on Foreign Operations and Related Programs, House of Representatives, 96th Congress, 2nd Session, *Foreign Assistance and Related Programs Appropriations for 1981, Part 1* (26 February 1980), 308.

¹⁵¹Paris AFP, 29 February 1980, in FBIS-LAM, 29 February 1980, P8-9; and Panama City ACAN, 28 February 1980, in *ibid.*, P7-8.

¹⁵²Managua Avance, June 1980, in FBIS-LAM, 3 July 1980, P9-10.

¹⁵³Havana International Service, 12 March 1980, in FBIS-LAM, 12 March 1980, P13; and quoted in Don Bohning, “Tensions Heighten as Congress Stalls Aid to Nicaragua,” Miami Herald, 17 March 1980.

Embassy in Managua cabled to report that “there is still a deep ‘hurt’ *vis-à-vis* the U.S. and the experience of the \$75 million has done little to attenuate that.”¹⁵⁴

As a result of the American aid saga, the Sandinistas became increasingly unconcerned as to how their actions were viewed in Washington and the effect they would have on U.S.-Nicaraguan relations. Defense Minister Humberto Ortega began referring to the package as “the famous \$75 million that the Yankees have used to pressure us.”¹⁵⁵ In mid-March 1980, a fourteen-member Nicaraguan delegation paid a highly visible visit to Moscow where the Nicaraguans concluded agreements providing political, economic and apparently military assistance with the USSR. While in the Soviet capital, the Sandinistas took the Soviet line on issues ranging from arms control to Kampuchea to Afghanistan to the Camp David accords to Iran and ‘fascist’ Chile, and they joined the Soviets in harshly condemning “attempts on the part of some states to dominate others by arbitrarily declaring entire regions of the world as spheres of their ‘vital interests’ and by exerting direct military, political and economic pressure” on those states.¹⁵⁶ The joint communiqué released after the summit reported that both parties had noted “with satisfaction that they held common views on the most important international problems.”¹⁵⁷

¹⁵⁴Department of State Telegram, Confidential Cable 4470, American Embassy, Managua, to Secretary of State (Vance), Subject: *GRN Reaction to \$75 Million Certification*, 18 September 1980, National Security Archive, *Nicaragua Collection*, fiche 01186.

¹⁵⁵Managua Domestic Service, 23 August 1980, in FBIS-LAM, 25 August 1980, P18.

¹⁵⁶Moscow TASS, 17 March 1980, in FBIS-Soviet Union, 18 March 1980, K1

¹⁵⁷“Joint Soviet-Nicaraguan Communiqué,” Pravda, 23 March 1980, 4; and “In A
(continued...)”

The following month saw more assertive moves by the FSLN to consolidate political power in its hands. The Sandinistas decided unilaterally to expand the Council of State from its original thirty-three seats (where the FSLN would have directly commanded only one-third of the seats) to forty-seven, “based”, they announced, “on the new realities of the nation’s political forces.”¹⁵⁸ Such a move ensured that the FSLN — not the Carter administration’s ballyhooed moderate political forces — would wield an absolute majority in the Council, which it candidly admitted was its goal.¹⁵⁹ The aggressive power-play — which prompted the immediate resignations of moderates Alfonso Robelo and Violeta Chamorro from the ruling *junta* — cast considerable doubt on the administration’s line of argument that the revolution remained moderate and jeopardized the fate of the aid package, which was again before Congress in the form of an appropriations bill.¹⁶⁰ House Speaker Tip O’Neil in particular was disturbed by the

¹⁵⁷(...continued)
Friendly Atmosphere,” Pravda, 20 March 1980, 4.

¹⁵⁸The expansion proposal was first made in October 1979. See Radio Sandino, 23 October 1979, in FBIS-LAM, 26 October 1979, P15.

¹⁵⁹The new groups added were the 19th of July Sandinista Youth, the Sandinista Labor Central, the Association of Rural Workers, and the Sandinista Civil Defense Committee. See Madrid YA, 3 May 1980, in FBIS-LAM, 9 May 1980, P15-6.

¹⁶⁰The House of Representatives adamantly refused to schedule a conference committee to reconcile its version of the authorization bill with that of the Senate’s for fear that House conditions might be dropped. A mightily frustrated Senator Edward Zorinsky described the House version as “a bill which, even modestly, can only be described as a legislative wreck”, and complained the House “completely disregarded the Senate version of the Nicaraguan aid bill” — proof that “it [the House] is unable to deal with it seriously.” [See Congressional Record, Vol. 126, Part 9, 96th Congress, 2nd Session (9 May-21 May 1979): 11646]. Nonetheless, the Senate passed the House version on 19 May, obviating the need for reconciliation, and sent the bill to the White House for the president to sign, which he did on 31 May. “This legislation will signal to the Cubans and others who might wish to interfere
(continued...)

course of events, and said he intended to freeze all action on the aid bill until two moderate replacements were added to the *junta*. “If there’s any hope for saving Nicaragua, I’m all for it,” O’Neill explained. “But it’s got to be proven to me that it’s worth trying to save.”¹⁶¹

After intense mediation from Ambassador Pezzullo, a rupture was averted a few days later when moderates Arturo José Cruz Parros and Rafael Córdova Rivas joined the governing *junta*, allowing aid supporters to argue that its ‘support-the-moderates’ approach remained valid because “no one faction controls the government.”¹⁶² “It is very important for us to be an active participant in this competition” in Nicaragua, Assistant Secretary of State for Inter-American Affairs William Bowdler testified, describing the political situation in the country as remaining “in a process of transition.”¹⁶³ Begging to differ, aid opponent Congressman Lagomarsino replied that

¹⁶⁰(...continued)

in Central America that the United States intends to resist their efforts throughout the region in order to support the forces of democracy,” Carter said at the signing ceremony (see *American Foreign Policy Documents 1977-1980*, Document 706). Aid package supporter Senator Richard Lugar (R-IN) phrased the bill’s intent more bluntly: “This legislation states dramatically that we want to influence the future of Nicaragua.” [See *Congressional Record*, 126, Part 9, 11650.]

¹⁶¹Quoted in “Nicaragua Aid Bill Shelved,” *Congressional Quarterly* 38, no. 20 (17 May 1980): 1370.

¹⁶²*Congressional Record* Vol. 126, Part 11, 96th Congress, 2nd Session (5 June-13 June 1980): 13488.

¹⁶³Testimony of William Bowdler, Hearings before the Committee on Foreign Affairs, Subcommittee on Inter-American Affairs, House of Representatives, 96th Congress, 2nd Session, *Assessment of Conditions in Central America*, (29 April and 20 May 1980), 75. Bowdler had replaced Viron Vaky, who had resigned in December 1979.

“I do not share your optimism....we should look at the facts as they exist, not as we wish they were.”¹⁶⁴

After a virtual replay of the arguments presented during earlier debate in both chambers, Congress finally approved the appropriations bill. Aid opponents, however, won two key provisions that were to have significant impact. The first delayed any administration release of the funds until the start of the new fiscal year, 1 October 1980, frustrating an already exasperated White House that had been battling for the funds for nearly a full year.¹⁶⁵ The president could release the money earlier if he deemed it in the interest of national security, the legislation allowed, but before doing so, the second condition required him to certify that the Nicaraguan government was not “aiding, abetting, or supporting acts of violence or terrorism in other countries.” The second condition proved immediately problematic for the administration, which was eager to disburse the long-awaited and long-sought after funds and had planned certification by early August.

THE WAR FOR EL SALVADOR

The civil war in El Salvador, which had smoldered quietly but fiercely during the 1970s, violently erupted at the end of the decade, fueled by intensified internal repression and a violent surge in death-squad assassinations. Over the course of 1980,

¹⁶⁴Ibid.

¹⁶⁵“The president needs the power to act,” Pezzullo complained in retrospect. “Once we made the decision in the fall of ‘79 to give the aid, we should have had the money in January.” Quoted in Arnson, *Crossroads*, 37. Former Vice-President Walter Mondale echoed similar retrospective frustration: “It took us a year to get the little help we got in Nicaragua....For crying out loud, let a president govern.” See Murrey Marder, “Hill Fights Reagan for Soul of Foreign Policy,” Washington Post, 2 September 1984, A4.

the five divisively different rebel factions in the country united to form the *Frente Farabundo Martí de Liberación Nacional* (FMLN), and they began stockpiling weapons for a major offensive in the coming months.¹⁶⁶ In the course of their preparations, the FMLN heavily pressured their revolutionary cousins now in power in Nicaragua to repay old favors and help provide arms and supplies. Managua, however, consistently demurred on directly aiding the FMLN, a policy which mightily frustrated the FMLN leadership.¹⁶⁷

The rationale for Sandinista hesitancy was clear: if caught, they had something to lose. At a minimum, the Nicaraguans would lose the \$75 million in economic assistance which, irrespective of their complaints and suspicions, they truly needed. More deterring, however, was the fear that excessively overt involvement in the Salvadoran war might well prompt the long-suspected American military invasion. Not just U.S. dollars were imperiled by aiding the FMLN; the entire fate of the Nicaraguan revolution potentially hung in the balance. “The *frente* was very conservative”, one Salvadoran guerrilla seeking Sandinista assistance wrote his colleagues from Managua, “and it had a tendency to look down on the situation [in El Salvador] and to protect the

¹⁶⁶The five guerrilla insurgencies were the *Fuerzas Armadas de Resistencia Nacional* (FARN); the *Fuerzas Populares de Liberación* (FPL); the *Ejército Revolucionario del Pueblo* (ERP); the *Partido Revolucionario de los Trabajadores Centroamericanos* (PRTC); and the *Fuerzas Armadas de Liberación* (FAL), which was the armed wing of the *Partido Comunista de El Salvador* (PCES).

¹⁶⁷See United States, Department of State, *Communist Interference in El Salvador: Documents Demonstrating Communist Support of the Salvadoran Insurgency* (Washington, D.C.: USGPO, 23 February 1981), Document ‘G’.

Nicaraguan revolution.”¹⁶⁸ The FMLN was “undervalued” and “ignored...there was not a relationship of mutual respect but rather one of imposition.”¹⁶⁹

“They were torn in this,” as Ambassador Pezzullo recollected.

They were pressured by their so-called friends or colleagues in [El] Salvador, and yet there was a desire to have a relationship with the United States, even though they found us to be a little difficult to comprehend or to trust.¹⁷⁰

Ultimately, the Sandinista government attempted to accomplish both contradictory objectives: aid their revolutionary compatriots in Salvador, yet do so in such a limited fashion that it would escape the attention of the United States. As in most attempts to have one’s cake and eat it, too, the Nicaraguans failed in both endeavors. The Salvadorans complained that the Nicaraguan transshipments were too limited, too slow, and too sporadic to be of any meaningful help.¹⁷¹ To make matters worse, the United States appeared to have caught the FSLN.

The Carter administration, as noted, was anxious to wrap up formal certification and start disbursement of the funds. Leading elements within the intelligence community, however, balked at the administration’s eagerness. To forestall the anticipated August certification, opponents of the White House’s policy leaked news of

¹⁶⁸Ibid.

¹⁶⁹Ibid.

¹⁷⁰Quoted in *Crisis in Central America: Revolution in Nicaragua*, WGBH Public Television.

¹⁷¹Department of State, *Communist Interference in El Salvador*, Document ‘T’.

the dispute to the media, prompting a delay in the administration's plans and a top-level review of all intelligence reports.¹⁷²

At considerable variance with the administration's policy wishes, the CIA intelligence summary concluded that "there is a very high likelihood that such support activities ('training, transit, material and arms') are occurring and that they represent official FSLN policy."¹⁷³ Throughout 1980, it and the DIA had collected "a surprising volume of evidence" that

left little doubt that Sandinista leaders had given the Salvadoran insurgents advice and promises of aid, that some training of Salvadorans was occurring in Nicaragua, as was the transit of arms to El Salvador, and that such support was likely to increase in volume and military significance.¹⁷⁴

In short, "the intelligence community reached, and communicated quite clearly, a view that did not support the Administration's position."¹⁷⁵

Once more the White House found itself in a difficult conundrum over its 'carrot' approach to Nicaragua. To accept the conclusions of the CIA and DIA would mean that Carter could not meet the requirements of the law, which of course meant no

¹⁷²See Rowland Evans and Robert Novak, "Carter's Caribbean Choice," *Washington Post*, 1 August 1980, A13; and John M. Goshko, "Aid for Nicaragua the Focus of Fierce Internal Policy Dispute," *Washington Post*, 8 August 1980, A2.

¹⁷³U.S. Congress, House of Representatives, Permanent Select Committee on Intelligence, Subcommittee on Oversight and Evaluation, Staff Report, *U.S. Intelligence Performance on Central America: Achievements and Selected Instances of Concern*, 22 September 1982, 97th Congress, 2nd Session, (Washington, D.C.: USGPO, 1982), 6.

¹⁷⁴This was the conclusion of the House subcommittee's investigation. See *ibid.*, 7.

¹⁷⁵*Ibid.*, 6.

aid for Nicaragua. The denial of economic assistance, in turn, would reflect not only an abdication of the administration's entire approach to Sandinista Nicaragua, but it would also risk the appearance of yet another costly example of Jimmy Carter's naïveté in foreign policy. Robert Pastor argued that the U.S. "must deliver on the \$75 million if we are going to get in the game in Nicaragua"¹⁷⁶, while NSC chair Brzezinski conceded that certification was unavoidable because "we are already committed to the \$75 million and to the policy."¹⁷⁷ Practically speaking, the administration's "full-court press" to win support for its Nicaragua policy now served to place extraordinary pressure on itself to certify, even irrespective of its strong suspicions that the reports were accurate.

Instead of relying on dissenting CIA and DIA conclusions, the Carter administration chose to use the friendlier findings of the State Department's Office of Intelligence and Research (INR). While the INR's analysis conceded "a persuasive case of involvement by individual Sandinistas, including some members of the government,"¹⁷⁸ the White House opted to require a higher threshold — one that it knew the available evidence could not meet. The Carter administration acknowledged that "substantial evidence" existed to suggest Nicaraguan complicity and "that members of the Sandinista front were probably involved"¹⁷⁹, but insisted on *conclusive* evidence of Nicaraguan *government* complicity. The administration "found cause for concern that

¹⁷⁶Robert Pastor, memorandum to the National Security Advisor (Brzezinski), 3 September 1980, quoted in Kagan, *A Twilight Struggle*, 157.

¹⁷⁷Zbigniew Brzezinski, memorandum to the President (Carter), 9 September 1980, quoted in Kagan, *A Twilight Struggle*, 157.

¹⁷⁸Pastor, memorandum to the National Security Advisor, 3 September 1980.

¹⁷⁹Staff Report, *U.S. Intelligence Performance on Central America*, 7.

the Nicaraguans *might* be involved, but [decided] the evidence was not conclusive,” according to Pastor.¹⁸⁰ Persuasive evidence on the part of individuals who might incidentally be part of the government, therefore, did not meet the administration’s interpretation of the certification requirement.

In essence, the Carter administration translated the law in such a way as to allow the intelligence reports to fall within the certification requirement’s parameters and legally allow the White House to implement the policy of its choice. On 12 September President Carter formally signed the certification document, and the economic package started immediate dispersal the following day. He did so, Carter explained, because “we were trying to maintain our ties with Nicaragua, to keep it from turning to Cuba and the Soviet Union.”¹⁸¹

Congressional opponents seethed at the administration’s decision to certify. Congressman C.W. Young (R-Fla) called the decision “a case of the intelligence community being manipulated by the executive branch to protect a political sensitivity.”¹⁸² Congressman Bauman went further, accusing the president of “acting illegally” and “purposefully and willfully violating the law.”¹⁸³ Bauman and others conducted hearings on the matter, but to no avail.¹⁸⁴

¹⁸⁰Pastor, *Condemned to Repetition*, 218. Emphasis in original.

¹⁸¹Carter, *Keeping Faith*, 585.

¹⁸²“Congressman Young Contends Managua Aids Rebels,” *Miami Herald*, 2 October 1980.

¹⁸³Quoted in Congressional Quarterly, *CQ Almanac 1980*, 331.

¹⁸⁴U.S. Congress, House of Representatives, Subcommittee on Inter-American
(continued...)

Belying its official position that the Nicaraguans were not assisting the FMLN, however, the administration covertly dispatched Cheek and Pezzullo to Managua to privately express U.S. suspicions and concerns. The objective of the mission was clear: impress upon the Sandinistas that the United States knew what was occurring, and warn them “that continuation of the support for the Salvadoran guerrillas would have a negative impact on U.S.-Nicaraguan relations.”¹⁸⁵

In Managua Cheek told Daniel Ortega “that if the United States found that Nicaragua was cooperating with or aiding rebels in other countries, it would terminate the aid program.”¹⁸⁶ Ambassador Pezzullo in separate meetings conveyed the same message: don’t aid the FMLN and imperil the administration’s hard-fought assistance package. “It’s none of your business,” FSLN *comandante* Jaime Wheelock insisted. “Look, to be perfectly frank,” Pezzullo replied,

I’ve spent ten months fighting for this goddamn money, and if that’s your attitude, I’ll tell you to [go to hell]. You have a sovereign right to do what you want, and we have a sovereign right to do what we want, which is to do nothing and give you no money.¹⁸⁷

¹⁸⁴(...continued)

Affairs, Committee on Foreign Affairs, *Review of the Presidential Certification of Nicaragua’s Connection to Terrorism* (Washington, D.C.: USGPO, 30 September 1980).

¹⁸⁵Classified diplomatic correspondence, reprinted in part in United States, Department of State, *“Revolution Beyond Our Borders”: Sandinista Intervention in Central America* (Washington, D.C.: USGPO, September 1985): 20-1.

¹⁸⁶Pastor, *Condemned to Repetition*, 218.

¹⁸⁷Quoted in Woodward, *Veil*, 115; and interview with the author, 15 May 1991. Pezzullo’s actual choice of words was inappropriately coarser.

Despite Wheelock's rejoinder and the Sandinistas' official denials of aid, privately the FSLN acted quickly in response to the U.S. démarche. 'The Americans are on to us', they told the FMLN; henceforth all shipments of arms would be immediately suspended until presidential elections were over in the United States. As the election drew closer, however, the FSLN began to suspect that regardless of the winner, the United States was likely to take a tougher tack toward Central America. Managua has been "growing increasingly restive about USG posture," Pezzullo cabled Washington. "The GRN/FSLN fears a hostile new USG administration."¹⁸⁸ Pushing this line of reasoning were the Cubans, who were pressuring Managua to re-open the supply lines to the FMLN.¹⁸⁹

On 4 November, as the U.S. election returns starkly reflected a landslide victory by Ronald Reagan and the Republican party, the Sandinistas and the FMLN began to reconsider their respective strategies. The Salvadorans argued for an accelerated 'final offensive' that would sweep them into power and present the incoming administration with a *fait accompli*. "I think Mr. Reagan will find an irreversible situation in El Salvador by the time he reaches the presidency," one FMLN *comandante* boasted.¹⁹⁰ "It was necessary to take advantage of the elections in the United States," another FMLN *comandante*, Miguel Castellanos, recalled. "Neither Carter nor Reagan was going to

¹⁸⁸Department of State Telegram, Secret Cable 5921, American Embassy, Managua, to Secretary of State (Muskie), Subject: *Request for Consultation*, 11 December 1980, National Security Archive, *Nicaragua Collection*, fiche 01241.

¹⁸⁹Department of State, *Communist Interference in El Salvador*, Document 'K'.

¹⁹⁰Quoted in Raymond Bonner, *Weakness and Deceit: U.S. Policy and El Salvador* (New York: Times Books, 1983), 223-4.

choose that moment to start an interventionist adventure, [though] we knew that since Reagan won, the prospects of intervention were going to increase.”¹⁹¹ To accomplish this, however, the FMLN needed Sandinista help in quickly transshipping the necessary weapons idling in Nicaraguan warehouses.

For their part, the Sandinistas fatefully agreed to help, primarily out of solidarity and obligation, but also because, as one Sandinista official said, the FMLN had convinced Managua that it would win.¹⁹² “We thought the FMLN would win very quickly,” Humberto Ortega recalled. “They were pursuing our same insurrectional strategy, and we were confident it would work.”¹⁹³ The Nicaraguans, moreover, believed that a revolutionary victory in Salvador would serve to augment Managua’s security interests. The United States might intervene against a solitary, isolated revolutionary regime in Central America, but it might be deterred by two (or more).

Once again, the Nicaraguans tried to cover their tracks as best they could by hastily pouring arms and material into Salvador in the hopes that a United States distracted by its political transition from Carter to Reagan would not notice. The Sandinistas were “in a hurry and determined,” a Salvadoran guerrilla observed. “They

¹⁹¹Miguel Castellanos, *The Comandante Speaks: Memoirs of an El Salvadoran Guerrilla Leader* ed. Courtney Prisk (Boulder: Westview, 1991), 29. Miguel Castellanos was the *nom de guerre* of Napoléon Romero García.

¹⁹²See Pastor, *Condemned to Repetition*, 218-20, 224-9.

¹⁹³Quoted in Kagan, *A Twilight Struggle*, 160-1.

have been packing the bundles day and night. In fact, these people from Lago [Nicaragua] have stepped things up. It is such a hot potato for them.”¹⁹⁴

Managua’s strategy did not work, and the Americans quickly caught wind of the covert assistance. “It was only in the last week of the Carter administration,” Pastor recalled, “when we found evidence which we viewed as conclusive in ascertaining that the Nicaraguan government was in fact supporting the insurrection in El Salvador.”¹⁹⁵ On 6 January 1981, the CIA forwarded to the White House a report on Nicaraguan involvement in the Salvadoran war over the latter half of 1980, with special emphasis on an expanded airstrip at Papalonal, just outside Managua. Overall, the report discovered four separate confirmations of Sandinista complicity and “provided conclusive proof that the Nicaraguan government was providing significant amounts of aid to the insurgency in El Salvador,” according to Pastor.¹⁹⁶ “Nicaragua has taken a more direct role in supplying arms and matériel to the Salvadoran left,” the report said.¹⁹⁷ Ambassador Pezzullo was more blunt: “we caught them red-handed, dead to rights,” he said.¹⁹⁸

¹⁹⁴Department of State, *Communist Interference in El Salvador*, Document ‘K’.

¹⁹⁵Quoted in *Crisis in Central America: Battle for El Salvador* (Boston: WGBH Public Television). Videocassette. Secretary of State Edmund Muskie cited U.S. intelligence reports that arms had reached the FMLN “certainly with the knowledge and to some extent the help” of Nicaraguan authorities. See Washington Post, 30 January 1981, A12.

¹⁹⁶Pastor, *Condemned to Repetition*, 225.

¹⁹⁷*Nicaragua-Cuba: Increasing Support for Central American Insurgents*, classified memorandum, quoted in *Revolution Beyond Our Borders*, 8.

¹⁹⁸Lawrence Pezzullo, interview with the author.

With instructions from the administration “to deliver a stiff *démarche* to Sandinista officials”¹⁹⁹, Pezzullo met on 9 January with Tomás Borge and Sergio Ramírez to remind them of their promises to stay out of the Salvadoran conflict. “I told Borge that there was increasing evidence that Nicaraguan territory was being used to aid the guerrillas in Salvador with support from the FSLN,” Pezzullo cabled back to Washington.²⁰⁰ While the United States “understood Nicaraguan sympathies for the Salvadoran guerrillas,” Pezzullo said, he also “warn[ed] that the first casualty of any such action would be U.S.-Nicaraguan relations.”²⁰¹

“The shock waves from these two conversations should reverberate throughout the entire leadership very quickly,” Pezzullo concluded. “Unquestionably the seriousness with which we regard this issue and the consequences of our acting will be clearly known to all members of the leadership.”²⁰² Although the Nicaraguans replied that they understood the message and insisted they were not abetting the guerrillas, the revolutionary momentum in El Salvador proved unstoppable. The FMLN with Nicaraguan knowledge and assistance launched its highly-touted ‘final offensive’ the following day. The insurrection proved, however, to be a nearly unmitigated disaster:

¹⁹⁹Pastor, *Condemned to Repetition*, 226.

²⁰⁰Department of State Telegram, Secret Cable 0095, American Embassy, Managua, to Secretary of State (Muskie), Subject: *Meeting with Borge*, 9 January 1981, National Security Archive, *Nicaragua Collection*, fiche 01248.

²⁰¹Classified diplomatic correspondence, reprinted in part in *Revolution Beyond Our Borders*, 21.

²⁰²Department of State Telegram, Secret Cable 0103, American Embassy, Managua, to Secretary of State (Muskie), Subject: *Meeting with Sergio Ramírez*, 9 January 1981, National Security Archive, *Nicaragua Collection*, fiche 01250.

the population refused to rise up in support of the rebels, while the armed forces remained intact and soundly repulsed the FMLN assault. Within forty-eight hours the guerrillas were in retreat.

The impact on Nicaragua was immediate and severe: the Sandinistas had gambled accommodative relations with the United States that the FMLN would win, and they had lost badly. The aid package required termination of all assistance in the event of Nicaraguan involvement in the Salvadoran war, and such participation was no longer in any question. “The law on Nicaraguan aid did not leave the Executive Branch with any option but to terminate aid,” according to Pastor, whose bounded view was shared by the president.²⁰³ As Carter later explained:

I had no alternative but to cut off aid to the Sandinistas before I left office, because there was evidence that was clear to me that the Sandinistas were giving assistance to the revolutionaries in El Salvador, and the law required me to stop the aid. I was very eager to give the people of Nicaragua economic aid after the revolution, but it was not possible under those circumstances.²⁰⁴

In the flickering hopes of preserving the essence of his administration’s approach to Nicaragua — that American economic assistance remained the best means to moderate Sandinista behavior and achieve U.S. objectives in Nicaragua — Carter suspended disbursement of the remaining aid — some \$15 million — rather than cancel it entirely. Pezzullo, therefore, was instructed to inform the Sandinista government of the aid suspension, but also to offer “a ‘way out’ of the difficult situation created by its assistance to the FMLN should it demonstrate that it was, in fact, cutting off that

²⁰³Pastor, *Condemned to Repetition*, 225-6.

²⁰⁴Quoted in *ibid.*, 228.

support.”²⁰⁵ Borge vowed that the government would take “strong measures” to prevent any additional “funny business” and other “unofficial activities” at Papalonal and elsewhere.²⁰⁶ In such an event, Pezzullo replied, it might be possible to restore economic assistance and re-establish good relations between the two countries, though he stressed that this would be up to the incoming Reagan administration to determine for itself.

CONCLUSION

The Carter administration had been faced with its worst-case scenario regarding the outcome of the Nicaraguan revolution. Determined to make the best of a bad situation, the White House opted to embrace the Sandinista victory, not attack it. By accepting the reality of political change in Nicaragua and choosing to work with the new regime, the Carter administration hoped to deny the enemy in Washington that the FSLN had anticipated and possibly needed in order to further radicalize the revolution. The White House’s effort, in short, was “to show that the United States can accept revolutionary change within certain parameters” in the hemisphere, according to Pezzullo.²⁰⁷

The incoming Reagan administration, however, cast a more jaundiced view on the nature of the Sandinista regime in Nicaragua and its relationship to U.S. interests. Reagan himself, along with numerous other officials-to-be, had been openly critical of the Carter White House’s ‘carrot’ approach, and all parties anticipated a more confrontational tack from the new administration.

²⁰⁵ *Revolution Beyond Our Borders*, 21-2.

²⁰⁶ *Ibid.*, 22.

²⁰⁷ Lawrence Pezzullo, interview by the author.

[T]he morning of an administration...is the best time to send signals.

Secretary of State Alexander Haig¹

I want to win one.

President Ronald Reagan²

SHIFTING COURSE: THE REAGAN ADMINISTRATION AND NICARAGUA, 1981-82

The paramount signal that President Ronald Reagan and his new administration intended to send was its sense of urgency and purpose regarding American foreign policy. To the self-dubbed 'Reaganites', the legacy of the Carter administration was a well-intentioned but dangerous naïveté, an approach that had seriously eroded U.S. security interests in nearly every corner of the globe. "The previous administration," Reagan wrote of the Carter years,

for some reason had accepted the notion that America was no longer the world power it had once been, that it had become powerless to shape world events. Consciously or unconsciously, we had sent out a message that Washington was no longer sure of itself, its ideals or its commitments to our allies, and that it seemed to accept as inevitable the advance of Soviet expansionism, especially in the poor and underdeveloped countries of the world....Predictably, the Soviets had interpreted our hesitation and reluctance to act and our reduced sense of national self-confidence as a weakness, and had tried to exploit it to

¹Alexander M. Haig, Jr. *Caveat: Realism, Reagan, and Foreign Policy* (New York: MacMillan Publishing, 1984), 96.

²Quoted in Woodward, *Veil*, 136.

the fullest, moving ahead with their agenda to achieve a Communist-dominated world.³

Upon taking office, Reagan was determined to convey a watershed change in U.S. policy.

As the foundation of my foreign policy, I decided we had to send as powerful a message as we could to the Russians [sic] that we weren't going to stand by anymore while they armed and financed terrorists and subverted democratic governments....I deliberately set out...to let them know there were some new fellows in Washington who had a realistic view of what they were up to and weren't going to let them keep it up.⁴

Central America was a particular point of concern to the Reaganites.⁵ "In the past four years," Reagan's appointee as U.S. Ambassador to the United Nations Jeane Kirkpatrick wrote,

³Reagan, *An American Life*, 266.

⁴Ibid., 267. "My words were intended to convey a message: there was a new management in the White House along with a new realism regarding the Russians [sic]." See *ibid.*, 269.

⁵In May 1980 a scholarly group called the 'Committee of Santa Fé' published a position paper calling the violence in Central America the Soviet-launched "third phase of World War III." The first two phases, the authors warned, had already been decisively won by Moscow. "Never before has the [United States] been in such jeopardy from its exposed southern flank...the very survival of this republic is at stake." The recommendation of the Committee was for a clear and immediate counter-offensive from the United States: "Either a *Pax Sovietica* or a worldwide counter-projection of American power is in the offing. The hour of decision can no longer be postponed....Whither Washington?" That these scholars shared Reagan's thinking on the issue was reflected in three of the five being offered (and accepting) high-ranking positions within the administration — where, they said in a later edition, they were "now in a position to make their proposals become policy." The individuals were Roger Fontaine, who became Director of Latin American Affairs on the National Security Council staff; Lt. General Gordon Sumner, who became Special Adviser to the Assistant Secretary of State for Interamerican Affairs; and Lewis Tambs, who was appointed ambassador to Colombia and later Costa Rica. The quote came from the 1981 edition of the Committee's report. See *The Committee of Santa Fé, "A New Inter-American Policy for the Eighties,"* ed. Lewis Tambs, reprinted in *Vital Interests*, ed. Larkin, 11-48.

the Soviet Union has become a major military power within the Western hemisphere....[which] threatens now to confront this country with the unprecedented need to defend itself against a ring of Soviet military bases on and around our southern and eastern borders.⁶

It was of the utmost urgency that the United States immediately confront what Reagan and his supporters saw as a wave of unbridled Soviet expansionism across the Third World that during the 1970s had spawned several radical, pro-Moscow states posing grave danger to American national security. "This Soviet activity," Secretary of Defense Caspar Weinberger explained,

unchallenged in recent years by the United States, has led to Soviet gains and the growing perception that the Soviets and their proxies can act with impunity. This trend must be halted and then reversed.⁷

In Nicaragua, Weinberger wrote, the Soviets saw "their chance to gain a second base in the Caribbean."⁸ Secretary of State Alexander Haig concurred, saying "Nicaragua was only the most recent example of this policy" as described by Weinberger.

We must demonstrate to everyone — the Russians, our allies, the Third World — that we can win, that we can be successful. We must move decisively and quickly to turn things around in the world....Our signal to the Soviets had to be a plain warning that their time of unresisted adventuring in the Third World was over.⁹

⁶Jeane Kirkpatrick, "U.S. Security and Latin America," *Commentary* 71, no. 1 (January 1981): 29.

⁷Testimony of Caspar Weinberger, Hearings before the Committee on Armed Services, U.S. Senate, *Department of Defense Authorization for Appropriation for Fiscal Year 1982, Part 1 97th Congress, 1st Session, 14 March 1981* (Washington, D.C.: USGPO, 1982), 546.

⁸Caspar Weinberger, *Fighting For Peace: Seven Critical Years in the Pentagon* (New York: Warner Books, 1990), 23.

⁹Haig, *Caveat*, 96; and quoted in Joseph Fromm, "Cutting Castro Down to Size," *U.S. News and World Report* 90, no. 13 (6 April 1981): 20.

“Where can we get a rollback?,” Haig had consistently asked.¹⁰

The new policy approach was to declare Nicaragua and Central America a “test case” of American resolve to ‘halt the spread of Soviet Communism’, a view shared by President Reagan.¹¹ The Soviets weren’t satisfied with Nicaragua, he said shortly after his inauguration, and they “aren’t just aiming at El Salvador. They are aiming at the whole of Central and possibly later South America and, I’m sure, eventually North America.”¹²

SOURCES AND SOLUTIONS

The imperative for such an assertive policy approach was rooted in strategic, globalist thinking. “When the Soviet Union exploits local conditions for its own strategic aims,” as Secretary of State Alexander Haig further added, “the problem is no longer local but a strategic threat to our own survival. We cannot ignore this threat.”¹³ “It [is] time to close the breach and hold the line.”¹⁴ Given this view of a strategic challenge in an area of vital interest to Washington, Haig and other aides believed the U.S. needed a quick and decisive ‘win’ in Nicaragua to “lay down a

¹⁰Quoted in Woodward, *Veil*, 136.

¹¹William LeoGrande, “The United States and Nicaragua,” in *Nicaragua: The First Five Years*, ed. Walker, 427-8.

¹²Quoted in James Kelly, “Playing for High Stakes,” *Time* 117, no. 11 (16 March 1981): 10.

¹³Quoted in Garthoff, *Détente and Confrontation*, 1050.

¹⁴Haig, *Caveat*, 95.

marker” for Moscow.¹⁵ “We had to win this one,” Robert McFarlane later recalled of the administration’s mood at that time.¹⁶

Moreover, Reagan “knew,” Haig explained, “that a failure to carry through on this [Soviet] challenge [in Central America] at the heart of our sphere of interest would result in a loss of credibility in all our dealings with the Soviets.”¹⁷ The president validated Haig’s words. “If the Soviets win in Central America, we lose in Geneva and every place else.”¹⁸

Several members of the administration believed that Central America offered a practical venue for American re-engagement. “It is in just such sensitive areas [as Central America] where Soviet vital interests are not directly engaged,” as Haig explained, that “a determined show of American will and power” could successfully counter Soviet influence.¹⁹ “Mr. President,” he told Reagan, “this is one you can win.”²⁰

During the 1980 campaign, Richard Allen, Reagan’s top foreign policy aide and later his first national security adviser, had vowed that once in office, the administration “will move rapidly to reverse a feeling of utter helplessness with respect to Fidel Castro’s Soviet-directed, armed, and financed marauders in...Central

¹⁵Quoted in Cannon, *Role of a Lifetime*, 298.

¹⁶“Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 3.

¹⁷Haig, *Caveat*, 129.

¹⁸Reagan, *An American Life*, 478. ‘Geneva’ referred to the U.S.-Soviet arms control talks taking place there at the time.

¹⁹Haig, *Caveat*, 122-3.

²⁰Quoted in Cannon, *Role of a Lifetime*, 344.

America, specifically in Nicaragua, El Salvador, and Guatemala.”²¹ Military force to accomplish these goals, Allen added, remained a viable option. “To reject the use of military force in the hemisphere is to go beyond the limits of reasonable action,” he argued. “U.S. military power has always been the basis for the development of a just and humane foreign policy, and it’s something we should be proud of.”²²

In contrast, the Carter administration had focused on acute economic disparities and flagrant human rights abuses as the root causes of regional turmoil. “What we see in Central America today,” as former ambassador to Panama Ambler Moss observed in 1980, “would not be much different if Fidel Castro and the Soviet Union did not exist.”²³ To the Reagan team, however, Central America’s troubles were the result of a Soviet-Cuban “divine plan” for global domination.²⁴ “El Salvador and Nicaragua were only a down payment,” as Reagan explained. “Honduras, Guatemala, and Costa Rica were next, and then would come Mexico.” The president incorrectly attributed to Lenin a boast that “once we have Latin

²¹Quoted in “Reagan fails to stem the tide,” Latin American Weekly Review, no. 48 (4 December 1981): 9.

²²Quoted in Penny Lemoux, “El Salvador’s Christian Democratic Junta,” The Nation 231, no. 20 (13 December 1980): 636.

²³Quoted in Haynes Johnson, *Sleepwalking Through History: America in the Reagan Years* (New York: W.W. Norton, 1991), 249.

²⁴William Clark, then-Deputy Secretary of State and head of the administration’s interagency task force on El Salvador, emphasized the Soviet-Cuban “divine plan” to seize Nicaragua and El Salvador and “go on to Honduras, Guatemala, Belize and then...Mexico itself.” See Bernard Gwertzman, “For Haig Deputy, On-the-Job Training,” New York Times, 13 March 1981, A3.

America, we won't have to take the United States...because it will fall into our outstretched hands like overripe fruit'.²⁵

The two administrations starkly differed as to the appropriateness of the globalist or regionalist analysis of regional turmoil; likewise there were sharp disputes as to the sustaining sources of the conflicts in Central America. President Carter had warned that "it's a mistake for Americans to assume or to claim that every time...an abrupt change takes place in this hemisphere, that somehow it's the result of secret, massive Cuban intervention.....I do not attribute all the change in Nicaragua to Cuba."²⁶

President Reagan, by contrast, cast a considerably more jaundiced eye on the factors behind the Nicaraguan revolution. "The troubles in Nicaragua," he said in a March 1979 radio broadcast, "bear a Cuban label...there is no question that most of the rebels are Cuban-trained, Cuban-armed, and dedicated to creating another Communist country in this hemisphere."²⁷ "Reagan understood the problem," Haig explained. "He knew that Moscow and Havana were behind the troubles in Central America."²⁸

At any level of policy decision-making, the most critical step is the identification of the source(s) of the problem or matter at hand. Diagnosing the root

²⁵Reagan, *An American Life*, 238-9. See almost identical comments from Secretary of State Haig in Bernard Gwertzman, "Haig Cites 'Hit List' For Soviet Control Of Central America," New York Times, 19 March 1981, A1.

²⁶*Public Papers of the Presidents of the United States: Jimmy Carter, 1979*, Book II, 1307.

²⁷Quoted in Christopher Hitchens, "Minority Report," The Nation 242, no. 15 (19 April 1986): 542.

²⁸Haig, *Caveat*, 129.

cause(s) of an issue establishes a framework of acceptable policy options from which the proper course of action — closely hewn in relation to the identification of the source — will be selected.

For President Carter, a regionalist interpretation of the Nicaraguan revolution suggested that a friendly, generous approach to the Sandinista regime held a reasonable degree of success, while a confrontational, aggressive approach would serve only to undermine American interests. In short, the Carter White House made several critical assumptions: that it was, in fact, possible for the United States and Sandinista Nicaragua to co-exist; that the FSLN's inclinations toward radicalism could be tempered and moderated; and that the policy implement best equipped to accomplish this would be economic assistance — the 'carrot'.

While President Reagan and his advisors had inherited the issue of Nicaragua, they held both similar and differing views on the Carter assumptions. All members of the administration appeared to strongly oppose the use of economic incentives as a means for moderation. "I disagree with...the aid that we have provided for [Nicaragua]," Reagan had said, "because I think we did it under the illusion that somehow we were helping hold off a truly leftist government, that we had some kind of a moderate government there."²⁹ The 1980 Republican Party platform on which he was nominated had, in fact, committed the administration to ending the program:

We deplore the Marxist Sandinista takeover of Nicaragua....We do not support United States assistance to any Marxist government in this hemisphere and we oppose the Carter administration aid program for the government of Nicaragua. However, we will support the efforts of

²⁹Quoted in Philip Geyelin, "As Nicaragua Goes..." Washington Post, 13 October 1980, A19.

the Nicaraguan people to establish a free and independent government.³⁰

On the other Carter assumptions, however — that Sandinista behavior could be moderated, and that the United States could co-exist with the regime — there were deep cleavages in the new administration. During the first several months of Reagan's inaugural term, these differences were mostly invisible, as the administration struggled to consolidate itself and prioritize its domestic and foreign policy objectives.

THE FIRST DAYS

Given the pronounced difference in interpreting the nature of the issue, it was not surprising that the incoming Reagan administration intended to take a different tack in relations with Nicaragua. After the election but prior to the inauguration, advance Reagan personnel began touring Central America promising a harder line from the new administration against the Sandinistas and in El Salvador.³¹ In Washington, the incoming administration purged the State Department and the Foreign Service of officials with even the most tenuous and cursory ties to the Carter administration, which the Reagan people blamed for engendering the Central American crisis.³² By 1983, the *Foreign Service Journal* reported, “virtually all of

³⁰John M. Goshko, “Aid for Nicaragua the Focus of Fierce Internal Policy Dispute,” *Washington Post*, 8 August 1980, A2. John Carbough, a former aide to Senator Jesse Helms and the author of the plank phrase, was asked if this meant Reagan was promising the overthrow of the Sandinista government. “Sure,” he replied. See Gutman, *Banana Diplomacy*, 20.

³¹Robert White, Ambassador to El Salvador, 1980-81. Interview by the author, 26 April 1991, Washington, D.C.; Larry Pezzullo, interview by the author, 15 May 1991; and Pastor, correspondence with the author.

³²The Reagan team's view was that the Carter administration had “basically
(continued...) ”

the career diplomats who guided Central American policy during the Carter years either saw their careers set back or found themselves...out of the Foreign Service altogether.”³³ Robert White in El Salvador and Larry Pezzullo were targeted on a ‘hit list’ of ambassadors to be immediately fired; and they were “given a background savaging in the press from sources in the incoming administration,” according to U.S. ambassador to Costa Rica Frank McNeil.³⁴

Momentum in Washington, therefore, was building toward a clean and open break with Nicaragua. “The question,” one NSC official bluntly stated, “is not whether U.S.-Nicaraguan relations are good or bad, but whether there will be any relations at all.”³⁵ “The key to the area,” a high-ranking administration official explained, “is Nicaragua and not El Salvador....Nicaragua is now a Soviet-managed government.”³⁶

On top of the administration’s blunt talk, there lingered the incriminating matter of Nicaraguan involvement in the Salvadoran war, of which the Carter White House had compiled and bequeathed conclusive evidence.³⁷ The Carter

³²(...continued)
abdicated the whole situation” in Nicaragua. See Clarridge, *A Spy for All Seasons*, 196.

³³George Gedda, “A Dangerous Region,” *Foreign Service Journal*, 60, no. 2 (February 1983): 18.

³⁴Frank McNeil, *War and Peace in Central America: Reality and Illusion* (New York: Charles Scribners’ Sons, 1988), 124.

³⁵Quoted in LaFeber, *Inevitable Revolutions*, 294.

³⁶Quoted in Woodward *Veil*, 189.

³⁷“A few days after the inauguration,” Reagan wrote in his memoirs, “our intelligence agents [had] obtained firm and incontrovertible evidence that the Marxist
(continued...) ”

administration had elastically defined the requirements of the law in order to suspend remaining aid tranche — as opposed to terminating it altogether — in the hopes of providing the Reagan administration some economic leverage and policy flexibility. All parties, though, fully expected the Reagan White House to immediately cancel the aid package and adopt a much tougher policy approach to Nicaragua. Things, however, did not precisely work out that way.

At a post-inaugural soiree, Secretary of State Haig encountered Nicaraguan ambassador to the U.S. Rita Delia Casco-Montenegro, who inquired about the suspended aid and “expressed confidence that there would be no change in U.S.-Nicaraguan relations as a result of the election,” according to Haig. “I stated bluntly that this confidence was misplaced...America was prepared not only to cut off all aid, but to do other things as well.”³⁸ Yet instead of terminating the aid, the Reagan administration merely reaffirmed the Carter suspension two days after taking office, “while continuing \$5.6 million in support for a wide variety of nongovernmental organizations that directly assisted the Nicaraguan people.”³⁹

More surprising to the Sandinistas was the administration’s retention of Carter’s ambassador to Nicaragua, Larry Pezzullo. Pezzullo had been mentioned as on a ‘hit-list’ of ambassadors scheduled for immediate dismissal upon Reagan’s inauguration, but was asked to stay on by Haig himself and to return to Washington

³⁷(...continued)

government of Nicaragua was transferring hundreds of tons of Soviet arms through Cuba to rebel groups in El Salvador.” See Reagan, *An American Life*, 238.

³⁸Haig, *Caveat*, 109, 99-100.

³⁹*Ibid.*, 109.

in February for policy consultations.⁴⁰ At the meeting with Haig, three options were discussed, according to Pezzullo; all involved the termination of the assistance program. “All are lousy,” Pezzullo replied when asked his opinion by Haig. “Why cut off all leverage over the Sandinistas?,” he asked. “You’re throwing away your chips.” Instead, Pezzullo advocated his “option zero,” which promised Managua a restoration of American aid if it halted its supply efforts to the FMLN.⁴¹ Already, Pezzullo, noted, this approach was working. “I’ll buy ‘option zero’,” Haig said, and he took Pezzullo to sell the plan to the president.⁴²

In the Oval Office, Pezzullo pitched the merits of the Carter administration’s plan to Reagan. The U.S. should keep up the pressure on Managua, Pezzullo argued, with the ‘carrot’ of renewed economic assistance and the ‘stick’ of American hostility as mutual incentives. “The worst thing the United States could do is to overreact to the Sandinistas,” he advised Reagan. To Pezzullo’s surprise, the president appeared sympathetic. A Mexican friend had advised him, Reagan said, “not to ‘Americanize’ the problems in Central America.” Seemingly convinced, Reagan and Haig agreed to give it a try.⁴³

Pezzullo then returned to Managua bearing the new administration’s message: the Carter administration’s ‘deal’ was still alive under Reagan, but barely breathing.

⁴⁰Lawrence Pezzullo, interview by the author. Amid press reports naming him high on the transition team’s “hit-list”, Pezzullo was told by outgoing Secretary of State Edmund Muskie that “they’re after White, not you.” Regardless, “I’m leaving unless you ask me to stay,” Pezzullo told a Haig aide. Shortly thereafter, Haig telephoned to request that Pezzullo stay on as ambassador. Ibid.

⁴¹Ibid. The “chips” quote comes from Dickey, *With the Contras*, 106.

⁴²Quoted in Woodward, *Veil*, 116.

⁴³Lawrence Pezzullo, interview with the author.

The remaining aid would remain frozen until the Sandinistas had demonstrated 'good faith' compliance. Pezzullo listed several steps — not least of which required the immediate cessation of aid to the FMLN — “the taking of which the United States would consider evidence of Nicaraguan good faith.” Within one month the United States would assess Nicaragua’s response and then decide whether Managua merited a restoration of aid.⁴⁴ As a harbinger of what lay ahead, however, at the same time that Pezzullo was in Managua trying to convince the Sandinistas that the previous rules of the game had not changed under Reagan and that a workable relationship was possible, in Washington the administration announced the cancellation of \$9.6 million in PL-480 wheat credits for Nicaragua.⁴⁵

The Sandinistas had not expected such a turn of events. Angered at being misled by the overly optimistic FMLN and grateful for a second chance, they were interested in the opportunity to repair relations with Washington. “The Sandinista Directorate will accommodate the United States,” one high-ranking Nicaraguan official said. “The Directorate will follow a hands-off policy toward El Salvador. In return, it expects a restoration of U.S. aid and a general improvement in relations.”⁴⁶

“Washington’s message,” another senior Nicaraguan official duly noted, “has been received loud and clear. There is recognition of the very high political cost to

⁴⁴Classified diplomatic correspondence, reprinted in *Revolution Beyond Our Borders*, 22.

⁴⁵Juan de Onis, “Wheat Sales to Nicaragua Delayed,” New York Times, 11 February 1981, A4.

⁴⁶Carl Migdail, “Nicaragua Blinks in Showdown With U.S.,” U.S. News and World Report 90, no. 11 (23 March 1981): 25. According to one American diplomat, the Sandinistas “were suckered by the [Salvadoran] guerrillas and now must back off.” *Ibid.*, 26.

Nicaragua of involvement in El Salvador.”⁴⁷ The Sandinistas, *junta* leader Daniel Ortega admitted to Pezzullo, had been “very permissive in allowing the FMLN to mount operations in Nicaragua”, but now was no longer willing to “risk our revolution for an uncertain victory in El Salvador.” Ortega promised that “not a single round” would transit Nicaraguan territory.⁴⁸

By the Reagan administration’s own account, this was not idle Sandinista rhetoric. President Reagan noted in an interview that the U.S. had

inform[ed] Nicaragua that we’re aware of the part they have played in this [the Salvadoran war], [and by] using diplomacy to see that a country [Nicaragua] decides they’re not going to allow themselves to be used anymore — there’s been a great slow down. We’re watching it very carefully — Nicaragua — of the transfer of arms to El Salvador.⁴⁹

Secretary of State Haig confirmed that the Sandinistas appeared to get the message. “We found that there’s been some slackening of those arms movements into El Salvador,” he said. “We have witnessed some drop off in the level of activity we’d witnessed before we took the positions we did.”⁵⁰ Acknowledging that its reliance on the Carter administration’s ‘carrot’ policy was successfully deterring

⁴⁷Alan Riding, “Nicaragua Seeking Accord in Salvador,” New York Times, 12 February 1981, A11

⁴⁸Classified diplomatic correspondence, reprinted in *Revolution beyond Our Borders*, 22.

⁴⁹Ronald Reagan, “Interview With the President,” Weekly Compilation of Presidential Documents 17, no. 10 (9 March 1981): 231.

⁵⁰Department of State, “A Balanced Approach to El Salvador,” *American Foreign Policy Current Documents 1981* (Washington, D.C.: USGPO, 1984), 1288-9. See similar testimony from Haig, in *Hearings Before the Committee on Foreign Relations, Senate, Foreign Assistance Authorization for Fiscal Year 1982*, 97th Congress, 1st Session, 19 March 1981 (Washington, D.C.: USGPO, 1982), 12-13.

Nicaraguan aid to the Salvadoran rebels, on 12 March the White House extended its initial thirty-day compliance deadline.⁵¹

Explaining Managua's preference for avoiding enmity with the United States over material support for the FMLN, Defense Minister Humberto Ortega coolly noted his country's objective geopolitical realities. "We're not idealists or romantics or utopians," he insisted. "We're realistic revolutionaries who know that the world is determined by the coexistence of two main blocs. We cannot escape this phenomenon, above all in an area of vital interest to the United States."⁵²

On 1 April, however, the administration terminated the aid package anyway. "We want to encourage a continuation of recent favorable trends with regard to Nicaraguan support for the Salvadoran guerrillas," the State Department spokesperson said. "Their response has been positive. We have no hard evidence of arms movements through Nicaragua during the past few weeks, and propaganda and some other support activities have been curtailed." Regardless, because "some arms traffic may be continuing and that other support very probably continues," all U.S. assistance would be canceled forthwith.⁵³

⁵¹See John Goshko, "State Dept. Shifts, Seeks to Cool Off Salvador Publicity," Washington Post, 13 March 1981, A1; "High Official Now Plays Down El Salvador," New York Times, 13 March 1981, A3; and Bernard Gwertzman, "U.S. Aides Hint Cuba Cuts Arms To Salvador Left," New York Times, 12 March 1981, A1. The initial deadline for compliance had been set by the White House in mid-February. See John Goshko and Don Oberdorfer, "U.S. to Send More Aid, Advisers to El Salvador," Washington Post, 3 March 1981, A1.

⁵²Alan Riding, "Nicaragua at the Crossroads: U.S. Is Forcing a Choice," New York Times, 9 March 1981, A2.

⁵³Department of State, Bulletin 81, no. 2050 (May 1981): 71. In a gesture it hoped might cushion the blow, the administration suspended the immediate repayment of disbursed loans, as the law required, in "recognition of the Nicaraguan
(continued...)"

It was a stunning and abrupt decision with immediate negative repercussions in Nicaragua. Moderate opponents of the FSLN vying with the *Frente* for political influence in Nicaragua — the bedrock of the Carter administration's approach — were furious that the Reagan team had undercut them. Alfonso Robelo, the former *junta* member and later contra leader, announced that he was siding with the Sandinistas on this issue, calling the Reagan administration's action "a foreign policy error" that "is to be condemned from every viewpoint" and one that "will actually provoke a radicalization that will be hard to reverse."⁵⁴ "It is not even," he remarked prior to the decision,

a question of aid or no aid, but whether Washington will be conciliatory toward Nicaragua or try to destabilize the revolution by closing off funds from international organizations. I think it should give aid.⁵⁵

Another moderate *junta* member, Arturo Cruz, proved equally prescient. Speaking before the Reagan administration's announcement, Cruz warned that if the U.S. terminated its aid package, "the economic crisis would be translated into a real radicalization and Nicaragua would have to look to other blocs for funds."⁵⁶ Even

⁵³(...continued)

response to date." Ibid. In ironic commentary on the strange turn of events, William LeoGrande observed that the cut-off announcement "was made, appropriately enough, on April Fool's Day." See LeoGrande, "The United States and Nicaragua," 429.

⁵⁴Panama City ACAN, 6 April 1981, in FBIS-LAM, 7 April 1981, P12; and *ibid.*, 3 April 1981, in *ibid.*, 6 April 1981, P18.

⁵⁵Riding, "Nicaragua at the Crossroads," A2.

⁵⁶Riding, "Nicaragua Seeking Accord in Salvador," A11.

the entire staff of the staunchly anti-Sandinista newspaper *La Prensa* condemned the cut-off as “counterproductive” and insisted that the aid “be resumed immediately.”⁵⁷

The Sandinistas were equally stunned. Ambassador Pezzullo had convinced them that the nature of the relationship with the United States had not changed with the ascension of the Reagan administration: a tangible cessation to the export of revolution would produce constructive relations. The FSLN had done precisely that, and yet the Reagan administration had terminated the aid regardless. “To terminate the aid,” Carter holdover Deputy Assistant Secretary of State John Bushnell had said, “would be the sort of event which would mean the game is over.”⁵⁸ Ambassador Pezzullo agreed. “We dealt ourselves out of the game for no reason,” Pezzullo commented.⁵⁹ “By cutting off the aid, we left no flexibility in our policy response to them. They unquestionably viewed it as a hostile act.”⁶⁰ Confirming Pezzullo’s point, *junta* leader Daniel Ortega called the decision “palpable evidence of an aggressive attitude against Nicaragua.”⁶¹

For their part, whatever inhibition the Sandinistas might have exhibited while it sought to establish a rapport with the new administration were immediately dropped. Echoing Cruz’s and Robelo’s warning of increased radicalization, from mid-

⁵⁷La Prensa, 9 April 1981, in FBIS-LAM, 16 April 1981, P12.

⁵⁸Testimony of John Bushnell, Committee on Foreign Relations, Senate, *Foreign Assistance Authorization for Fiscal Year 1982* 97th Congress, 1st Session, 4 May 1981 (Washington, D.C.: USGPO, 1982): 452.

⁵⁹Quoted in Gutman, *Banana Diplomacy*, 37.

⁶⁰Quoted in *Crisis in Central America: Revolution in Nicaragua*, WGBH Public Television.

⁶¹Managua Domestic Service, 2 April 1981, in FBIS-LAM, 3 April 1981, P10.

1981 on, according to one scholar, the Nicaraguan revolution “moved sharply to the left,” launching a wholesale nationalization of private enterprises and curtailing civil liberties. The opposition paper La Prensa was shut down three times in August and twice more in October for publishing articles which the FSLN leadership deemed insufficiently supportive of the revolution. When four prominent members of the private sector accused the Sandinistas of being communists and betraying their revolutionary promises, they were arrested and imprisoned for several months.⁶²

The rationale for the aid termination appeared to stem from bureaucratic maneuvering within the administration over control of Central American policy. In order to retain control over the policy framework, Assistant Secretary of State for Inter-American Affairs Thomas Enders believed he had little choice but to acquiesce to the demands of others in the administration who had no interest in seeing U.S. dollars shoal up a Marxist regime in Nicaragua — in short, the continuation of the Carter administration’s policy.⁶³ “Both Haig and Enders had caved in” to intense pressures from White House hardliners led by national security adviser Richard Allen and his chief deputy Roger Fontaine, according to Pezzullo.⁶⁴

Moreover, the continuation of Pezzullo’s “zero option” by definition meant that the United States remained prepared in principle to accept and accommodate

⁶²LaFeber, *Inevitable Revolutions*, 306; John A. Booth. *The End and the Beginning: The Nicaraguan Revolution* (Boulder: Westview Press, 1985), 207; and Gutman, *Banana Diplomacy*, 79.

⁶³Recall that the 1980 RNC program read: “We deplore the Marxist Sandinista takeover of Nicaragua....We do not support United States assistance to any Marxist government in this hemisphere.” See Goshko, “Aid for Nicaragua the Focus of Fierce Internal Policy Dispute,” A2.

⁶⁴Lawrence Pezzullo, interview by the author. Allen claimed credit for the decision in Gutman, *Banana Diplomacy*, 38.

Sandinista rule in Nicaragua. Nicaraguan compliance with U.S. demands on aiding the FMLN brought such acceptance closer to reality. While it remained unclear as to what precisely the new administration's policy approach was to be, the aid cut-off was a tangible severance from the Carter administration's 'carrot'-based approach.⁶⁵

THE POLICY VOID

By the time Ronald Reagan took office, the Carter administration had already provided some \$1 million in covert funds to various internal political opponents of the Sandinistas, although it had not developed a paramilitary dimension to its secret program.⁶⁶ FSLN *comandante* Luis Carrión Cruz testified to the World Court that "organized military and paramilitary activities" against Nicaragua did not begin until December 1981. Prior to that, he said, there existed

just a few small bands very poorly armed, scattered along the northern border of Nicaragua and...composed mainly of ex-members of Somoza's National Guard. They did not have any military effectiveness and what they mainly did was rustling cattle and killing some civilians near the borderlines.⁶⁷

⁶⁵Since "other areas [of foreign policy] were too critical for the hardliners, Central America was thrown to the right, cast off to the right," Pezzullo explained. The result was that these officials "felt a free reign to run roughshod" over the policy. Interview by the author. See similar comments by John Carbaugh quoted in Gutman, *Banana Diplomacy*, 59.

⁶⁶Robert Toth and Doyle McManus, "Contras and CIA: A Plan Gone Awry," *Los Angeles Times*, 3 March 1985, Part I, 1; and Woodward, *Veil*, 113.

⁶⁷Testimony of Luis Carrión Cruz, *Case Concerning Military and Paramilitary Activities in and against Nicaragua (Nicaragua v. United States of America)*, International Court of Justice. Reprinted in *International Law Reports* 76 (1988): 388. See collaborative testimony in a World Court affidavit by former contra Edgar Chamorro, reprinted in *Nicaragua: Unfinished Revolution*, ed. Peter Rosset and John Vandermeer (New York: Grove Press, 1986): 237. A Reagan administration official described pre-December 1981 contra forces as "insects buzzing around the Sandinistas' ankles." Quoted in Doyle McManus and Robert Toth, "The Contras: How U.S. Got Entangled," *Los Angeles Times*, 4 March 1985, 1.

The groundwork for an expanded U.S. covert efforts in Central America began even before Reagan took office. According to both U.S. officials as well as former contra leaders, in fact, Reagan emissaries toured the region after Reagan's victory but prior to his inauguration trying to drum up support for a covert anti-Sandinista insurgency and promising to help finance and arm it.⁶⁸ Formal consideration of various covert activities began within weeks of Reagan's inauguration. The Soviets "are overextended....their empire's become a burden," Director of Central Intelligence (DCI) William Casey told President Reagan in late January 1981. "Mr. President, we have an historic opportunity. We can do serious damage to them."⁶⁹ On 24 February, Casey proposed a "new, broader covert action" plan for Central America⁷⁰ — one that "provides an excellent covert dimension to what must be a prompt comprehensive strategy for dealing with Cuba throughout Central America," State Department counselor Robert McFarlane wrote in a secret 27 February 1981 memorandum for Haig. The CIA "proposal is for a very broad program of covert actions to counter Cuban subversion."⁷¹

Casey's expanded covert program against Soviet allies in the Third World and in Central America in particular came up for formal approval at a 9 March NSPG

⁶⁸Gutman, *Banana Diplomacy*, 23; "CIA and Rebels: A Tangled History," *New York Times*, 18 March 1985, A8; Robert White, interview by the author; Lawrence Pezzullo, interview by the author. For a more detailed history of the contras' origins, see Gutman, *Banana Diplomacy*, 39-57; and Dickey, *With the Contras*.

⁶⁹Quoted in Schweizer, *Victory*, 5.

⁷⁰Gates, *From the Shadows*, 242.

⁷¹The White House, Robert C. McFarlane (counselor), memorandum for the Secretary, Subject: *Covert Action Proposal for Central America*, 27 February 1981, in *Iran-Contra Affair*, Appendix A: Source Documents, Vol. 1, 4.

meeting. “We need to be backing these movements with money and political muscle,” Casey argued to Reagan. “We need a half a dozen Afghanistsans.”⁷² Reagan was persuaded — “Bill’s option makes the most sense to me”⁷³ — and he signed the required Presidential Finding that “superceded and expanded upon political and propaganda covert actions in Central America targeted against the Sandinistas approved by Jimmy Carter” — but with some distinct differences. First, the authorized budget was \$19.5 million — a much greater appropriation that had existed under Carter. Second, the scope of the covert activity expanded the CIA’s role to “provide all forms of training, equipment and related assistance to cooperating governments throughout Central America in order to counter foreign-sponsored subversion and terrorism.”⁷⁴ As Robert Gates wrote, “only now, force was authorized to interdict the weapons supply.”⁷⁵

The 9 March finding, however, was fundamentally an expansion of an existing policy framework from the previous administration that had been rejected with the 1 April aid termination; it did not and could not stand on its own as the Reagan team’s policy for Nicaragua and Central America. Consensus within the administration, however, proved elusive. The administration had given its ‘okay’ on the continuation

⁷²Quoted in Schweizer, *Victory*, 23.

⁷³Quoted in *ibid.*, 7.

⁷⁴The White House, *Presidential Finding on Central America*, 9 March 1981, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 2, 1156. See also reference to the Finding in a classified NSC document dated April 1982 and published in the New York Times, 7 April 1983, A16; and Leslie Gelb, “Argentina Linked to Rise in Covert U.S. Actions Against Sandinistas,” New York Times, 8 April 1983, A10.

⁷⁵Gates, *From the Shadows*, 242-3.

of the Carter White House's 'carrot' policy for Nicaragua not because it believed in the merits of that approach, but because for the first few months of the Reagan term, there was no policy control or articulation for Nicaragua.⁷⁶

Secretary of State Haig viewed Nicaragua as incidental to the real source of the problems in Central America and remained convinced that the United States would not be able to dictate the course of regional events if it did not firmly resolve to address "the problem...at the source."⁷⁷ Going after secondary Nicaragua because of tertiary El Salvador would be the same type of "incrementalism" that had confused and deterred U.S. objectives in Vietnam — "the pernicious idea that a president can have it both ways by masking an unpopular action with measures that tend to exacerbate rather than solve a problem."⁷⁸ "Let me emphasize to you," he averred, "that our problem with El Salvador is external intervention in the internal affairs of a sovereign nation in this hemisphere — nothing more, nothing less."⁷⁹ "Cuba was at once the source of supply and the catechist of the Salvadoran insurgency."⁸⁰

⁷⁶Despite his 'purchase' of Pezzullo's 'option zero', Haig before taking office wrote "already I had doubts about the wisdom of supporting a government that was working so assiduously against American interests." See Haig, *Caveat*, 47.

⁷⁷Department of State, *Bulletin* 81, no. 2049 (April 1981): 15.

⁷⁸Haig, *Caveat*, 120.

⁷⁹Department of State, *Bulletin* 81, no. 2049 (April 1981): 21.

⁸⁰Haig, *Caveat*, 122.

As a result, it was Cuba — not Nicaragua — that was Haig's target.⁸¹ "I want to go after Cuba," he told Robert McFarlane, then a State Department counselor. "I want you to get everyone together and give me a plan for doing it."⁸² With deep reservations — "the idea didn't seem workable" — McFarlane and other aides suggested that "rather than going to the source, as Haig wished to do in Cuba, we would be better off dealing with the extremities" of the problem: Nicaragua.⁸³ The proposal — entitled *Taking the War to Nicaragua* — called for U.S. military strikes against Nicaraguan and Cuban personnel and equipment.⁸⁴ Haig rejected the plan as "bureaucratic pap....[a] cookie-pushing piece of junk."⁸⁵ A second draft proposal emphasizing economic and military assistance to friendly nations in Central America and the Caribbean met with similar disdain from Haig, and the Secretary's personal

⁸¹At the administration's first NSC meeting, according to Caspar Weinberger, Haig argued to the president "that it was quite clear we would have to invade Cuba and, one way or another, put an end to the Castro regime." Weinberger, *Fighting For Peace*, 31.

⁸²McFarlane, *Special Trust*, 177. "You get a band of brothers from CIA, Defense, and the White House, and you put together a strategy for toppling Castro. And in the process we're going to eliminate this lodgement in Nicaragua from the mainland," Haig is quoted by McFarlane in Cannon, *Role of a Lifetime*, 345.

⁸³McFarlane, *Special Trust*, 178, 180.

⁸⁴See Toth and McManus, "Contras and CIA: A Plan Gone Awry," 1; Haig, *Caveat*, 125; John Brecher et al., "A Secret War for Nicaragua," *Newsweek*, 8 November 1982; and Nick Kotz and Morton Kondracke, "How to Avoid Another Cuba," *The New Republic* 184, no. 25 (20 June 1981): 21.

⁸⁵McFarlane, *Special Trust*, 179-80. See also Cannon, *Role of a Lifetime*, 345.

entreaties with President Reagan went unheeded.⁸⁶ From a practical standpoint, then, the State Department had withdrawn from Central American policy-making.

“REAGAN’S SWORD : CASEY AT CIA”⁸⁷

At this juncture, the administration simply had no comprehensive policy for dealing with the Sandinistas. Assistant Secretary of State for Inter-American Affairs Enders had ended the Carter administration’s accommodative policy approach but had yet to replace it with anything else. Secretary of State Haig remained fixated on Cuba and saw Nicaragua as incidental; Secretary of Defense Weinberger, the Joint Chiefs of Staff and the Pentagon all feared the domestic and budgetary fallout from ‘another Vietnam’ that they were convinced would arise from any serious military involvement in Central America; and Chief of Staff Jim Baker, along with Michael Deaver, Edwin Meese, and other domestic advisors, insisted the president eschew the ‘third rail’ of Central America and commit administration resources to Reagan’s ambitious economic agenda of deep tax cuts and increased defense spending. Given this impenetrable thicket of competing administration objectives, consensus on the means and ends of U.S. policy toward Nicaragua seemed impossible.

With virtually the entire administration stalemated on Nicaragua, William Casey and the CIA stepped in to fill the policy void. “There’s no strategic thinking at State,” Casey complained to one aide. “The NSC is a bunch of firemen running around putting out brush fires. We’re the ones who are going to fill the vacuum.

⁸⁶The second proposal was the cornerstone of President Reagan’s 1982 ‘Caribbean Basin Initiative’. “Haig took his ideas about Cuba to the president himself, who shelved the proposal.” See McFarlane, *Special Trust*, 180.

⁸⁷This description comes from Gates, *From the Shadows*, 198.

We're going to do the global thinking."⁸⁸ Robert Gates wrote that "Casey was disgusted with the administration's feeble and failed efforts" to generate a Central American policy. He saw the efforts as

inconsistent, unpersuasive, too limited in scope, and too episodic...So the primary role fell to Bill Casey and to CIA. And, if the CIA was the only game in Central America, then, by God, Bill Casey would give it all he had.⁸⁹

Casey "knew what he wanted...[to be] secretary of state," as one Reagan administration official recalled. "Although he let it be known that he wanted the job, it was denied him."⁹⁰ Denial of the portfolio at Foggy Bottom, however, did not circumscribe Casey's foreign policy ambitions. "It had become clear to me," Robert McFarlane wrote,

that Casey, convinced that Ronald Reagan lacked the passion for foreign affairs that would lead him to tackle issues on the front decisively, and believing that the palace guard — the famous troika of Jim Baker, Mike Deaver, and Ed Meese — was shielding the president from difficult issues, began to act more autonomously, taking on the responsibility for accomplishing things he believed the president would agree with but would not do himself.⁹¹

One commonality Casey shared with Reagan was a desire to punish the USSR. "He would do whatever he could to cause the Soviets trouble," Donald Regan recalled. "He was always thinking about it." "That's how he saw the

⁸⁸Quoted in Persico, *Casey*, 284. "We have a chance to establish our own foreign policy," Casey told a colleague. "We're on the cutting edge. We are the action agency of the government." Quoted in Woodward, *Veil*, 417.

⁸⁹Gates, *From the Shadows*, 244.

⁹⁰Martin Anderson, *Revolution* (New York: Harcourt Brace Jovanovich, 1988), 331-2.

⁹¹McFarlane, *Special Trust*, 28-9. "Ronald Reagan knew little about foreign policy and cared less," according to Alexander Haig. Quoted in Persico, *Casey*, 305.

directorship,” CIA colleague Alan Fiers added. “As a chance to carry on the fight.”⁹²

As Robert Gates recalled:

Push. Push. Push. Casey never stopped coming up with ideas — or forwarding those of others — for waging the war against the Soviets more broadly, more aggressively, and more effectively....he wanted to wage war against the USSR from the day he set foot inside CIA.⁹³

As DCI, Casey demanded and received two critical concessions from Reagan. The first was full Cabinet rank. “I expect to be in on policy,” he told Reagan. “I expect to be part of the foreign policy team.” Reagan had agreed; “Bill, I wouldn’t have it any other way.”⁹⁴ The second demand was office space on the third floor in the Old Executive Office Building, a few meters from the Oval Office and home to the National Security Council staff. “As a practical matter,” Martin Anderson wrote of Casey’s OEOB office, “Casey could easily and secretly confer with just about anyone on the National Security Council staff” on any issue. “Armed with his seat at the cabinet table and his office in the White House complex, he played an increasingly formidable role in the Reagan administration.”⁹⁵ “Without parallel in the history of postwar American intelligence,” Robert Gates observed, “Bill Casey as

⁹²Quoted in Schweizer, *Victory*, xvii.

⁹³Gates, *From the Shadows*, 256, 249.

⁹⁴Quoted in Persico, *Casey*, 203. Casey’s expanded role in foreign policy decision-making was codified in The White House, National Security Decision Directive 2, Subject: *National Security Council Structure*, 12 January 1982. The declassified NSDDs appear in a published compendium edited by Christopher Simpson, *National Security Directives of the Reagan and Bush Administrations: The Declassified History of U.S. Political and Military Policy, 1981-1991* (Boulder: Westview Press, 1995), 20.

⁹⁵Anderson, *Revolution*, 334-5.

DCI had his own foreign policy agenda and, as a Cabinet member, pursued that agenda vigorously.”⁹⁶

The administration’s Nicaragua policy, Robert McFarlane noted, became “largely the work of Bill Casey and his CIA, which had stepped into the void left by the State Department.” On Nicaragua, Casey was “the only game in town.”⁹⁷ While the administration had viewed Haig’s proposal to attack Cuba as too likely to provoke Soviet retaliation, Casey increasingly came to believe that Nicaragua might be a more palatable target. “I’m looking for a place to start rolling back the Communist empire,” he replied in explaining his interest in Nicaragua. “If we can’t stop Soviet expansionism in a place like Nicaragua, where the hell can we?”⁹⁸

In April 1981, shortly after the aid termination, Casey met with Honduran Colonel Gustavo Álvarez Martínez to discuss the latter’s plans for Nicaragua. Álvarez proposed that the Americans financially aid and militarily equip a small force of *ex-Guardia* troops that Honduras had been tendering since 1980. The force would invade Nicaragua and provoke the Sandinistas into attacking either Honduras or Costa Rica. The United States could then invoke the collective self-defense mechanism in the OAS treaty and invade Nicaragua to remove the FSLN regime.⁹⁹ Casey was interested in Álvarez’s offer, and without making a firm commitment to the Honduran

⁹⁶Gates, *From the Shadows*, 286.

⁹⁷McFarlane, *Special Trust*, 279-80, 174.

⁹⁸Quoted in Persico, *Casey*, 7, 264. Upon becoming DCI, Robert Gates wrote, “Casey would remain obsessed with Soviet and proxy subversion in the Third World for the rest of his life. Here was the Soviet challenge he had taken the job at CIA to counter and defeat....the DCI had a crusade.” Gates, *From the Shadows*, 251.

⁹⁹Gutman, *Banana Diplomacy*, 48-9.

officer, he began exploring the possibility of creating a Nicaraguan exile paramilitary force.

Casey rapidly advanced the Agency on several fronts. On 6 April he approved a National Intelligence Estimate on “Cuban Policy in Central America” that concluded Nicaragua had assumed an expanded role in Soviet/Cuban objectives in the region.¹⁰⁰ At around the same time, he dispatched General Vernon Walters to Buenos Aires to enlist Argentine support for uniting the myriad and disparate *ex-Guardia* bands under the single command of the ‘15th of September Legion’, a former *Guardia* force favored and supported by Argentina since late 1980.¹⁰¹

In the United States, CIA agents made the rounds among the Nicaraguan exile community in Miami, seeking out in particular the anti-Sandinista political organization *Union Democrática Nicaragüense* (UDN), founded by former vice-president of the post-Somoza Council of State José Francisco Cardenal and Edgar Chamorro. Washington would support their efforts to overthrow the Sandinistas, the agents promised, but the UDN had to merge with the *ex-Guardia* 15th of September Legion, aided by Argentina and operating in Honduras. Despite the considerable animus felt by the UDN toward the 15th of September Legion, the merger was finalized in Guatemala City on 11 August, creating the new *Fuerza Democrática Nicaragüense* (FDN). Immediately upon announcing the merger, the FDN departed Guatemala City and established its new headquarters in the Honduran capital of Tegucigalpa.

¹⁰⁰Gates, *From the Shadows*, 243.

¹⁰¹See Gutman, *Banana Diplomacy*, 52-3. The ‘15th of September’ refers to Nicaragua’s independence day.

With the elements of a paramilitary option under construction, Casey needed someone to manage and administer a large-scale, armed covert program. In June he hired the energetic, 'can-do' Duane Clarridge to replace the skeptical Nestor Sanchez as Latin American Division chief for the Agency's Directorate of Operations. The following month Casey paid a fact-finding visit to the U.S. Southern Command Headquarters in Panama and returned "persuaded" of a vastly increased Nicaraguan role in regional subversion. His conviction was augmented by "a surprisingly strong offensive" from the FMLN in June that demolished hopes "for a quick military victory [in El Salvador]."¹⁰² As a result, "Casey focused more and more on action inside Nicaragua itself, and direct pressure on the Sandinistas" not only to deter their aid to the FMLN, "but also to counter the consolidation of the regime itself."¹⁰³

Immediately upon taking his post in August, Clarridge was summoned by Casey, who instructed him to come up with a plan to "get the job done" in Nicaragua.¹⁰⁴ "Within a week or so" as Clarridge recalled, he had his recommendation ready.

Believe me, it didn't take rocket science, and it didn't take two months, to figure out what ought to be done down there, okay? We should take the war to Nicaragua and we should start killing Cubans....Well, of course this was exactly what Casey wanted to hear.¹⁰⁵

¹⁰²LeoGrande, "The United States and Nicaragua," 429.

¹⁰³Gates, *From the Shadows*, 244-5.

¹⁰⁴Clarridge, *A Spy for All Seasons*, 194-5.

¹⁰⁵Quoted in *CIA: Secret Warriors, Part I*, documentary from The Discovery Channel. Aired 31 March 1997. Transcribed by the author. See similar comments from Clarridge in his memoir, *A Spy for All Seasons*, 197-8.

With Casey's approval, Clarridge flew to Tegucigalpa to commit the United States to the basic plan proposed by Álvarez to Casey back in April. The Reagan administration wanted to "liberate" Nicaragua from the Sandinistas, Clarridge promised the receptive Hondurans. "We were talking about the overthrow of the government," Álvarez recalled.¹⁰⁶ With Argentina committed to training the newly-formed FDN, and with Honduras willing to provide its territory for training and military bases, all that remained was to cement the alliance. "Bill was absolutely delighted" to learn of the Argentine and Honduran commitment, according to Deputy Director of Central Intelligence Bobby Ray Inman. "He knew that the Argentines' hope was to unseat the Sandinistas. And that was farther than the U.S. Congress was ready to let us go."¹⁰⁷

In late August Clarridge again flew to Honduras to formalize what was called *La Tripartita*: the Argentines would train the exile army, the Americans would provide economic assistance, and the Hondurans would provide the territory. "I speak in the name of Ronald Reagan," Clarridge told the group.

We want to support this effort to change the government of Nicaragua. We must change the government of Nicaragua to give the Nicaraguan people the chance to democratically elect its own government.¹⁰⁸

Evidently, however, Clarridge and Casey did *not* speak for the administration, at least not yet, anyway. At the time the CIA pledged American commitment to *La Tripartita*, Secretary of State Haig and National Security adviser Richard Allen were unaware of these events. Assistant Secretary of State for Inter-American Affairs

¹⁰⁶Quoted in Gutman, *Banana Diplomacy*, 55.

¹⁰⁷Quoted in Persico, *Casey*, 273.

¹⁰⁸Quoted in Gutman, *Banana Diplomacy*, 57.

Thomas Enders was aware of Clarridge's trips and of the covert paramilitary program, but emphasized that formal approval from the administration had yet to be given.¹⁰⁹ In the interim, Enders thought diplomacy might still work.

THE FORK IN THE ROAD

At the same time that Casey and the CIA were piecing together the paramilitary implement of the administration's approach, Enders was in Managua to try one last attempt at a diplomatic resolution, to reach, as he put it, a "détente" between the United States and Nicaragua.¹¹⁰

The first meetings on 11-12 August were, by all accounts, heated and intense. One veteran diplomat remarked that he "had never seen discussions so dramatic, so direct, and so lacking in subtlety in three decades of negotiations in Latin America." Larry Pezzullo described the wording as "hardball" and "a little brusque. The language was: 'this is what you have to do'."¹¹¹

"You see your revolution as irreversible, and so do we," Enders told Daniel Ortega. "We do not share many political and social ideas but acknowledge that the

¹⁰⁹Tbid., 55-6.

¹¹⁰A transcript of the 11-12 August conversations was provided by Nicaragua to the World Court and cited in the dissenting opinion of Judge Schwebel. See *Nicaragua v. United States of America*, 823. See also Don Oberdorfer, "U.S., In Secret Dialogue, Sought Rapprochement with Nicaragua," *Washington Post*, 10 December 1981, A1; and Christopher Dickey, *With the Contras*, 109-12.

¹¹¹Quoted in Gutman, *Banana Diplomacy*, 66-7; and in Krauss, *Inside Central America*, 143. See also Woodward, *Veil*, 164-5. The negotiating style and tact displayed by Enders in Managua led one U.S. official to dub him "Attila the diplomat." Roy Gutman, "Nicaragua: America's Diplomatic Charade," *Foreign Policy*, no. 56 (Fall 1984): 5. During the meetings, Daniel Ortega once complained that the 6'8" Enders "was as arrogant as he was tall." See Gutman, *Banana Diplomacy*, 73.

defeat of Somoza is an accomplished fact and we consider it as such and, moreover, a necessary fact.” However,

I must emphasize that we feel we are now at a crossroads.....there are only two things which could oblige us to involve ourselves militarily in this region: (1) if this idea of doing the utmost to halt the arms flow to El Salvador is rejected, (2) if the arms race in Central America is built up to such a point that some of your neighbors in Central America seek protection from us under the Inter-American Treaty....[I]f it forced upon us, the present American administration would be prepared to take a decision in that situation.¹¹²

Importantly, Enders did not list the internal nature of the Sandinista regime as a concern for Washington. Edén Pastora Gómez later wrote that

when Daniel Ortega told Fidel Castro of the FSLN talks with Thomas Enders,...he said that Enders had confided privately that as a U.S. representative, he had come to Managua not to defend the rights of the democratic opposition, but rather to insist that the FSLN meddling in El Salvador must stop....Enders had come to Nicaragua as President Reagan’s representative to say that Nicaragua had been given up as lost — that it was the problem of the Democratic Party in the U.S., and that the Republicans’ problem was not Nicaragua, but El Salvador, which they had no intention of losing. Furthermore, Enders told Daniel that the Nicaraguans could do whatever they wished — that they could impose communism, they could take over La Prensa, they could expropriate private property, they could suit themselves — but they must not continue meddling in El Salvador, dragging Nicaragua into an East-West confrontation, and if they continued along those lines, Enders said, they would be smashed.¹¹³

One American participant paraphrased Enders’s approach in a single sentence:

“You can do your thing, but do it within your borders or else we’re going to hurt you.”¹¹⁴

¹¹²See *Nicaragua v. United States of America*, 822-4.

¹¹³Edén Pastora Gómez, “Nicaragua 1983-1985: Two Years Struggle Against Soviet Intervention,” Journal of Contemporary Studies, Vol. 5 (Spring/Summer 1985): 10-11.

¹¹⁴*Comandante* Bayardo Arce responded violently to Enders’s comment, daring
(continued...)

The Sandinistas, for their part, were both cognizant of reality and hypersensitive over Enders's tone. "Just as the [Nicaraguan] revolution is a reality, the United States is an enormous reality....We are aware of the military power of the United States...we are not suicides." On the other hand, Ortega deflected talk of FSLN aid to the Salvadoran insurgents. "We are interested in seeing the guerrillas in El Salvador and Guatemala triumph," Ortega said. "The Salvadoran revolution is our shield. It makes our revolution safer."¹¹⁵ As for its arms build-up, Ortega cited two principal causes. "We have a feeling of insecurity....because [the U.S.] has shown a series of attitudes which makes us fear attack from it, and look for all possible means of defense." Also, the FSLN remained skittish over the *ex-Guardia* forces training in Florida. "If the United States, for example, can take action against camps of the former National Guard on its territory, this will relieve the pressure on the arms race in Nicaragua."¹¹⁶

Boiling away the rhetoric, however, revealed a workable *modus vivendi* that could be established between the two countries. The 'deal', as Pezzullo explained, was that the Sandinistas would shut off the FMLN pipeline and limit the size and weaponry of their armed forces. In return, the U.S. would close down anti-Sandinista exile training camps in Florida and sign a nonaggression pact with Nicaragua.¹¹⁷ If

¹¹⁴(...continued)
the U.S. to attack. "All right, come on in. We'll meet you man to man. You will kill us, but you will pay for it. You will have to kill us all." See Gutman, *Banana Diplomacy*, 67.

¹¹⁵See *Nicaragua v. United States of America*, 824; and Woodward, *Veil*, 165.

¹¹⁶See *Nicaragua v. United States of America*, 824-5.

¹¹⁷Lawrence Pezzullo, interview by the author.

such a deal could in fact be struck, it would represent an acknowledgment by the Reagan administration that the consolidation of Sandinista rule in Nicaragua was not necessarily inimical to U.S. interests.

“It’s a long shot, but worth a try,” Enders cabled back to Washington of his efforts in Managua. Secretary of State Haig was less sanguine. “I’ll believe it when I see it, and meanwhile let’s not hold up on the other plans.”¹¹⁸ Other administration officials were openly hostile to any negotiated settlement with Nicaragua that left the Sandinistas in power, and they were outraged that Enders had evidently left democratization off the table. Then-CIA’s national intelligence officer for Latin America Constantine Menges called Enders’s efforts an “attempted end-run” around the president’s wishes. The Enders effort “would mean the Sandinistas are here to stay.”¹¹⁹ “The deal that Enders was seeking in 1981,” wrote Peter Rodman, Director of Policy Planning at State,

would have represented a rather significant concession of our acceptance of the Nicaraguan Marxist-Leninist regime in exchange for pledges of a cessation of arming guerrillas, which it is 100 percent certain the Sandinistas would have violated.¹²⁰

A negotiated settlement with the FSLN, Rodman concluded, “could not possibly have succeeded.”¹²¹ Moreover, it appeared that Enders had not asked for and received presidential clearance for his initiative. “Without interagency agreement,” Constantine Menges wrote, “Enders went to Nicaragua and told the Sandinistas

¹¹⁸Gutman, *Banana Diplomacy*, 71; and quoted in Woodward, *Veil*, 165.

¹¹⁹Menges, *Inside the National Security Council*, 104.

¹²⁰Rodman, *More Precious than Peace*, 251.

¹²¹*Ibid.*

normal relations depended only on their ending subversion of their neighbors — not also implementing the democratic commitments to the OAS.”¹²²

Enders got the message to ‘harden’ his follow-up approach to the Managua talks, and subsequent proposals were cast in such “imperial” tones as to offend the nationalist feelings of the Sandinistas and derail any prospect for negotiation.¹²³ The first letter of 31 August set the stage.

The continued use of Nicaraguan territory to support and funnel arms to insurgent movements in the area would pose an insurmountable barrier to the development of normal relations between us. Unless this support is ended now, I can see no way that our proposed dialogue can bear fruit. A halt to the use of Nicaraguan territory for these purposes is, in fact, the *sine qua non* of a normal relationship.¹²⁴

Attached to the letter was formal notification of the administration’s decision to terminate \$7 million in undisbursed credits remaining from the Carter administration-approved \$75 million aid package.¹²⁵

¹²²Menges, *Inside the National Security Council*, 104. Ambassador Pezzullo, who was leaving in August, had suggested that Enders’s deputy visit Nicaragua “come down [to Nicaragua] from Washington to retain the relationship.” A week in advance of the visit, Enders cabled to say that he would be coming down himself, with no detailed advanced planning. “This wasn’t a considered thing,” Pezzullo said. “This sort of happened.” See Gutman, *Banana Diplomacy*, 66.

¹²³Gutman, *Banana Diplomacy*, 71-2; LeoGrande, “The United States and Nicaragua,” 430.

¹²⁴Letter from U.S. Assistant Secretary of State (IAA) Thomas O. Enders to *Comandante* Daniel Ortega Saavedra, Coordinator of the Nicaraguan Junta of National Reconstruction (GNR), of 31 August 1981, in *Contadora and the Central American Peace Process: Selected Documents* ed. Bruce Michael Bagley et al (Boulder: Westview Press, 1985), 22-3.

¹²⁵The Carter White House had \$15 million in undisbursed aid by the time of its suspension in the last days of that administration. It is unclear what happened to the other \$8 million.

A flurry of letters and draft proposals flew back and forth between Washington and Managua, with the U.S. side increasing its rhetorical tenor and the Sandinistas responding in fashion.¹²⁶ A last draft on security issues that Enders termed “very demanding” was so incendiary that Nicaraguan ambassador to the U.S. Arturo Cruz declined to even forward it to the Sandinista government. “I was flabbergasted,” Cruz later wrote. “If that was my reaction as a moderate, think of what the reaction would have been in Managua. I told them, this sounds like the conditions of a victorious power.”¹²⁷

The ‘final straw’ came with the 18 September U.S. announcement that it would conduct joint naval, air and amphibious assault exercises with Honduras off the Honduran coast in October. The *Halcón Vista* exercises — described by one scholar as a “massive dress rehearsal” of an invasion of Nicaragua replete with dozens of U.S. combat aircraft and naval vessels “in a threatening show of force [off] the Nicaraguan coast” — were “a deliberate attempt to stick it in their [the Sandinistas’] eye,” according to one top military aide.¹²⁸

The Sandinistas vigorously complained about the timing and nature of the exercises, and Foreign Minister Miguel D’Escoto warned in a 19 September letter to Enders that the holding of *Halcón Vista* would have a serious and detrimental effect

¹²⁶Copies of these letters appear in *Contadora and the Central American Peace Process: Selected Documents* ed. Bagley et al, 22-32.

¹²⁷Quoted in Gutman, *Banana Diplomacy*, 74. The proposal demanded that Nicaragua re-crate newly-acquired Soviet T-55 tanks and ship them back to countries of origin.

¹²⁸LeoGrande, “The United States and Nicaragua,” 430; Roy Gutman, *Banana Diplomacy*, 73; and Stephen Emerson, *Secret Warriors: Inside the Covert Military Operations of the Reagan Era* (New York: G.P. Putnam’s Sons, 1988), 122.

on U.S.-Nicaraguan relations.¹²⁹ The inauspicious timing of the maneuvers torpedoed any lingering chance that the Enders initiative might have held. A few weeks later, in early October, the FMLN in El Salvador launched a major offensive “scoring successes far beyond anything anticipated in Washington.” The fall offensive “set off a panic” in the administration, and only added to the mounting pressure to abandon diplomacy and initiate a more forceful and decisive response.¹³⁰

For their own part, the Sandinistas proved equally intransigent; most disturbing was a speech by Defense Minister Humberto Ortega on 25 August in which he announced that “Marxism-Leninism is the scientific doctrine that guides our revolution...our political force is Sandinismo and our doctrine is Marxism-Leninism.” He then brought Managua’s frequent pledges of international nonalignment into serious question by describing the world as

polarized into two great camps...the camp of imperialism, the camp of capitalism, led by the United States and the rest of the capitalist countries...[and] the socialist camp...with the Soviet Union in the vanguard....What’s important now is whether you are with the Revolution or whether you are against it; with imperialism or against it; with the socialist camp or against the socialist camp.¹³¹

Despite the inflammatory nature of the speech, the Sandinistas refused to disavow or rebuke it. Years later, some Sandinista officials regretted their headstrong

¹²⁹Letter from Nicaraguan Minister of Foreign Affairs Miguel D’Escoto Brockman to U.S. Secretary of State Alexander M. Haig, Jr., 19 September 1981, in *Contadora and the Central American Peace Process*, ed. Bagley, et al., 27-8. In his letter, D’Escoto mistakenly refers to the exercises as ‘Oceanic Adventure 81’.

¹³⁰LeoGrande, “The United States and Nicaragua,” 431.

¹³¹Ortega’s speech is reprinted in *The Central American Crisis Reader*, ed. Leiken and Rubin, 684-7.

stance during that time frame, realizing that they had missed an opportunity.¹³²

“Many officials felt that something should have been done” with the American initiative, said one Nicaraguan Foreign Ministry official, and they were critical that the FSLN leadership had let the chance slip away. “But,” he explained, “there was a tremendous amount of suspicion of the United States” and its ultimate intentions.¹³³

“We made our decision based on principles,” added a reflective Bayardo Arce. “It was not a matter of cold analysis, or else the choice might have been different. Remember what the climate was at the time. We were still in a wartime mentality.”¹³⁴

The negotiations failure between Washington and Managua proved to be a watershed event for what followed. Both parties saw the talks breakdown as confirmation of their own worst fears of the other, and each proceeded to act accordingly.¹³⁵ The Sandinistas concluded that the collapse of the Enders initiative would be used to justify the military intervention they felt the Reagan administration was seeking all along. The Reagan administration felt that the failure of its diplomatic efforts required either a stronger ‘stick’ to motivate Managua into meeting U.S. concerns or the elimination of the FSLN from power altogether.

¹³²LeoGrande, “The United States and Nicaragua,” 430. Lamented one Foreign Ministry official: “We were not so pragmatic in those days.” Quoted in Gutman, *Banana Diplomacy*, 72.

¹³³Nicaraguan Foreign Ministry official, background interview by the author, November 1991.

¹³⁴Quoted in Kinzer, *Blood of Brothers*, 96.

¹³⁵The practical meaning of the negotiations failure, Robert Pastor observed, was that “the warriors replaced the diplomats” on both sides. See Pastor, *Condemned to Repetition*, 235.

Both sides, in fact, were correct in their assumptions. As L. Craig Johnstone, then the State Department's head of Central American affairs, observed, the Enders mission

was the last gasp before we moved to a far more confrontational policy. And we had begun thinking of what that confrontational policy would be. He [Enders] went down there and said, 'Look out for what's coming. But you've got one last chance.'¹³⁶

THE SECRET WAR

While Enders and the State Department were attempting to construct some sort of 'détente' with Nicaragua, Duane Clarridge and the CIA were secretly building an army — the *contrarevolutionarios*, or 'contras' for short. On 2 October Casey told Defense Secretary Caspar Weinberger that the CIA had a plan "that would make it harder for the Cubans and the Nicaraguans — the creation of a third force."¹³⁷ At the same time, Clarridge briefed the Core Group that the operation's infrastructure had been assembled and awaited only a presidential 'go': "We had already selected the targets," Clarridge had said.¹³⁸ The Core Group then pooled together a series of options for presidential consideration at a 16 November NSC meeting.¹³⁹ The options presented at the meeting were 1) direct military action against Cuba, favored by Haig; 2) a 500-man arms-interdiction force to halt the weapons flow from Nicaragua to El Salvador and to pressure the Sandinistas into negotiations, favored by Enders; 3) a larger, paramilitary force to overthrow the Sandinista regime, favored by Casey; and

¹³⁶Quoted in Gutman, *Banana Diplomacy*, 72.

¹³⁷Gates, *From the Shadows*, 245.

¹³⁸Clarridge, *A Spy for All Seasons*, 201.

¹³⁹"CIA's Nicaragua Role: A Proposal or Reality,?" New York Times, 17 March 1982, A10.

4) a continuation of the Carter administration's covert program focusing only on political assistance, favored by no one.¹⁴⁰

Thomas Enders gave the presentation at the meeting. Negotiations with Nicaragua had been tried and had failed both by the Carter administration using the 'carrot' of economic assistance and by Enders himself, using no lever. "We must find a way to return to negotiations with Nicaragua or we will have to send troops," Enders told the group. Using Clarridge's paramilitary force, the administration could pressure the Sandinistas back to the bargaining table. The force "will harass the government, waste it," Enders said — but it would not overthrow it.¹⁴¹

Like any skillful bureaucratic actor, Enders as the presenter was able to get his preferred program approved by Reagan, and within a week the president had codified the NSC's decision into NSDD 17. The document laid out an eleven-point covert strategy for Nicaragua and Central America that would

- ▶ Build popular support in Central America and Nicaragua for an opposition front that would be nationalistic, anti-Cuban and anti-Somoza.
- ▶ Support the opposition front through formation and training of action teams to collect intelligence and engage in paramilitary and political operations in Nicaragua and elsewhere.
- ▶ Work primarily through non-Americans to achieve the foregoing, but in some circumstances CIA might (possibly using U.S. personnel) take unilateral paramilitary action against special Cuban targets.¹⁴²

¹⁴⁰Ibid. Duane Clarridge termed the Carter programs as "on the mark, but defensive in nature." The Reagan administration "sensed something more was needed to stem the Nicaraguan and Cuban aggression." See Clarridge, *A Spy for All Seasons*, 197.

¹⁴¹Quoted in Woodward, *Veil*, 173.

¹⁴²The White House, National Security Decision Directive Number 17, Subject: *National Security Decision Directive on Cuba and Central America*, 4 January 1982, in *National Security Directives of the Reagan and Bush Administrations*, ed.

(continued...)

The proposal allocated \$19.95 million for the CIA to create a 500-man armed force to accomplish these goals, but stressed that “the program should not be confined to that funding level or to the 500-man force described....more funds and manpower will be needed.” The proposed 500-man force would link up with a 1,000-man unit already in Honduras and being administered by Argentina.¹⁴³

As required by law, in approving this covert plan President Reagan signed on 1 December a “Presidential Finding” stating the need for the action and transmitting it to Congress. The Finding explained the “purpose” of the “operation” as “support and conduct [excised] paramilitary operations against [excised] Nicaragua [excised].”¹⁴⁴

DCI Casey then went before the House and Senate Intelligence committees to brief them on the Finding. According to a Senate Intelligence Committee staff source, the Finding said “the program was intended to interdict the flow of weapons from Nicaragua to El Salvador, to get Nicaragua to focus inward, and to make the

¹⁴²(...continued)

Simpson, 53. The excised portions of NSDD 17 appear in Patrick Tyler and Bob Woodward, “U.S. Approves Covert Plan In Nicaragua,” Washington Post, 10 March 1982, A1; and in Don Oberdorfer and Patrick Tyler, “U.S.-Backed Nicaraguan Rebel Army Swells to 7,000 Men,” Washington Post, 8 May 1983, A1.

¹⁴³Tyler and Woodward, “U.S. Approves Covert Plan In Nicaragua,” A1; Oberdorfer and Tyler, “U.S.-Backed Nicaraguan Rebel Army Swells to 7,000 Men,” A1; and Leslie Gelb, “Argentina Linked to Rise in Covert U.S. Actions Against Sandinists,” New York Times, 8 April 1983, A10.

¹⁴⁴The White House, *Presidential Finding on Covert Operations in Nicaragua*, 1 December 1981, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 2, 1157.

Sandinistas amenable to negotiations.”¹⁴⁵ The latter two were political and diplomatic objectives, ambiguous and difficult to measure. The military goal of arms interdiction was the focus of Casey’s testimony, and he described it in misleading terms. The program would be kept small and carefully limited both in size and scope, he testified, although NSDD 17 had stressed just the opposite. The force would target Cuban support installations inside Nicaragua, stealing back to Honduras before dawn. Since the money was coming from the administration’s contingency reserve fund, there was little the committees could do save express concern and skepticism.¹⁴⁶ Casey was asked a number of hypothetical ‘what if’ questions, replying that they were “speculative [and] could not be answered precisely.” One conservative House member, Congressman J. Kenneth Robinson (R-Va), was unconvinced. “You haven’t thought through the repercussions,” he warned Casey.¹⁴⁷

THE FISSURE

The decision of 16 November to undertake covert paramilitary action against Nicaragua did not unify the administration nearly as much as it divided it. It was to be a schism that would last throughout the entire tenure of the Reagan presidency. It wasn’t so much that, in Congressman Robinson’s words, the administration hadn’t “thought through the repercussions”; it was more that the White House hadn’t thought through its core policy objective for Nicaragua.

¹⁴⁵See Gutman, *Banana Diplomacy*, 85.

¹⁴⁶See *ibid.*, 85-6; Woodward, *Veil*, 175-7; and Obderdorfer and Tyler, “U.S.-Backed Rebel Army,” A1.

¹⁴⁷Quoted in Woodward, *Veil*, 177.

“In the end,” former Secretary of State Haig reflected, “the decision to go covert was a decision almost by default. It was fundamentally a failure of the policy-making apparatus.”¹⁴⁸ Craig Johnstone confirmed the irresistible gravity of the bureaucratic process and the vacuum of the administration’s strategic approach. The decision to aid the contras, he said, “was taken before the Enders visit on the basis of certain expectations which, if they had not come to pass, would have caused revisions.”¹⁴⁹

“Covert operations can be ancillary to a foreign policy,” Haig explained, “but they can’t be the policy.”¹⁵⁰ In the glaring absence of an administration consensus on Nicaraguan policy, however, that was all the White House had. In testimony to Congress some years later, Robert McFarlane expanded on the administration’s war against itself. “A thorough and concentrated analysis of our Nicaraguan problem,” he said,

would have produced a clear definition of interests in Nicaragua; an identification of threats to those interests; a listing of the U.S. and allied resources at our disposal; a laying out of the political, economic and military options, also to include therein the cost of doing nothing; and finally, a clear statement of the opportunity costs that we would have to bear in other parts of the world if we pursued each of these options. But this type of fundamental governmentwide analysis was never made. Therefore, in December 1981, when the CIA presented a proposal for initiating covert action in Nicaragua, there was no framework in which to analyze it....For if we had such a large strategic vehicle, it was clearly unwise to rely on covert activity as the core of

¹⁴⁸Quoted in Robert Toth and Doyle McManus, “Contras and CIA: A Plan Gone Awry,” *Los Angeles Times*, 3 March 1985, 1.

¹⁴⁹Quoted in Gutman, *Banana Diplomacy*, 80.

¹⁵⁰Quoted in Persico, *Casey*, 273.

our policy....covert actions...[are] an instrument to be used with great selectivity as an adjunct of policy, not as its foundation.¹⁵¹

“They” McFarlane said of the administration, “were not forced to think systematically about the fatal risks they were running.”¹⁵²

‘NEGOTIATORS’ VERSUS ‘IRRECONCILABLES’

All parties within the administration had agreed that the Carter administration’s ‘carrot’ approach of economic incentives and positive reinforcement was unacceptable, and both sides agreed that covert paramilitary activity was a much more promising approach. The deep disagreement came over the precise purpose of the paramilitary option. One side saw the contras as a ‘means’ to achieve a larger ‘end’ — the use of military pressure to force the Sandinistas to return to the bargaining table with the United States and reach an accommodation. “We thought we would see whether the insurrection would produce conditions for negotiations,” Enders explained. The contras were a way of “upping the heat on Nicaragua until we could get a negotiated settlement.”¹⁵³ In this sense, the approach of the ‘negotiators’ was tactically different but strategically similar to that of the Carter administration. Carter had used a ‘carrot’, while the negotiators employed a ‘stick’, but the principle was just the same. Sandinista behavior could be moderated and shaped in such a way as to lead to co-existence between Washington and Managua.

The opposing faction within the administration, however, viewed the paramilitary option as an end in itself in terms of policy toward Nicaragua. The

¹⁵¹Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 3-4.

¹⁵²Ibid., 4.

¹⁵³Quoted in Gutman, *Banana Diplomacy*, 80.

contras were not an implement to moderate the Sandinista regime, but instead a “strategy of using an indigenous resistance to reverse the Communist gains in Nicaragua,” as NSC staff official Oliver North explained.¹⁵⁴ These ‘irreconcilables’ saw any diplomatic settlement with Managua as one that would cement a permanent Soviet bloc beachhead on the mainland of the continent, which posed unacceptable threats to U.S. national security interests. “Any negotiated agreement [with Nicaragua],” then-Deputy Director of Central Intelligence Robert Gates warned DCI Casey, “simply will offer a cover for the consolidation of the regime....and our facing a second Cuba in Central America....ridding the continent of this regime is important to our national interest and must be our primary objective.”¹⁵⁵ In short, the FSLN regime could in no way be accommodated, only replaced.

The problem was, of course, that settling on the contra option did not resolve this mutually-exclusive debate, but in fact intensified it. What made this stand-off so intractable was the deep degree of interdependence that each faction had on the other. In order for their preferred approach to work, the negotiators required a strong, viable contra threat capable of inducing the requisite pressure on the Sandinistas to bring them to the bargaining table. This, of course, served the interests of the irreconcilables, who needed a vibrant contra force to overthrow the FSLN regime.

For their part, the irreconcilables needed the negotiators to continue to pursue diplomatic solutions to the conflict, insofar as this was the only means to ensure

¹⁵⁴Oliver L. North, *Under Fire: An American Story* (New York: HarperCollins, 1991), 224.

¹⁵⁵Central Intelligence Agency, Memorandum for Director of Central Intelligence (Casey) from Deputy Director for Intelligence (Gates), Subject: *Nicaragua*, 14 December 1984, in *The Iran-Contra Scandal: The Declassified History*, ed. Peter Kornbluh and Malcolm Byrne (New York: The New Press, 1993), 47-8.

continued Congressional support for the contras. As long as negotiations never actually succeeded, the continued failure to reach a diplomatic solution allowed the irreconcilables to join with the negotiators in pressing for greater means to pressure Nicaragua. In the absence of a commonly-agreed upon U.S. objective in its policy toward Managua, this vicious circle masqueraded as the administration's policy framework. "If we had gotten a positive, comprehensive policy toward Central America and Nicaragua out front in 1981," McFarlane later wrote, "we might well have avoided many of our later problems with that region."¹⁵⁶

A RUMOR OF WAR

Having privately decided on taking a confrontational approach toward Nicaragua — albeit without a consensus on what this approach was supposed to accomplish — the administration began to prepare its case for Congress, its allies and U.S. public opinion. Asked during Congressional testimony if he could provide assurances that the U.S. would not attempt to topple or destabilize the Sandinistas, Secretary of State Haig refused: "No, I would not give you such an assurance....I'm not prepared to say anything [of that kind]."¹⁵⁷ One senior White House official promised that "there will be actions by the United States [in Central America] that will speak for themselves before long. Things have got to be confronted [there]."¹⁵⁸

¹⁵⁶McFarlane, *Special Trust*, 175.

¹⁵⁷Testimony of Secretary of State Alexander M. Haig, Jr., Hearing before the Committee on Foreign Affairs, House of Representatives, *Review of United States Foreign Policy, 97th Congress, 1st Session, 12 November 1981* (Washington, D.C.: USGPO, 1982), 20, 24.

¹⁵⁸Quoted in Michael Getter and Don Oberdorfer, "U.S. Nearing Decision on Nicaragua: Pressure to 'Do Something' Grows," Washington Post, 22 November 1981, A1.

President Reagan gave his first public speech to the problems in Central America in a 24 February 1982 address to the OAS. "If we do not act promptly and decisively [in Central America],...new Cubas will arise from the ruins of today's conflicts," he warned. "Let our friends and our adversaries understand that we will do whatever is prudent and necessary to insure the peace and stability of the [region]."¹⁵⁹ Since the revolution, Reagan said, Nicaragua had served as "a platform for covert military action" in the region.¹⁶⁰ "Nicaragua was becoming a base camp for Communizing all of Central America."¹⁶¹ There was little doubt that a tougher U.S. policy toward Nicaragua was imminent. The administration had in fact begun, one top presidential adviser said, to "conceive of circumstances where not losing a country to Communism means having to take one back."¹⁶²

In an important staff move, on 4 January Deputy Secretary of State William Clark was named to replace Richard Allen as President Reagan's National Security Advisor. Allen had viewed the job as low-key, had reported to the president through

¹⁵⁹Ronald Reagan, "Caribbean Basin Initiative," Weekly Compilation of Presidential Documents 18, no. 8 (1 March 1982), 222.

¹⁶⁰Ibid., 221. Secretary of State Haig had employed similar language at the OAS foreign ministers' meeting two months earlier. The United States, he said, stood ready to take any action "necessary to prevent any country in Central America from becoming the platform of terror and war in the region." See Department of State, Bulletin 82, no. 2058 (January 1982): 6.

¹⁶¹Department of State, Bulletin 82, no. 2061 (April 1982): 1-6; Reagan, *An American Life*, 299. In another telling incident, Reagan, sharply departing from customary diplomatic protocol, used the traditionally benign occasion of accepting the new Nicaraguan ambassador's credentials to warn Managua of the "consequences of inviting alien influences and philosophies in the hemisphere." See George Russell, "Keeping the Options Open," Time 119, no. 9 (1 March 1982): 20-1.

¹⁶²Quoted in Lou Cannon, "Weighing the 'Saving' of Latin America," Washington Post, 12 June 1983, A1.

White House counselor Edwin Meese, and had been relatively inactive in foreign policy discussions. Clark, a long-time confidant of Reagan from the California days, was aggressive and assertive; he was awarded cabinet-level status and enjoyed direct, unfettered access to the president. His move marked a tidal shift in policy momentum from Enders and State to the NSC and White House irreconcilables.

SELLING THE POLICY

In selling its hardened policy approach to Nicaragua, the Reagan administration emphasized the growing Sandinista military relationship with the Soviet bloc and claims of its continued military support to the FMLN. On 9 March 1982 — one year to the day after the administration had first expanded its covert activity against Nicaragua — the administration took its case public in a presentation of declassified aerial reconnaissance photographs starkly reminiscent of briefings given during the Cuban Missile Crisis some two decades earlier.¹⁶³ “It’s time to get some concern in this country about [Nicaragua’s] military buildup. It’s vastly beyond any defensive need,” declared CIA Deputy Director Robert Inman, who co-hosted the presentation. The massive “military infrastructure” in Nicaragua, he claimed, “is there to turn the country into a Soviet bastion” of Communist support to regional insurgencies.¹⁶⁴

¹⁶³In fact, the administration used the very same analyst who had conducted the Missile Crisis briefings twenty years earlier, John T. Hughes, to now tackle Nicaragua.

¹⁶⁴Quoted in Philip Taubman, “U.S. Offers Photos of Bases To Prove Nicaragua Threat,” New York Times, 10 March 1982, A1. Ironically, Inman resigned just two weeks after the presentation, deeply disturbed over the administration’s policy toward Nicaragua. See Woodward, *Veil*, 207.

Closer inspection, however, found the Reagan administration guilty — by the same House Committee — of similar excesses of intelligence alchemy to fit policy aims as the Carter administration when it certified Sandinista non-complicity in aiding the FMLN in September 1980. Much of the data presented by the Reagan administration were found by the House Intelligence Committee to be “flawed by several instances of overstatement and overinterpretation,” and a reflection of “an excessive zeal in emphasizing certain points.”¹⁶⁵ Senior intelligence officers, for example, briefed Committee members that “lots of [Soviet] ships have been traced” bearing arms for Nicaragua. When pressed for more specific details, however, the officials retreated and admitted that, in fact, very few had been traced.¹⁶⁶ The report concluded that while U.S. intelligence sources were hyping Managua’s offensive military threat to the region, they had simultaneously conducted “a separate, classified briefing, whose analytical judgements about Nicaragua’s intentions were quite distinct from those that appeared implicit in the briefings on the build-up.”¹⁶⁷

Even more lacking was evidence for the White House’s ostensible purpose for the contra force: the alleged flood of arms and matériel from Nicaragua to the Salvadoran FMLN. Although the Sandinistas had clearly been involved in such activity during the last few months of 1980 and early 1981, American intelligence data confirmed that such support had indeed been halted following U.S. ‘suggestions’ for Managua to do so. According to one former CIA official in charge of monitoring arms trafficking between Nicaragua and El Salvador, there existed “no credible

¹⁶⁵Staff Report, *U.S. Intelligence Performance on Central America*, 8-9.

¹⁶⁶*Ibid.*, 8.

¹⁶⁷*Ibid.*, 21.

evidence” that the Sandinistas were providing any assistance to the FMLN after the early spring of 1981. Information on the arms flow from Nicaragua to El Salvador, David MacMichael testified to the World Court in 1985, “did not come in any more after very early 1981, February/March at the latest.”¹⁶⁸

LIFE DURING WARTIME

On 13 March 1982, Director of Central Intelligence William Casey delivered a speech at the Center for the Study of the Presidency in Washington. “It is,” he said,

much easier and much less expensive to support an insurgency than it is for us and our friends to resist one. It takes relatively few people and little support to disrupt the internal peace and economic stability of a small country.¹⁶⁹

The very next night, two CIA-supported demolition units launched their first major assault against Nicaragua, destroying the Somotillo and Ocotal bridges along the Pan-American highway in the Chinandega and Nueva Segovia provinces near Honduras. Duane Clarridge wrote that “pressure was on me to provide a significant ‘bang’ in Nicaragua soon in order to announce a change in the way the Sandinistas thought the game was played.” The attacks were “our calling card,” he said, “a message that we were taking the war to Nicaragua.”¹⁷⁰

The bridge attacks alarmed the Sandinistas, and they reacted as the White House had hoped they would, instituting a series of repressive domestic acts. Former CIA analyst David MacMichael confirmed the objectives of the contra attacks in testimony before the World Court. The assaults, the irreconcilables hoped,

¹⁶⁸Testimony of David MacMichael, *Nicaragua v. United States of America*, 764.

¹⁶⁹Quoted in Oberdorfer and Tyler, “U.S.-Backed Nicaraguan Rebel Army,” A1. See also Woodward, *Veil*, 195.

¹⁷⁰Clarridge, *A Spy for All Seasons*, 213, 219.

would provoke border attacks by Nicaraguan forces and thus serve to demonstrate Nicaragua's aggressive nature and possibly call into play the Organization of American States' provision [for collective self-defense]. It was hoped that the Nicaraguan government would clamp down on civil liberties within Nicaragua itself, arresting its opposition, demonstrating its allegedly inherent totalitarian nature and thus increase domestic dissent within the country, and further that there would be reaction against United States citizens, particularly against United States diplomatic personnel within Nicaragua and thus serve to demonstrate the hostility of Nicaragua toward the United States.¹⁷¹

Though MacMichael had quit the agency and became a fierce critic of the Reagan administration's policy toward Nicaragua, his testimony was largely confirmed by Duane Clarridge. "The raid had the desired effect," Clarridge wrote,

and as we anticipated, the Sandinistas declared a state of emergency, suspended opposition political activity, and instituted direct censorship of the press...In truth, their actions were exactly what we wanted.¹⁷²

The bridge assault was only the beginning of an aggressive paramilitary campaign against the Sandinista government. "In the 100 day period from 14 March to 21 June, at least 106 insurgent incidents occurred within Nicaragua," according to the Defense Intelligence Agency, including sabotage of bridges and key economic installations, fuel tanks, and assaults on Sandinista army patrols.¹⁷³ In a 26 June memorandum to new Secretary of State George Shultz¹⁷⁴, Craig Johnstone reported that "the trend of events in Central America is running in our favor." Specifically,

¹⁷¹Testimony of David MacMichael, International Court of Justice, 13 September 1985, 8, in National Security Archive, *Nicaragua Collection*, fiche 00168.

¹⁷²Clarridge, *A Spy for All Seasons*, 219.

¹⁷³Defense Intelligence Agency, Weekly Intelligence Summary, Subject: *Insurgent Activity Increases in Nicaragua* (16 July 1982): 20-1, in National Security Archive, *Nicaragua Collection*, fiche 00096.

¹⁷⁴George Shultz was nominated to replace Alexander Haig as Secretary of State upon the latter's 25 June 1982 resignation, and was confirmed by the Senate on 15 July.

“the greater effectiveness of the anti-Sandinista groups operating along the country’s borders has increased the pressure on the Nicaraguans,” and “the situation [in Nicaragua] has deteriorated.” The U.S., however, needed to “keep pressure” on Managua, and to bear in mind that quite possibly “more dramatic actions will be required.”¹⁷⁵

Moreover, American personnel directly entered the expanding Nicaraguan conflict for the first time. The CIA, along with the U.S. Army Special Operations Division, began flying electronic observation missions along the Nicaraguan-Honduran border to track Sandinista troop movements and rely their findings to contra forces operating on the ground.¹⁷⁶

Also as anticipated and hoped for by the irreconcilables, the Sandinistas accelerated their radicalization of the revolution. Citing U.S. pressures as the root cause, the journal Latin American Weekly Review observed in mid-1982 that “the radicalization of Nicaragua is already well under way.” The Sandinistas are going “ever further down the Cuban road to socialism....The strengthening of links with the socialist bloc [has] become the first priority.”¹⁷⁷ The closer Nicaragua drew to the Soviet bloc underscored the irreconcilables’ argument that Managua was fast becoming a Soviet beachhead in Central America.

¹⁷⁵The leaked memorandum is quoted in Alan Riding, “Mexican Officials Obtain U.S. Plan for Region,” New York Times, 16 August 1982, A8. Ironically, in his memoirs Shultz writes that “the picture in Central America when I became secretary of state in mid-1982 was deteriorating.” See George P. Shultz, *Turmoil and Triumph: My Years as Secretary of State* (New York: Charles Scribners’ Sons, 1993), 287.

¹⁷⁶Emerson, *Secret Warriors*, 83.

¹⁷⁷“U.S. pressure forces radical line,” Latin American Weekly Review, no. 25 (25 June 1982): 9-10.

In Washington, the irreconcilables began securing impressive bureaucratic victories that effectively impeded efforts at a diplomatic resolution. In late February Mexican President José López-Portillo had offered Mexico's good offices to resolve U.S.-Nicaraguan disputes and stave off any possible military conflict. Following the suggestion, Thomas Enders persuaded Secretary of State Haig to hold discussions with Mexican Foreign Minister Jorge Castañeda de la Rosa in New York on a possible intermediary role for Mexico in the Central American crisis.¹⁷⁸ After two meetings, Haig told Castañeda that he would dispatch Enders to Managua for talks on normalization of relations. When news of this reached the administration, the irreconcilables sprung into action to halt this "State Department end run" that had caused "panic" and "deep anxiety" within their ranks.¹⁷⁹ Bill Casey and William Clark leaned on Haig to halt the discussions on what they saw as a "diplomatic crisis", rejecting any role for "the pro-Sandinista" Mexicans and their "procommunist activities in Central America", and scoring Mexico's "unhelpful role."¹⁸⁰ The planned Enders trip to Managua was scrubbed, and the irreconcilables had registered their first tactical triumph. As one explained:

We were cool to the [Mexican] initiative from the beginning, but we were effectively ambushed by Congress and public opinion. We had to agree to negotiate or appear unreasonable.¹⁸¹

¹⁷⁸"Mexico is prepared to serve as a bridge, as a communicator, between its friends and neighbors," Foreign Minister Castañeda explained. See his op-ed article "Caribbean Basin Security," New York Times, 10 March 1982, A20.

¹⁷⁹Menges, *Inside the National Security Council*, 105, 107.

¹⁸⁰Ibid; Riding, "Mexican Officials Obtain U.S. Plan," A8.

¹⁸¹Quoted in Alan Riding, "Mexicans Pessimistic on Talks Between U.S. and Caribbean Leftists," New York Times, 10 May 1982.

Make no mistake, another official added, the administration made “no secret of its desire to eliminate Mexico as an intermediary in the region.”¹⁸²

Those tactical concerns over paramilitary pressures and diplomatic routes were subsequently addressed within the NSC. “We have a vital interest,” as an NSC document dated April 1982 defined the administration’s “interests and objectives” in Central America,

in not allowing the proliferation of Cuba-model states which would provide platforms for subversion....In the short run, we must work to eliminate Cuban/Soviet influence in the region....In Nicaragua, the Sandinistas are under increased pressure as a result of our covert efforts.¹⁸³

“Our current strategy consists of...increasing the pressure on Nicaragua and Cuba to increase for them the cost of interventionism,” the document continued, and also “co-opting cut-and-run negotiation strategies by demonstrating a reasonable but firm approach to negotiations and compromise on our terms.”¹⁸⁴ However,

We continue to have serious difficulties with U.S. public and Congressional opinion, which jeopardizes our ability to stay the course. [The U.S. must] step up efforts to co-opt [the] negotiations issue to avoid Congressionally mandated negotiations [with Nicaragua], which would work against our interests.¹⁸⁵

The Summary Paper proposals were affirmed by President Reagan in two NSDDs on 28 May 1982, which said “our current policy is sound, but relies heavily

¹⁸²Quoted in Terry Karl, “Mexico, Venezuela and the Contadora Initiative,” in *Confronting Revolution*, ed. Blachman et al., 276.

¹⁸³The White House, National Security Council, Subject: *U.S. Policy in Central America and Cuba Through F.Y. '84, Summary Paper*, April 1982. This document was leaked to the press and appeared in the New York Times, 7 April 1983, A16.

¹⁸⁴Ibid.

¹⁸⁵Ibid.

on maintaining adequate resources for continued success.” Reagan pledged the administration “to provide whatever support is required to obtain Congressional approval for the FY 82 supplemental requests for the region.”¹⁸⁶ More importantly, the president ordered that

To insure that all components of our strategy, to include negotiations, remain mutually reinforcing and valid, the Interagency Core Group will forward periodic status reports on our progress through the Assistant to the President for National Security Affairs for the President’s Review.¹⁸⁷

In short, Bill Casey and William Clark were for all practical purposes exercising control over Nicaraguan policy. The irreconcilables scored another victory in April, when the newly appointed U.S. ambassador to Nicaragua Anthony Quainton on 8 April presented an eight-point proposal to the Sandinistas for renewed negotiations. The first seven points were routine, but point eight marked a watershed for U.S.-Nicaraguan relations. It stressed “political pluralism” and “free elections” as “essential elements of the political context of future relations between our two countries.”¹⁸⁸

In August 1981, Thomas Enders had suggested that Nicaragua’s internal politics were of at most a secondary concern to the United States, and at any rate no impediment to *détente* between the two countries. From Quainton’s proposal until

¹⁸⁶The White House, National Security Decision Directive 37, Subject: *National Security Decision Directive on Cuba and Central America*, 28 May 1982, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 128; and *ibid.*, National Security Decision Directive 37A, Subject: *National Security Decision Directive on Cuba and Central America*, 28 May 1982, in *ibid.*, 129.

¹⁸⁷*Ibid.*

¹⁸⁸John Goshko, “U.S. Considers Aid to Nicaragua to Ease Tensions,” *Washington Post*, 10 April 1982; and Gutman, *Banana Diplomacy*, 95-6.

February 1990, the nature and composition of internal Nicaraguan politics remained a bedrock element in U.S. policy toward Managua.

The Sandinistas responded predictably to the eight points, with Foreign Minister Miguel D'Escoto terming them "threats and arrogant attitudes", an "ultimatum" that "lack[ed] seriousness." "We regard the inclusion of point eight as an inexcusable position of interference in matters which are of Nicaragua's sole and exclusive competence," D'Escoto stressed — though he emphasized Managua's "willingness to initiate negotiations as soon as possible."¹⁸⁹

The irreconcilables were neither interested in Managua's sensitivities or its counter-offers of diplomacy. "We don't think it's a serious offer," said one administration official, "and we don't intend to give it any priority....given our evaluation of their intentions, not anytime soon."¹⁹⁰ Moreover, despite D'Escoto's strong condemnation of point eight, Quainton's instructed reply reinforced the controversial issue. "The tone and the content of your response was unhelpful and not conducive to a useful dialogue," Quainton wrote the Sandinistas on 1 July, calling on Managua "to seriously address the issues." The United States "feels strongly...as to the issue of pluralism in your country", and "the fulfillment of these promises [of pluralism and free elections is] imperative."¹⁹¹

¹⁸⁹Miguel D'Escoto Brockman, Response from Nicaragua to the U.S. Proposal of 8 April 1982, issued 7 May 1982, in *Contadora and the Central American Peace Process*, ed. Bagley, et al., 35, 38.

¹⁹⁰Quoted in John Goshko, "U.S. Stalling On Negotiations with Nicaragua," *Washington Post*, 17 April 1982, A1.

¹⁹¹Anthony Quainton, Reply of U.S. State Department to Nicaraguan appraisal of U.S. eight-point proposal, 1 July 1982, in *Contadora and the Central American Peace Process*, ed. Bagley, et al., 40, 42.

In late August Enders himself publicly codified the inclusion of Nicaragua's internal political order as one of Washington's central concerns. In a speech in San Francisco, Enders termed the Sandinistas "a small Cuban-advised elite of Marxist-Leninists...hostile to all forms of social life but those they dominate." United States policy, he concluded, "requires that democratic, or at least pluralistic, institutions be respected or established and broad participation in them encouraged."¹⁹² It marked "a major change in attitude" regarding a "fundamental element of policy," according to Craig Johnstone. "We elevated democratic pluralism in Nicaragua to be the *sine qua non* of restoring relations."¹⁹³

THE BIG FISH

The failure of the Quainton points to produce a dialogue served the interests both of the negotiators and the irreconcilables. In a 1985 report that referred to this episode,

the Sandinistas' repeated rejection of the U.S. diplomatic efforts led to concern by the United States that a policy confined to diplomatic representations could not be effective in modifying Nicaraguan behavior and forced consideration of alternative means of achieving that objective.¹⁹⁴

An exciting and unexpected "alternative means" abruptly appeared on 15 April 1982, when Edén Pastora Gómez emerged in Costa Rica to publicly announce his opposition to the Sandinista government.¹⁹⁵ Easily the most popular and

¹⁹²Thomas O. Enders, "Building the Peace in Central America," Current Policy, no. 414 (20 August 1982).

¹⁹³Quoted in Gutman, *Banana Diplomacy*, 97.

¹⁹⁴U.S. Department of State, *Revolution Beyond Our Borders*, 23.

¹⁹⁵See Clarridge, *Spy for All Seasons*, 213-22; and Gates, *From the Shadows*, 245- (continued...)

identifiable of the 1978-9 Nicaraguan insurgents as the legendary *Comandante Cero*, Pastora had been effectively frozen out of the post-Somoza regime, and had resentfully watched as the National Directorate consolidated its power. At around the same time, moreover, Clarridge in Honduras had decided “that our plan to remain in the background, providing logistics, training support and operational advice, was unworkable.”¹⁹⁶ Tensions between the Argentines and Clarridge’s CIA team over guerrilla tactics had “increased exponentially” into “major problems”, and only worsened when the United States sided with Great Britain when the Falklands/Malvinas war broke out on 2 April. Consequently, Clarridge “decided...that we [CIA] had to assume the leadership role in *La Tripartita*.”¹⁹⁷

The assumption of full control over the contra operation “meant that the CIA’s profile would be raised,” as Clarridge understood.¹⁹⁸ That expanded role for CIA, combined with the successful recruitment of Pastora into the anti-Sandinista effort,

¹⁹⁵(...continued)

6. In truth, Pastora since February 1982 had been heavily recruited by Clarridge to sign on to the paramilitary operation to bring down the Sandinista government. Twice Clarridge flew Pastora to Washington to meet privately with Casey, though on both occasions Casey fell asleep. See Gutman, *Banana Diplomacy*, 108. More interestingly, as the price for his defection, Pastora demanded that the CIA “as a sign of good faith...make an airdrop of a few weapons and radios” to the leftist *Organización del Pueblo en Armas* (OPRA) fighting to overthrow the U.S.-backed Guatemalan government. Clarridge and Casey agreed, and the weapons were delivered in late February 1982. See Clarridge, *A Spy for All Seasons*, 217-8; and Glenn Garvin, “CIA secretly shipped arms to guerrillas in Guatemala,” *Miami Herald*, 9 March 1997, A1.

¹⁹⁶Clarridge, *A Spy for All Seasons*, 219.

¹⁹⁷Ibid., 219-220. “We’ve lost our proxy in Central America,” one U.S. official said following the Argentines’ departure in the wake of the fallout. “We’ve lost our spear carrier.” Quoted in Alan Riding, “U.S. Support for Britain Imperiling Latin Policy,” *New York Times*, 16 May 1982, A20.

¹⁹⁸Clarridge, *A Spy for All Seasons*, 220.

however, put the administration in a particular fix. The 1 December 1981 Presidential Finding had promised a background role for CIA and had limited its paramilitary objectives to arms interdiction between Nicaragua and El Salvador. With Pastora and his *Alianza Revolucionaria Democrática* (ARDE) planning to open a second front along the Nicaraguan-Costa Rican border over three hundred miles to the south, as Robert Gates wrote, “it was hard to see how Pastora’s actions in Costa Rica could be aimed at interdiction of weapons flowing from Nicaragua to El Salvador.” Instead, according to then-Deputy DCI Bobby Ray Inman, “the support of Pastora looked to him like it was intended to try to overthrow the Sandinistas.” Casey dismissed Inman’s concerns, calling him a “goddamn lawyer.”¹⁹⁹

Though consistent with its objectives both for the negotiators and the irreconcilables, the paramilitary operation, in short, appeared to be rapidly expanding beyond its legal bounds. By summer, some administration officials attempted to incorporate covert assistance to Pastora’s southern force under an expanded version of the 1 December 1981 Finding. On 12 July 1982, Donald Gregg, head of the NSC’s Intelligence Directorate, submitted a proposed Finding, emphasizing that

the urgency in dealing with this Finding derives from the fact that the opposition group under Edén Pastora has been developing quickly and that additional actions not covered by previous authority are now being proposed.²⁰⁰

¹⁹⁹Gates, *From the Shadows*, 246. See also Bob Woodward, *Veil*, 205-7; and Persico, *Casey*, 292. “What did Pastora have to do with stopping arms going from Nicaragua to the Salvadorans?” Inman asks in Persico’s version. “Aw, you’re too legalistic,” Persico quotes Casey as replying.

²⁰⁰The White House, Memorandum for William P. Clark (National Security Adviser), From Donald Gregg, Subject: *Proposed Covert Action Finding on Nicaragua*, 12 July 1982, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 2, 1019.

The new proposed Finding would, in essence, provide legal cover for what the CIA was already doing in terms of scope and objective. It would

Support and conduct [excised] covert activities, including paramilitary activities, designed to [excised] to facilitate the efforts by democratic Nicaraguan leaders to restore the original principles of political pluralism, non-alignment, a mixed economy and free elections to the Nicaraguan revolution.²⁰¹

In an attached memorandum, the CIA said the Finding would continue to allow it to

aid the democratic Nicaraguan leaders and their organizations in their efforts to increase internal resistance to the FSLN and to create a paramilitary potential to punctuate their resolve to effect changes in Nicaraguan government policies. This support will be in the form of funding, arms supply and some training [excised].²⁰²

Although discussed at a 13 July NSC meeting, the proposed new Finding was not formally approved, not because of its expanded nature, but in spite of it. John Poindexter, then military adviser to NSC chair Bill Clark, wrote that “I don’t see this really needs to be approved since the earlier Finding covers it.” He added that with Pastora opening the second front in the south, “we now have a better idea as to where we are going.”²⁰³

Instead, the administration held an NSPG meeting on 24 September at which “current policy and prospects in Central America were reviewed and the basic elements of the policy as described in NSDDs 17, 21 and 37 were reaffirmed,”

²⁰¹Ibid., 1022.

²⁰²The White House, Memorandum for William P. Clark (National Security Adviser), From Donald Gregg, Subject: *Scope of CIA Activities Under the Nicaragua Finding*, 12 July 1982, in *ibid.*, 1021.

²⁰³The White House, Vice-Admiral John Poindexter, National Security Council, 12 July 1982, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 2, 1017.

according to a heavily-excised NSDD 59.²⁰⁴ The uncensored parts of NSDD 59 showed, however, that the administration anticipated an “escalation of the conflict in the region” that might invite subsequent Congressional concern that would imperil “the need for a sustained and adequately funded effort.”²⁰⁵

CONGRESSIONAL FLARES

As reports of the Reagan administration’s armed covert policy against Nicaragua seeped into the mainstream media, members of Congress began to express anxiety and trepidation over the course of events — which, combined with the expanded CIA role and the addition of Pastora — seemed to be spiraling out of control. “Throughout 1982,” as Bob Gates noted, “congressional mistrust of Casey and Clarridge grew.”²⁰⁶ In December 1981, the House and Senate intelligence committees were told the contras would be strictly limited to a 500-man force. By May 1982, that number had doubled to 1,100, went to 1,500 by August, and exploded to 4,000 by December. By February 1983, the contra force was reported at 5,500; and by May of that year it had reached 7,000 men, with no end in sight.²⁰⁷ When these reports began reaching Capitol Hill, according to Bob Gates,

²⁰⁴The White House, National Security Decision Directive 59, Subject: *Cuba and Central America*, 5 October 1982, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 206.

²⁰⁵Ibid.

²⁰⁶Gates, *From the Shadows*, 297.

²⁰⁷See Glenn Garvin, *Everybody Had His Own Gringo: The CIA and the Contras* (New York: Brassey’s Inc., 1992), 77. “Congress was startled by the dramatic increase in the number of troops and called me back repeatedly to testify,” Clarridge recalled. See Clarridge, *A Spy for All Seasons*, 231.

members on the oversight committees soon became convinced that — at best — they weren't getting the full picture. A number thought they were being misled and some thought they were being lied to.²⁰⁸

Following the first reports of the administration's covert military action in the *Washington Post*²⁰⁹, several members of Congress called for legislation prohibiting any U.S. assistance for paramilitary efforts against the Sandinistas. "Congress cannot afford to passively hope," Congressman John Bingham (D-NY) said on 16 March, "that the Reagan administration will not entangle us in military and paramilitary operations in Nicaragua."²¹⁰ Bingham and others attempted to introduce a non-binding 'Sense of the Congress' resolution calling on the White House to desist from its activity against Nicaragua. While those efforts fell short, the skeptical mood of the Congress was palpable and growing.²¹¹

By November 1982, *Newsweek* magazine broke a dramatic cover story on the "secret war for Nicaragua" that quoted administration officials as suggesting that the covert program had spun out of control and that these officials "concede there is a danger that the operation could provoke a Nicaraguan counterattack on Honduras that

²⁰⁸Gates, *From the Shadows*, 298.

²⁰⁹See Don Oberdorfer and Patrick Tyler, "Reagan Backs Action Plan for Central America," *Washington Post*, 14 February 1982, A1; Patrick Tyler and Bob Woodward, "U.S. Approves Covert Plan In Nicaragua," *Washington Post*, 10 March 1982, A1; and "The U.S. Case Against Nicaragua," *U.S. News and World Report* 92, no. 11 (22 March 1982): 9.

²¹⁰*Congressional Record*, 128, Part 4, 98th Congress, 2nd Session (15 March-24 March 1982): 4262.

²¹¹*Ibid.*, 4260-8.

could drag the United States directly into the conflict.” “This is the big fiasco of this administration,” said one unidentified official. “This is our Bay of Pigs.”²¹²

References to foreign policy fiascoes and paramilitary operations running amok seized the post-Vietnam Congress’s attention — the *Newsweek* story in particular “set off loud alarm bells in Congress,” according to Secretary of State George Shultz.²¹³ “There is reason to fear that the operation has gone far beyond that” which was described to Congress in December 1981, Congressman Dave Bonior (D-Mich) said.²¹⁴ “It [has] got out of hand,” Congressman Lee Hamilton (D-Ind) commented. “There is no question,” Congressman William Goodling (R-Penn) added, “that the numbers increased far beyond what the committee anticipated. I think as the force increases and diversifies, controlling it would be an impossibility.”²¹⁵

Members also began questioning the rationale for the paramilitary operation, regardless of size. “It would appear hypocritical,” Congressman Jim Leach (R-Iowa) said, “for the United States to charge the Nicaraguan government with the export of subversion and terrorism if, in fact, the United States is engaged in much the same

²¹²John Brecher, et al, “A Secret War for Nicaragua,” *Newsweek* 8 November 1982, 43.

²¹³Shultz, *Turmoil and Triumph*, 288.

²¹⁴*Congressional Record* 128, Part 22, 97th Congress, 2nd Session (9 December-14 December 1982): 30058.

²¹⁵Quoted in Oberdorfer and Tyler, “U.S.-Backed Nicaraguan Rebel Army Swells to 7,000 Men,” A1.

type of activity against...Nicaragua.” Congressman George Miller (D-Calif) termed the policy “unacceptable and illegal and an immoral action.”²¹⁶

It lay beyond doubt that Congress was moving to act on the administration’s Nicaragua policy, though precisely what it intended to do was unclear. Capitol Hill was torn between shutting down what some post-Vietnam members suspected was an out-of-control White House policy and other, pre-Vietnam members giving the executive branch the bipartisan benefit of the doubt in executing the nation’s foreign policy. When Congressman Tom Harkin (D-Iowa) introduced legislation that would prohibit any and all U.S. assistance for paramilitary operations against Nicaragua, it was replaced with a milder variant that attempted to achieve both House objectives. This was the first ‘Boland Amendment.’

None of the funds provided in this Act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country’s armed forces, for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras.²¹⁷

The Boland amendment — unanimously adopted in the House by a 411-0 vote — represented a Congressional compromise between expressing legislative concern and avoiding excessive interference in foreign policy. As Congressman Lee Hamilton (D-Ind) phrased matters, Congress was “looking for a middle ground that would show congressional unhappiness with the covert action while preserving some flexibility of

²¹⁶*Congressional Record*, 128, Part 21, 97th Congress, 2nd Session (1 December-8 December 1982): 29459, 29464.

²¹⁷*Ibid.*, 29468.

action for the president.”²¹⁸ Attempts in the Senate to apply more stringent prohibitions against U.S. covert activity were defeated, and the Senate adopted Boland I on 20 December. President Reagan signed it into law the following day.²¹⁹

On the surface it was apparent that the Reagan administration had dodged a huge Congressional bullet. While defeated legislation from Congressman Tom Harkin and Senator Chris Dodd (D-CT) would have prohibited American support for any paramilitary activity against Nicaragua²²⁰, Boland I allowed the administration to conduct its covert activity in precisely the same fashion as it had been. Opponents of Boland I, according to NSC staffer Lt. Col. Oliver North, “complained that it gave a ‘green light’ to continued support of the resistance — and indeed it did.”²²¹ All the White House had to do was to promise that its goal was not the overthrow of the Sandinista government — which DCI William Casey did before the Senate intelligence committee. The administration’s goal, the DCI testified, was only to

²¹⁸Quoted in John Felton, “Congress Ponders Shake-ups in Central America Policy,” Congressional Quarterly Weekly Report 41, no. 22 (4 June 1983): 1111.

²¹⁹The Boland amendment had been secretly adopted by the House Intelligence Committee back in April 1982. Accepted by the Senate in an August conference committee, the provision was attached to the Classified Annex of the 1983 Intelligence Authorization Act and signed into law. In order to stave off more restrictive legislation, House Intelligence Committee chairman Edward Boland (D-Mass) publicly attached the secret provision to a defense authorization bill.

²²⁰*Congressional Record*, 128, Part 21, 29468-9. “The administration hit the roof when it heard about Harkin’s proposal,” according to Oliver North. See North, *Under Fire*, 237.

²²¹North, *Under Fire*, 238.

“harass” Nicaragua into becoming “more democratic”, to keep the regime “off balance.”²²²

Below the surface, however, the consequences of Boland I were murkier for the administration. For one, there was no longer anything ‘covert’ about the American military effort against Nicaragua. By overtly proclaiming its alliance with the contras, the administration took on a very public sense of obligation for their interests that would serve to complicate future attempts at a negotiated settlement. Secondly, Congress had served notice that it was prepared to restrict the administration’s operation, which carried the unmistakable possibility that it might one day end it altogether. “The Boland Amendment,” as Duane Clarridge wrote, “had been a shot across the bow.”²²³ Thirdly, the same ambiguous flexibility that allowed the administration to continue its paramilitary effort unabated so long as it publicly denied seeking the Sandinistas’ overthrow also provided Congressional opponents the legal means by which to challenge the covert program. It is “difficult to draw the line between harassment activities and a deliberate attempt to destabilize or overthrow a government,” as Senator Patrick Moynihan (D-NY) observed — a point that Casey himself accepted.²²⁴ And fourthly, instead of allowing for the

²²²Quoted in Woodward, *Veil*, 227.

²²³Clarridge, *A Spy for All Seasons*, 234.

²²⁴Quoted in Patrick Tyler, “Nicaragua: Hill Concern on US Objectives Persists,” Washington Post 1 January 1983, A1. “There is a fine line between our purposes and the purposes of those we support,” Casey had said. See Gates, *From the Shadows*, 247.

disruption of the Sandinista regime, Boland I in fact destabilized an administration already at war with itself over the precise objectives of its contra effort.²²⁵

²²⁵“[B]y the end of 1982,” Robert McFarlane wrote, “we still had no comprehensive policy” for Nicaragua. See McFarlane, *Special Trust*, 279. The view was similar over at the State Department. “So far, we don’t see the endgame [in Nicaragua],” Thomas Enders told Secretary of State George Shultz in late 1982. See Shultz, *Turmoil and Triumph*, 291.

Thus, in 1983, 2 entire years into the administration...there was still no real, operative analysis of what U.S. policy toward Nicaragua ought to be.

National Security Advisor Robert McFarlane¹

If a picture of unremitting struggle between the State Department on the one hand and a diminishing band of Reagan loyalists on the other seems to be emerging...well, that's the way it was.

NSC Staff official Constantine Menges²

THE TWO-FRONT WAR: THE REAGAN ADMINISTRATION AND NICARAGUA, 1983

As 1983 unfolded, the administration found itself waging a two-front war over its Nicaragua policy. One front was against the Congress — or more specifically the House of Representatives — which appeared on the verge of terminating the contra program permanently. On this front, the administration was firmly united, as both factions believed in the efficacy and utility of a U.S.-supported armed paramilitary force waging war against the Sandinista regime.

The second front was within its own ranks, where the factions bitterly disagreed over the proper role the contras were to play in U.S. policy objectives toward Managua. Throughout the first two years of the Reagan administration, this tectonic dispute had grown increasingly vitriolic and fratricidal. As Bob Gates summed up matters,

¹Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 4

²Menges, *Inside the National Security Council*, 114.

Shultz supported the covert action, but he believed the administration had to have a diplomatic or negotiating track as well in order to succeed in Central America, and also to build congressional and public support....On the other side Casey, Clark, Weinberger, and Kirkpatrick fundamentally were opposed to negotiations of any kind.³

Casey and the irreconcilables, Gates wrote, “worried that Shultz, and especially his minions, would become so enamored of getting an agreement, any agreement, that they might give away the store, leading to the consolidation of Sandinista power and influence in Central America.”⁴ “Those of us in the administration who supported the president’s policy,” NSC staff official and leading irreconcilable Constantine Menges wrote,

agreed with him that only by helping the Nicaraguan people establish genuine democracy in their country would both dangers [a communist Central America and a communist Mexico] be avoided. The State Department side, however, felt that the way to avert this possibility was to strike a political bargain with the Sandinistas: if they promised to stop helping the communists take power in the rest of Central America, we would not object to a communist Nicaragua. In other words, you can be communists, just don’t spread communism....The State Department would repeatedly act to encourage and facilitate a ‘political solution’ that would not assure implementation of genuine democracy in Nicaragua but instead would recognize the communist regime as permanent.⁵

³Gates, *From the Shadows*, 295.

⁴Ibid., 302-3. “Shultz thinks every problem can be negotiated,” Oliver North quoted Casey as complaining. “And the longer he negotiates, the more powerful he becomes. If Shultz had his way, no problem would ever be solved. All we’d do is keep negotiating,” North wrote. “[Casey] sincerely believed he had real solutions to problems, while Shultz was content just to talk about them. They sparred frequently — especially over Nicaragua, where Shultz favored a multilateral negotiating process while Casey was a passionate supporter of the armed resistance.” See North, *Under Fire*, 178.

⁵Menges, *Inside the National Security Council*, 95, 103. Emphasis in original.

The negotiators were quite aware of the “unease and opposition to diplomatic efforts within the administration,” as George Shultz wrote. The irreconcilables

believed that he [Reagan] must seek the overthrow of the communist regime and therefore should not go along with me or my negotiating track. ‘Communists win negotiations’, they argued over and over again. ‘If agreements are reached, the Communists will not observe their side of the bargain, and the process of negotiations will have led us into unwise concessions; better not to negotiate at all’.⁶

“In reality,” Shultz believed, “Casey, Clark and the hard-line staffers at the NSC wanted no part of a diplomatic effort to accompany the military effort to defeat the Communists in the region. To them, diplomacy was an avenue to ‘accommodation’. ‘George, don’t be a pilgrim,’ Casey once told me. ‘What’s that?’, I asked. ‘An early settler,’ he said.”⁷

By 1983, this internal fissure exploded into the public venue and wrecked a deleterious effect on administration policy. “So we were deeply divided,” as Secretary of State George Shultz recalled, “within the administration and in Congress in identifying and pursuing our objectives in Central America.”⁸

THE BOLAND TEMPLATE

In theory, Boland I allowed the administration to divorce its objectives from those of the contra forces. Practically, however, this proved an untenable framework within which the White House was now statutorily required to conduct its operations. For the negotiators, the legal conundrum was not so severe, insofar as since they saw

⁶Shultz, *Turmoil and Triumph*, 287, 419.

⁷Ibid., 305. See also North, *Under Fire*, 178, 231.

⁸Shultz, *Turmoil and Triumph*, 299.

the contras as effectively a bargaining chip towards a higher end, the insurgents' intentions did not really matter.⁹

For the irreconcilables, however, Boland I was totally unacceptable. Casey and Clarridge had vowed that there would never be another Bay of Pigs, that the United States was firmly committed to seeing the contra operation through to its logical and desired end — the overthrow of the Sandinistas.¹⁰ As such, it would prove impossible for the administration not to violate the law. "It would not be possible," DCI Casey wrote of an adoption of Boland I,

to assure that efforts to limit arms shipments or support a political front in favor of a pluralist, democratic Nicaragua would not 'directly or indirectly' destabilize or overthrow the government of Nicaragua. Also, it is too much to ask that we be 'sure' that funds for paramilitary operations will be used so as to avoid provoking military exchanges between Nicaragua and Honduras....We do not and should not exercise the kind of 'sufficient control' of the paramilitary groups to ensure that such fine requirements will be met.¹¹

"Boland [had] decided to go after our operation," Duane Clarridge said, while President Reagan wrote that Boland I signaled Congressional "battling to limit

⁹Tbid., 288-9.

¹⁰One U.S. ambassador, confused as to the administration's policy objective for Nicaragua, privately prodded Casey for a clearer answer. "What's the real goal, Bill? What are you trying to do?" "Get rid of the Sandinistas," Casey replied. Quoted in Jane Mayer and Doyle McManus, *Landslide: The Unmaking of the President 1984-1988* (Boston: Houghton Mifflin, 1988), 72. When asked on another occasion by Congressman Dave McCurdy (D-Okla.) to explain the purpose of U.S. policy toward Nicaragua, Casey answered "whatever it takes." McCurdy pressed for clarification — did that mean the overthrow of the Sandinista government? "Whatever it takes," Casey repeated. See Hedrick Smith, *The Power Game* (New York: Ballantine Books, 1988), 47.

¹¹Gates, *From the Shadows*, 246-7. "This thing [Boland I] is going to come back and bite us in the ass like nothing you've seen," CIA legal counsel Stan Sporkin warned Casey. Quoted in Woodward, *Veil*, 227-8.

virtually everything the administration was trying to do in Central America.” The result was, Robert McFarlane wrote, that “Boland I...had put at risk our entire package” for Nicaragua.¹²

Despite his placid public testimony to the Senate intelligence committee — as well as his private dismissal of Boland I as “just Congressional sniping” — Casey was furious at the shadow Boland I cast over his operation.¹³ Throughout 1982, he had been urging the administration to ‘sell’ the American public and especially the Congress on the dire threat in Central America and the attendant need that “the United States had to act.” Following passage of Boland I, Casey concluded that it was “obvious to all that the [administration’s] response...has been inadequate if not feeble.”¹⁴ On the day that President Reagan signed the measure into law, the DCI “assaulted” Secretary of State George Shultz for being in Europe while Congress had debated and adopted Boland I. “The American people are not behind our policy in Central America,” Casey said.

Our support in Congress is fading. We’re in danger of losing on what is by far the most important foreign policy problem confronting the nation. You shouldn’t be traveling around Europe. You should be going around the United States sounding the alarm and generating

¹²Clarridge, *A Spy for All Seasons*, 234; Reagan, *An American Life*, 477; and McFarlane, *Special Trust*, 281.

¹³Quoted in Woodward, *Veil*, 282.

¹⁴Gates, *From the Shadows*, 301. “Although the Reagan administration had the right approach with regard to Nicaragua, we did a lousy job of selling it,” Oliver North concluded. “In view of the president’s rock-hard commitment to the contras, why couldn’t the Great Communicator rally the public to join him?” For Gates, the answer was plain. “How do you sell what people don’t want to buy?,” he asked. See *ibid*; and North, *Under Fire*, 231.

support for tough policies on the most important problem on our agenda.¹⁵

“Force,” Casey told Shultz, “is the only language the communists understand,” and Boland I was gravely imperiling that.¹⁶ As a result, he said, “we must do some hard thinking about the evolution of program.”¹⁷

In mid-January, the administration adopted NSDD 77, which institutionalized an attempt to generate public and Congressional support for the administration’s Nicaragua policy. The policy was “to build up the U.S. Government’s capability to promote democracy...[and] to counter totalitarian ideologies and aggressive political action moves undertaken by the Soviet Union or Soviet surrogates.”¹⁸ The administration felt it “necessary” to create a “four interagency standing committees...to strengthen the organization, planning and coordination of the various aspects of public diplomacy of the United States Government relative to national security.” “Public diplomacy”, the document said, “is comprised of those actions of the U.S. Government designed to generate support for our national security objectives.”¹⁹ The purpose of NSDD 77, according to one official, was “to persuade the American people that the communists are out to get us, and that we have to help

¹⁵Shultz, *Turmoil and Triumph*, 285. “I was taken aback by his vehemence and by the emotion in his attack on me,” Shultz wrote. “Casey seemed suddenly obsessed with the issue.” Ibid.

¹⁶Ibid.

¹⁷Gates, *From the Shadows*, 247.

¹⁸The White House, National Security Decision Directive 77, Subject: *Management of Public Diplomacy Relative to National Security*, 14 January 1983, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 265.

¹⁹Ibid.

other countries to do the things that have to be done in order to keep the communists away from our doorsteps....If we win the war of ideas, we will win everywhere else.”²⁰

But while the administration in Washington was attempting to further publicize its Nicaragua policy, in Central America CIA agents working with the contras now told them to keep their common objectives of overthrow quiet. “Before this prohibition was enacted,” former contra leader Edgar Chamorro testified about the ‘Boland I’ impact,

the CIA agents we worked with spoke openly and confidently about replacing the government in Managua. Thereafter, the CIA instructed us that, if asked, we should say that our objective was to interdict arms supposedly being smuggled from Nicaragua to El Salvador....But our goal, and that of the CIA as well (as we were repeatedly assured in private), was to overthrow the government of Nicaragua, and to replace the Sandinistas as a government. It was never our objective to stop the supposed flow of arms, of which we never saw any evidence in the first place. The public statements by United States government officials about the arms flow, we were told by the CIA agents with whom we worked, were necessary to maintain the support of the Congress and should not be taken seriously by us.²¹

The legislative requirements imposed by Boland I forced the administration to confront its internal discord over the proper purpose of the contras in the service of U.S. national objectives. This in turn prompted a titanic — and very public —

²⁰Deputy Assistant Secretary of the Air Force J. Michael Kelly, quoted in LaFeber, *Inevitable Revolutions*, 291; and in Ben Bradlee, Jr., *Guts and Glory: The Rise and Fall of Oliver North* (New York: Donald I. Fine, Inc., 1988), 157.

²¹Affidavit of Edgar Chamorro, City of Washington, District of Columbia, for the International Court of Justice, 5 September 1985: 10, National Security Archive, *Nicaragua Collection*, fiche 00159. Prior to Boland I, according to Chamorro, he had met in November 1982 with a CIA agent under the pseudonym ‘Tony Feldman’. “He promised...the full backing of the United States government and that we would march into Managua by July 1983.” See Edgar Chamorro, “Confessions of a Contra,” *The New Republic* 193, no. 6 (5 August 1983): 20.

struggle over control of U.S. policy toward Nicaragua between the negotiators and the irreconcilables.

Major guerrilla offensives in El Salvador in October 1982 and again in January 1983 had alarmed both camps about the potential fate of the region. Thomas Enders and the negotiators saw the offensives as an impetus to conclude a diplomatic settlement both in Salvador and Nicaragua, and they set to work codifying a 'two-track' policy approach for both countries. For Nicaragua, the negotiators produced a sixteen-page draft proposal that pushed for simultaneous diplomatic and paramilitary efforts and also sought to incorporate intermediary diplomatic assistance from Mexico in resolving outstanding tensions in U.S.-Nicaraguan relations.

The irreconcilables, however, viewed the situation as necessitating a more assertive and pro-active American response. "If we didn't nickel-and-dime it, we could win this struggle. We could stop the Communist advance," Deputy Assistant Secretary of Defense for Inter-American Affairs Nestor Sanchez said. "If we feel like we can live with Marxist-Communism in the area, that's fine. But I don't think we can."²² The 'two-track' proposal — which carried the implicit prospect of accepting Sandinista rule in Nicaragua — therefore alarmed the irreconcilables, who strongly opposed the idea of limiting use of the contras to bait for negotiations. "Casey, Kirkpatrick, Clark and Weinberger [believed] that the situation in Central America required more from the United States than mere containment," Oliver North wrote.²³ In late January 1983, DCI Casey met with Shultz to try to stall formal State

²²Quoted in Philip Taubman, "Point Man Speaks Out About Central America," *New York Times*, 2 May 1983, A16.

²³North, *Under Fire*, 224.

recommendation of Enders's draft to the president, which he and fellow irreconcilables viewed as "self-defeating." The Mexican role was seen as especially disturbing, as its policy toward Nicaragua "had been deeply at odds with that of the United States" and that Mexican efforts had had the effect of "appeasing Nicaragua."²⁴

Shultz declined to delay the recommendation and instead forwarded it to the Oval Office, where it was intercepted by William Clark, who in turn leaked it to the *Washington Post*. "Frankly, there are a lot of us here at the White House who think that this is a very bad idea," Clark said.²⁵ Clark and the irreconcilables had viewed 'two-track' as inconsistent with administration objectives for Nicaragua. "Not everybody in the administration shared the president's views [on Nicaragua]," as Oliver North wrote. "George Shultz believed the problem could be solved through negotiation."²⁶ Thus two-track was seen as effectively abdicating the region and the issue to the communists. Clark accused Enders of "incipient defeatism."²⁷

Reading about the proposal in the media in the context of the January FMLN offensives enraged President Reagan, and enabled the irreconcilables to convince the president that he required a different set of recommendations than those that were coming from the State Department. Thus, Reagan dispatched U.N. Ambassador Jeane

²⁴Menges, *Inside the National Security Council*, 107.

²⁵Quoted in Lou Cannon and John Goshko, "U.S. Weighs Plan for Two-Track Policy on Salvador," *Washington Post*, 10 February 1983, A1; Menges, *Inside the National Security Council*, 106-8; and Gutman, *Banana Diplomacy*, 127.

²⁶North, *Under Fire*, 231.

²⁷Quoted in Woodward, *Veil*, 235.

Kirkpatrick to undertake her own fact-finding mission to El Salvador, Honduras, Costa Rica and Guatemala.²⁸ Following her 8-12 February sojourn, Kirkpatrick reported her findings directly to the president, arguing that the region was adrift and uncertain over American support and commitment. State Department discussions about negotiated settlements had been particularly demoralizing, she said, and all regional actors were demanding a firmer U.S. approach. In effect, she fully endorsed the irreconcilables' position while undercutting that of Enders' and the negotiators'.²⁹

Additionally, the president following Kirkpatrick's trip appointed former Senator Richard Stone (D-FL) as "special representative for public diplomacy" for Central America. Kirkpatrick's trip had been a one-time outing to generate alternative information and advice from someone other than Enders and the State Department; the appointment of Stone was the irreconcilables' way of consolidating that source into a permanent channel.

On 18 April 1983, Secretary of State Shultz met in Mexico City with Mexican Foreign Minister Bernardo Sepúlveda Amor to continue discussions on a possible intermediary role for Mexico in resolving the Central America crisis. The meeting produced "a statement of principles" covering issues from pluralistic societies to arms buildups to foreign military advisors and guerrilla assistance. For Shultz, a Mexican

²⁸"The trip was Clark's brainchild," according to Lou Cannon. Clark was "frustrated" with State's diplomatic maneuverings regarding Nicaragua, and believed the president needed a non-State perspective. See Cannon, *Role of a Lifetime*, 376.

²⁹"Kirkpatrick came back with a different story than what people had been saying to the president," according to one administration official. Quoted in Bernard Weintraub, "The Question About Salvador: Why a Crisis Now?" *New York Times*, 4 March 1983, A10. See also John Goshko and Lou Cannon, "More Aid Urged for El Salvador," *Washington Post*, 1 March 1983, A1.

role was “a potentially...positive force” that called for exploring.³⁰ For the irreconcilables, however, Mexico was “a political ally of communist Nicaragua and Cuba...acting in full partnership with [them].”³¹ When Shultz attempted to submit the principles to the president, therefore, he was blocked by Clark. “We do not want the Mexicans to deal bilaterally with Central America,” Clark said.³²

Instead, Clark convinced Reagan to elevate Richard Stone to special presidential envoy with ambassadorial status for Central America. According to Shultz, Clark and the irreconcilables “recogniz[ed] that a diplomatic track was inevitable” and so were attempting to bring Stone and thus negotiations with Nicaragua under their formal control. Such a move

would in effect take Central America out of State’s Latin America bureau and put it under Clark’s NSC staff....Stone would, in effect, become Clark’s under secretary for Latin America.³³

Shultz, therefore, was openly opposed to the appointment and implied that he was prepared to resign over it. He wrote the president that

I am disturbed to learn that the proposed mandate for this special envoy would have the effect of superceding the relevant authority within the Department of State and removing the direction of the policy from my supervision. I do not see...how a secretary of state could continue to serve under such circumstances.³⁴

³⁰Shultz, *Turmoil and Triumph*, 301-2.

³¹Menges, *Inside the National Security Council*, 107, 117.

³²Shultz, *Turmoil and Triumph*, 301.

³³Ibid., 302-3.

³⁴Ibid., 303.

The president overrode Shultz's objections, and announced in an address to a joint session of Congress his full intention of appointing a special envoy. The following day Reagan formally appointed Stone to the position.³⁵

Ambassador Stone was in fact seen by the irreconcilables as their 'representative' in the diplomatic efforts and initiatives stemming from Foggy Bottom. In contrast to George Shultz, according to Constanine Menges, Stone believed "that the president's policy should be followed."

As a result, he and the Latin America bureau of the State Department usually had a dispute about the content of his negotiating instructions...[D]raft instructions had to be sent to the White House for final approval since Stone was a presidential envoy. Naturally, once the draft instructions came [from State] to my desk at NSC, they would be changed as needed to assure they reflected the president's policy. And then those new White House instructions would be sent back to the State Department.³⁶

Tensions and recrimination, in short, were mounting on all sides. For the negotiators, "control of our work on Central America had shifted from State to the NSC staff: we were heading for trouble....An NSC staff takeover would be a disaster."³⁷ This was "more than simple bureaucratic incompetence" from the NSC; it was "making dangerous errors."³⁸ For the irreconcilables, "the State Department was

³⁵See *Weekly Compilation of Presidential Documents* 19, no. 17 (2 May 1983): 617, 620. The president did attempt to allay some of Shultz's concerns, emphasizing in his 27 April address to Congress that the special envoy "will report to me through the secretary of state." But Shultz was unconvinced that this would change anything; "I knew I would have to work to make this chain of command take effect," he wrote. See Shultz, *Turmoil and Triumph*, 304.

³⁶Menges, *Inside the National Security Council*, 110.

³⁷Shultz, *Turmoil and Triumph*, 297, 305.

³⁸*Ibid.*, 315.

dropping the ball in Central America” out of “ineptitude” and a lack of “bureaucratic courage.”³⁹ Moreover, at State “there were those who couldn’t entirely give up their earlier sympathy for the Sandinistas.”⁴⁰

All in all, “the political atmosphere was bitter,” as George Shultz recalled. “A White House versus State Department battle was brewing.”⁴¹

THE FRONT LINES

While forces within the administration were quickly choosing sides in an increasingly divisive and fractious atmosphere in the White House, there began serious rumblings from Capitol Hill as to the legality of the contra policy under Boland I. Increasingly restive members of Congress began declining to accept the White House’s distinction between its objectives and those of the contras as its argument that it was abiding by Boland I. CIA attorneys had told Congressman Michael Barnes and other skeptics, for example, that U.S. assistance to the contras did not violate Boland I because the goal of the United States was not to overthrow of the Sandinistas, even if that remained the goal of those insurgents receiving the aid. Barnes and his allies were unimpressed and unconvinced. “Not a jury in this country would accept this,” Barnes noted, “and the House will not accept it.”⁴² “Congress intended to prohibit the administration from trying to take paramilitary

³⁹McFarlane, *Special Trust*, 279-80.

⁴⁰North, *Under Fire*, 231.

⁴¹Shultz, *Turmoil and Triumph*, 297.

⁴²Quoted in Don Oberdorfer, “Washington’s Role Troubles Congress,” *Washington Post*, 3 April 1983, A1.

action against Nicaragua. But they [the administration] have ignored it. I think they're in pretty obvious violation of the law."⁴³

Congressman Robert Torticelli (D-NJ) added that he had been told by U.S. officials in Honduras that Boland I was being dismissed as a "legal triviality."⁴⁴ On 24 March thirty-seven House members led by Congressman George Miller (D-Calif.) wrote President Reagan that his administration's support for the contras was a "violation of the Boland amendment" and urged the president to act in "strict compliance" with Congressional wishes.⁴⁵

Momentum was building toward a possible House termination of the contra program. On 7 April House Intelligence Committee member Wyche Fowler (D-Ga) returned from a six-day visit to Central America and reported that he had been "forced to conclude...that the law of the land as embodied in the Boland amendment is not being fully adhered to....Congress has a clear responsibility to bring our government into compliance."⁴⁶ The upshot of Fowler's comments effectively put the House Intelligence Committee on record as challenging the legality of the administration's covert policy — a challenge subsequently endorsed by the committee's chairman, Edward Boland. "The evidence is very strong" of administration illegality, Boland said. "It is my judgement that there has been an

⁴³Quoted in "Nicaragua Reports Raise Concern in Congress," *Congressional Quarterly* 41, no. 14 (9 April 1983): 703.

⁴⁴Quoted in Martin Tolchin, "Key House Member Fears U.S. Breaks Law on Nicaragua," *New York Times*, 14 April 1983, A1.

⁴⁵Oberdorfer, "Washington's Role Troubles Congress," A1.

⁴⁶Quoted in "Nicaragua Reports Raise Concern in Congress", 704; and in Arnson, *Crossroads*, 126-7.

apparent violation of the law....I think we have a responsibility to see the spirit of the law and Congressional direction fully adhered to.”⁴⁷

On the Senate side, concern was likewise rising. “A growing number of my colleagues question whether the CIA is complying with the law,” Senator Moynihan said.

They say it complies with the law. Committee members are saying we’re not so sure....I don’t think intelligence officials have taken the measure of our concern here....There is a crisis of confidence building between the committee and the intelligence community over this issue.⁴⁸

On a fact-finding mission to the region, Senator Patrick Leahy (D-VT) — a member of the Senate Intelligence Committee — met in Tegucigalpa with now-General Gustavo Álvarez, still in charge of the Honduran contra operation. “Hell,” Álvarez told Leahy, “we’ll have our soldiers in Managua by Christmas.” “Hey, wait,” said Leahy. “U.S. policy is specifically designed not to overthrow [the Sandinistas].” “Oh, yeah,” Álvarez replied. “But wouldn’t it be great to do it anyway?”⁴⁹ A suspicious Leahy then asked CIA official Raymond Doty — in charge of contra operations and logistics — to explain where the line was between harassing

⁴⁷Quoted in Tolchin, “Key House Member Fears U.S. Breaks Law on Nicaragua,” A1; and in Patrick Tyler and Don Oberdorfer, “Nicaragua Activities Questioned,” *Washington Post*, 14 April 1983, A1.

⁴⁸Quoted in Philip Taubman, “Moynihan Questions CIA’s Latin Role,” *New York Times*, 1 April 1983, A3.

⁴⁹Quoted in Woodward, *Veil*, 231. According to Bob Gates, Casey heard of this exchange and told Bill Clark “that senior Honduran officials had told Senator Patrick Leahy that the purpose of the U.S. covert action was to overthrow the Sandinista government. Casey warned Clark that this would ‘add fuel’ to the concerns of Moynihan and others whether in fact the U.S. program was legal or illegal.” See Gates, *From the Shadows*, 298.

the Sandinista government and bringing it down. "I don't know. That's not my job," Doty replied. "Ask the boys in Washington."⁵⁰

Returning to Washington, Leahy expressed his doubts and concerns about the contra program. First, it "was growing beyond that which the Committee had initially understood it to be its parameters," Leahy said. Moreover, "there was uncertainty in the Executive Branch about U.S. objectives in Nicaragua, particularly in view of the goals avowed by some of the forces receiving support." This had the effect, Leahy concluded, of "the [contra] program appearing at times to be preceding policy rather than following it."⁵¹

THE PRESIDENT RESPONDS

By spring 1983, it was clear to the administration — negotiators and irreconcilables alike — that the contra program faced serious trouble. "The congressional consensus on contra aid was collapsing," George Shultz wrote of the time.⁵² "We've lost our credibility on the Hill on the contras," Deputy Director of Central Intelligence John McMahon told DCI Casey. "We're going to be legislated out of business."⁵³ The White House, however, remained deeply divided as to its proper response on two challenges. The first was how to depict the nature and extent of the threat to American interests posed by the Sandinista government, while the

⁵⁰Quoted in Gutman, *Banana Diplomacy*, 153.

⁵¹U.S. Congress, *Report of the Select Committee on Intelligence*, Senate, Report 98-665 1 January 1983 to 31 December 1984, 98th Congress, 2nd Session (Washington, D.C.: USGPO 1985), 5. See also Wright, *Balance of Power*, 420-1.

⁵²Shultz, *Turmoil and Triumph*, 301.

⁵³Quoted in Persico, *Casey*, 333.

second dealt with a mounting Congressional demand for foreign policy inclusion on the issue.

On both counts the president firmly and demonstrably sided with the irreconcilables. In making a decision on precisely how to depict the nature of the problem in Nicaragua — in order to sell the policy — Reagan in practical terms was choosing between Shultz and the negotiators or Casey and the irreconcilables. Shultz had effectively framed this dilemma in a 22 February exchange with Casey. “With respect to Central America,” he said, as recounted by Bob Gates,

the question was whether it was an issue of national security or simply tending to our own backyard. If national security, then we should send in the Marines and have them take care of the problem. If, on the other hand, it was a matter of tending to our backyard, then we should pursue a solution on the political front.⁵⁴

President Reagan chose the former option, and began publicly depicting Nicaragua’s domestic political model as a direct threat to the national security of the United States. Implicit in the president’s approach was the sense that U.S. objectives would remain unmet so long as the Sandinistas remained in power. On 10 March, Reagan termed Nicaragua a Soviet base and argued that “the strategic stakes are too high for us to ignore the danger of governments seizing power there with ideological and military ties to the Soviet Union.” What was “at stake in the Caribbean and Central America...is the United States’s national security.” Reagan also suggested that anything less than a democratic government in Managua would continue to pose an unacceptable security challenge. “Democracy is what we want” in Nicaragua, he said. “We support negotiations within nations aimed at expanding participation in

⁵⁴Gates, *From the Shadows*, 295.

democratic institutions, at getting all parties to participate in free and nonviolent elections.”⁵⁵

Two weeks later the president dedicated a significant portion of his 23 March address on national security to what he described as the expanding security threat in Nicaragua. The Soviets, he said, “are spreading their military influence in ways that can directly challenge our vital interests and those of our allies....in a crucial area very close to home — Central America and the Caribbean Basin.”⁵⁶

Reagan continued to press the matter amid hints that he had sided with the irreconcilables’ larger objective and purpose for the contras. In an April news conference, the president insisted that the White House was obeying the limits of Boland I, though he stressed that this was not “what I might personally wish or what our government might wish.”⁵⁷ Shortly thereafter Reagan began publicly referring to the paramilitary contras as “freedom fighters”, thereby rhetorically — and practically — elevating their purpose to something more abstract and much higher.⁵⁸ The FSLN’s regime was “a government out of the barrel of a gun,” the president told reporters. “What really — other than being in control of the capital, you might say,

⁵⁵Ronald Reagan, “Central America and El Salvador,” Weekly Compilation of Presidential Documents 19, no. 10 (14 March 1983): 377-9.

⁵⁶Ronald Reagan, “National Security,” Weekly Compilation of Presidential Documents 19, no. 12 (28 March 1983): 442-8.

⁵⁷Ronald Reagan, “Foreign and Domestic Issues,” Weekly Compilation of Presidential Documents 19, no. 15 (18 April 1983): 547.

⁵⁸The shift in Reagan’s depiction of the contras did not go unnoticed on Capitol Hill. “When the president proclaimed these people to be ‘freedom fighters’, there was an unmistakable sense that we were not fully appraised of the purpose” of the program, as Sen. Moynihan said. Quoted in Oberdorfer and Tyler, “US-Backed Rebel Army Swells to 7,000 Men,” A1.

and having a handle on all the levers — what makes them...a legitimate government?”⁵⁹

Finally, in a 26 July news conference, the following exchange took place between President Reagan and a reporter:

Q: So you think if this present faction [the FSLN] remains in power alone in Nicaragua, there cannot be a satisfactory settlement [with the U.S.].

A: I think it would be extremely difficult.⁶⁰

In elevating the issue of Nicaragua to a higher level of national security concern, the president also needed to determine the most effective approach to win the requisite legislative support from an increasingly skeptical and inquisitive Congress. The irreconcilable camp remained intensely hostile to any degree of legislative involvement in what it viewed as intrinsic prerogatives of the executive branch — foreign policy and covert operations. Congress was to be informed, but its opinion was not to be solicited.⁶¹ DCI Casey in particular was profanely contemptuous of Congress, holding the institution in “naked disregard.”⁶² He and

⁵⁹Reagan’s first public depiction of the contras as “freedom fighters” seems to be in a press interview on 4 May 1983. See Ronald Reagan, “Foreign and Domestic Issues,” Weekly Compilation of Presidential Documents 19, no. 18 (9 May 1983): 650.

⁶⁰Ronald Reagan, “Domestic and Foreign Issues,” Weekly Compilation of Presidential Documents 19, no. 29 (25 July 1983): 1032.

⁶¹Legislative efforts to shut down the contra program were “obviously unconstitutional,” as Oliver North and other irreconcilables saw it, “because Congress has no right to limit the president’s authority to carry out foreign policy.” See North, *Under Fire*, 237. “The administration could and should prevent such congressional foreign policy interference with the president’s constitutional authority,” according to Constantine Menges. See Menges, *Inside the National Security Council*, 202.

⁶²“Casey was guilty of contempt of Congress from the day he was sworn in as DCI,” according to Robert Gates. See Gates, *From the Shadows*, 213. See also Woodward, (continued...)

other irreconcilables urged a confrontational approach to Capitol Hill. “Congress won’t take the risk of losing Central America,” Casey argued. “I’m in favor of doing what we can and not being afraid of Congress.”⁶³

William Clark likewise sought a more assertive approach. If “the Democrats were confronted in a national debate, they could not remain in opposition,” he argued. According to Bob Woodward, Clark “would relish such a debate. He wanted to discipline Congress.”⁶⁴ Moreover, the irreconcilables feared “Congressional mandated negotiations [with Nicaragua], which would work against our interests,” as the April 1982 NSC summary paper had clearly emphasized.⁶⁵

The negotiators, while not sacrificing ground on the prerogative front, accepted the reality and — if done deftly — the utility of Congressional support for administration policy. “Congress had the hammer,” Enders argued. The administration’s policy toward Nicaragua had to be made “marketable to Congress.” To Enders, “negotiations cannot be abandoned. Realism dictated that administration

⁶²(...continued)

Veil, 281; and Persico, *Casey*, 277, 289. Wryly referring to the DCI’s legendary “unconcealed contempt” for Congress, Congressman Norman Mineta (D-Calif.) of the House Intelligence Committee once remarked that “he treats us like mushrooms — he keeps us in the dark and feeds us manure.” See Persico, *Casey*, 297.

⁶³Shultz, *Turmoil and Triumph*, 292. “If you cut out the money for the Nicaragua operation,” Casey warned Sen. William Cohen (R-ME), “Congress is going to be responsible for what happens.” Quoted in Woodward, *Veil*, 270.

⁶⁴Woodward, *Veil*, 234.

⁶⁵The White House, National Security Council, *U.S. Policy in Central America and Cuba Through F.Y. ‘84, Summary Paper*, April 1982.

policy be tailored to the Congress.”⁶⁶ George Shultz agreed. “We had to get a workable policy in place, and workable meant a policy with congressional support,” he wrote.⁶⁷ The United States needed

a vigorous negotiating track to reach an agreement if we could, and at the least, to demonstrate that we were working to achieve a peaceful solution (which would help us to get the resources we needed from Congress).⁶⁸

In the breach stepped the president himself and demonstrably on the side of the irreconcilables, agreeing that an aggressive campaign against Congress would be the proper tack to take — “his style became more confrontational,” as Jim Wright recalled.⁶⁹ “We’ve had it with the opposition in Congress,” an administration official explained. “We’re fed up with their interference on the one hand and their lack of support on the other, and we intend to fight for what we think is a minimum American commitment in the region.”⁷⁰

On 3 March Congressman Michael Barnes introduced legislation that would sew up the loophole of Boland I by barring funds “which would have the effect of supporting, directly or indirectly, military or paramilitary operations in or against Nicaragua by any nation, group, organization, movement or individual.”⁷¹ On 12

⁶⁶Quoted in Woodward, *Veil*, 234.

⁶⁷Shultz, *Turmoil and Triumph*, 292.

⁶⁸Ibid.

⁶⁹Wright, *Balance of Power*, 421.

⁷⁰Quoted in Philip Taubman, “Pentagon Gets Tough on Latin Policy,” *New York Times*, 12 September 1983, A3.

⁷¹See John Felton, “Nicaragua Reports Raise Concern in Congress,” *Congressional* (continued...)

April, the House Foreign Affairs Subcommittee on Western Hemisphere Affairs — of which Barnes was chair — approved the bill.

Attempting to preserve the legislative turf of his Intelligence Committee's jurisdiction from Barnes's infringement, Congressman Edward Boland introduced his own bill that would terminate all aid to the contras and end all U.S. support for military and paramilitary operations in Nicaragua. Instead, the bill took the \$80 million that Reagan had requested for the contras and converted it into overt arms-interdiction assistance to El Salvador, Honduras and Guatemala. In effect, the legislation affirmed the purported objective of the administration's covert policy, but rejected the contras as the proper means for it. Boland's bill was immediately endorsed by House Foreign Affairs Committee chairman Clement Zablocki, and the 'Boland-Zablocki' amendment superceded the Barnes measure as the House's legislative challenge to the administration's contra policy.

Watching these events gave Casey and others pause for concern. On 18 April, the DCI wrote Reagan "urging the president to make a national address on the Central American problem," according to Bob Gates. The address would be "a strong, bold move....to appeal to the American people over the heads of Congress." Casey explained his tactical goal to Bill Clark. "My vote is to lay it out to the people in a joint session and roll them [opponents of the program]," he said.⁷² Clark agreed; such a speech would "remind it [Congress] that the president could talk

⁷¹(...continued)

Quarterly Weekly Report 41, no. 14 (9 April 1983): 703

⁷²Gates, *From the Shadows*, 299. See also Woodward, *Veil*, 251.

directly to the voters. Public opinion could be mobilized.”⁷³ Against the advice of George Shultz and the State Department, Reagan agreed on the need for a more aggressive domestic approach to policy promotion — largely as a result of intense lobbying by Bill Casey, who on this matter had “focused special attention on the president,” according to Bob Gates.⁷⁴ “We have to take this to the people and make them all see what’s going on,” Reagan himself wrote of the time.⁷⁵

On 27 April President Reagan delivered his major address on Central America to a joint session of Congress. “I say to you”, the president intoned,

that tonight there can be no question: the national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot expect to prevail elsewhere....The safety of our homeland would be put in jeopardy. We have a vital interest, a moral duty, and a solemn responsibility.⁷⁶

“Who among us,” Reagan concluded, “would wish to bear responsibility for failing to meet our shared obligation?”⁷⁷ While the public appeal of the speech was clear, the administration had an additional purpose in mind: to maximize pressure on Congress to halt its efforts to stop the contra program.⁷⁸ The speech, according to

⁷³Woodward, *Veil*, 234.

⁷⁴Shultz, *Turmoil and Triumph*, 303; Gutman, *Banana Diplomacy*, 130-1; and Gates, *From the Shadows*, 301.

⁷⁵Reagan, *An American Life*, 478.

⁷⁶Ronald Reagan, “Central America,” *Weekly Compilation of Presidential Documents* 19, no. 17 (2 May 1983): 614.

⁷⁷Ibid.

⁷⁸“By stressing the national security aspects of Central America and hinting that he would blame Congress for failure,” Jim Wright wrote, “Reagan hoped to line up congressional support for his Nicaraguan agenda.” Wright, *Balance of Power*, 421-2.

Bill Clark, sought “to get more of a response than we’ve been able to get from individual congressional committees so far.”⁷⁹ Others were more blunt. “The idea was to put Congress on the spot,” according to one NSC staffer. “Let’s play the politics of blame.”⁸⁰ “As long as Congress keeps crippling the president’s military assistance program,” Under Secretary of Defense for Policy Fred Iklé said in a Baltimore speech designed to generate public pressure on Capitol Hill,

we will have a policy always shy of success. We will remain locked into a protracted failure....That is to say, a blocking majority in the House, in effect, voted to establish a sanctuary for the Sandinistas....You all have an obligation to remedy this situation....You must help us overcome [it].⁸¹

In short, the objective was clear: the administration would label the Sandinistas as Communists, the contras as freedom fighters, and it would insist that Congress take sides.⁸²

House skeptics remained unswayed, however, and they stuck to the logic of Boland-Zablocki. “Everyone agrees with the objectives of the president,” as Wyche Fowler tried to explain. “We all don’t like communism. But it’s the methods he’s

⁷⁹“Reagan’s Foreign Policy — His No. 1 Aide Speaks Out,” *U.S. News and World Report* 94, no. 18 (9 May 1983): 35.

⁸⁰Quoted in Gutman, *Banana Diplomacy*, 141.

⁸¹Fred Iklé, “We Seek Victory for the Forces of Democracy,” *American Foreign Policy Current Documents 1983* (Washington, D.C.: USGPO, 1985), 1359, 1357, 1360.

⁸²Jeane Kirkpatrick told a reporter “that there are people in the U.S. Congress who do not approve of our efforts” and “who would like to see the Marxist forces take power” in Central America. “Let me make this last bit clear,” the reporter asked. “Do you really believe there are U.S. lawmakers who would like to see Marxist government[s] in Central America?” “Yes, of course,” Kirkpatrick answered. Quoted in “Congressmen Attacked Over El Salvador Stand,” *New York Times*, 5 May 1983, D23.

chosen to achieve the objectives that we are questioning.” Fellow House member Howard Wolpe (D-Mich) phrased it more starkly: “None of us wants Central America to become a base for Soviet operations in our hemisphere, yet none of us wants Central America to become another Vietnam, either.”⁸³

On 3 May Boland’s Intelligence Committee heard eleventh-hour testimony from DCI Casey who desperately sought to prevent an aid cut-off. “Bill touched all the bases, hit all the scare buttons,” according to Bob Gates, “but to no avail.”⁸⁴ Unmoved, the committee voted to terminate all assistance to the contras by approving Boland-Zablocki.⁸⁵ The vote angered President Reagan, who termed it “irresponsible” and “a very dangerous precedent.” The committee’s vote was “literally taking away the ability of the executive branch to carry out its constitutional responsibilities,” the president said. “We’ll keep right on fighting,” he promised.⁸⁶

The following month, on 7 June, the House Foreign Affairs Committee likewise endorsed Boland-Zablocki, though committee members acknowledged the bill faced an uncertain fate at best. Congressman Lee Hamilton opined that Boland-Zablocki “is not going to become law” in its present form, since it would win neither

⁸³Quoted in Ellen Hume, “Capitol Hill Mood Shifts on Latin Aid,” Los Angeles Times, 16 May 1983, A1.

⁸⁴Gates, *From the Shadows*, 300.

⁸⁵John Felton, “Central America Policy Compromise Elusive,” Congressional Quarterly Weekly Report 41, no. 18 (7 May 1983): 873.

⁸⁶Ronald Reagan, “Foreign and Domestic Issues,” Weekly Compilation of Presidential Documents 19, no. 18 (9 May 1983): 646.

Senate nor presidential approval.⁸⁷ Congressman Stephen Solarz (D-NY) even predicted that the bill “probably will not pass [the House] without some support from Republicans.”⁸⁸

Within the administration, there remained divided counsel on how best to respond to the House votes. The negotiator camp sent envoys to Capitol Hill to meet with House Democrats to see if some sort of compromise on contra aid might be fashioned, but to no avail.⁸⁹ Part of the explanation for the failure lay with the irreconcilables, who were encouraging Reagan to take an uncompromising approach toward the issue. William Casey sent the president a twelve-step program that Reagan needed to undertake “to put on Congress and the people” responsibility for supporting the administration’s contra program.⁹⁰ William Clark and the NSC likewise advocated confrontation with the House because it was “important as a signal of strength and purpose that we let the opposition on the Hill know that we believe in and intend to continue to pursue this program until such time as the full Congress successfully votes to stop it.”⁹¹ At that juncture, as William Casey had

⁸⁷Quoted in John Felton, “House Panel Votes to Cut Off Aid to Nicaraguan Insurgents,” Congressional Quarterly Weekly Report 41, no. 23 (11 June 1983): 1174.

⁸⁸Ibid.

⁸⁹Felton, “Central America Policy Compromise Elusive,” 873; “Casey Asks Panel: Who Said ‘the CIA Lies?’,” New York Times, 27 May 1983, A7; and John Felton, “House Quashes Covert Nicaragua Aid,” Congressional Quarterly Weekly Report, 41, no. 30 (30 July 1983): 1536.

⁹⁰Gates, *From the Shadows*, 301-2. Gates notes that “Casey had graduated from trying to tell Shultz what to do on Central America to telling the president how to do his job.” Ibid.

⁹¹The White House, Kenneth deGraffenreide, Al Sapia-Bosch, Oliver North,
(continued...)

argued, the administration stood to reap political benefit from arguing that the Democrats had caved on halting communism in Central America.⁹² Political trench lines were not only being drawn, but fortified for the coming showdown.

'DO SOMETHING'

The publicly defiant administration approach to the House challenge was a manifest reflection of the ascendance of the irreconcilable faction. "The president was on the hard-line track," as Secretary of Shultz wrote.⁹³ Increasingly within the administration, the dominant view was that Nicaragua and Central America were slipping out of control. "We're losing if we don't do something soon," President Reagan had noted in June.⁹⁴ NSC advisor William Clark shared the same sentiment. "We are at war and losing," a State Department aide had told Secretary of State Shultz that Clark had said. Shultz did not disagree. "If we are at war and losing, we are losing because of them."⁹⁵

⁹¹(...continued)
memorandum to William Clark, Subject: *Increased Funding Level for Nicaraguan/[excised] Covert Action*, 11 July 1983, in National Security Archive, *Nicaragua Collection*, fiche 00131.

⁹²Shultz, *Turmoil and Triumph*, 292. See similar comments from Robert McFarlane quoted in Kagan, *A Twilight Struggle*, 276-7. The Democrats were also aware of political gain in exploiting party divisions on contra aid. While attempting to fashion a compromise on contra aid with the White House, Congressman Lee Hamilton (D-Ind) noted that some of his Democratic colleagues "want to make a political issue of this and do not want a compromise at any point." Quoted in "Hamilton Mediates on Nicaragua," *Congressional Quarterly Weekly Report* 41, no. 23 (11 June 1983): 1175.

⁹³Shultz, *Turmoil and Triumph*, 316.

⁹⁴Reagan, *An American Life*, 478.

⁹⁵Shultz, *Turmoil and Triumph*, 305.

The irreconcilables had already convinced Reagan to confer special envoy Richard Stone a quasi-State Department portfolio and rank, so as to provide that camp with 'one of their own' within the negotiating ranks. Following the president's address to Congress, "people at Defense and the CIA and Jeane Kirkpatrick all surged into a heightened state of alarm over Central America," according to Shultz.⁹⁶ Their next move in terms of advocating a more assertive policy toward Nicaragua was also personnel-related: to remove Thomas Enders. According to U.S. Ambassador to Costa Rica Frank McNeil, the irreconcilables "charged him [Enders] with pursuing containment, of a willingness to settle for less than the destruction of Nicaragua."⁹⁷ Many in the White House viewed Enders "as too 'soft' on the Sandinistas", and hence his strategy "was suspect for many in the administration, particularly in the White House and perhaps even with Casey," as Duane Clarridge recalled.⁹⁸

In the end, he [Enders] simply was not trusted. Some in the administration believed that his two-track policy was a ruse. They feared that he would sell out the Nicaraguan guerrillas and the administration's policy of pushing the Soviets off the mainland of the Western Hemisphere in favor of some half-assed deal with the Sandinistas.⁹⁹

⁹⁶Ibid., 314.

⁹⁷McNeil, *War and Peace In Central America*, 138.

⁹⁸Clarridge, *A Spy for All Seasons*, 203, 240. "Casey did not like and did not have a lot of use for Enders," according to Lawrence Eagleberger, primarily because he was "too much nonconfrontational" regarding the Sandinistas. Quoted in Gutman, *Banana Diplomacy*, 130.

⁹⁹Clarridge, *A Spy for All Seasons*, 203. See similar comments in Gates, *From the Shadows*, 302-3. Enders himself said that the irreconcilables viewed 'two-track' "as being a giveaway" by "peaceniks [who] were going to sell out Central America."

(continued...)

For the irreconcilables, then, Enders had become the lightning rod of their wrath, though he was merely the most visible target of a larger effort to wrest policy control from Foggy Bottom. “The NSC staff effort to move Enders out of the picture — and move diplomacy out of the picture — by moving Central America policy out of the State Department,” according to Shultz. “I was [also] now associated with this dual-track approach,” Shultz added, since “my procedural struggles and frustrations were, in fact, struggles over **substance**.”¹⁰⁰

Consequently, Enders convinced Shultz that “I should go or he would lose all control of Central American operations.”¹⁰¹ Shultz agreed; “somehow I had to regain control of our Central America policy,” he wrote. “But I could not imagine getting hold without replacing Enders.”¹⁰² Conferring with Reagan, Shultz had Enders named ambassador to Spain, and replaced him at ARA with Langhorne ‘Tony’ Motley, then the ambassador to Brazil.¹⁰³

In sacrificing Enders, however, Shultz attempted to construct a foreign policy decision-making structure that left he and State unambiguously in charge of Nicaragua policy. In a 25 May memorandum to President Reagan, Shultz tried to maintain the integrity of the Enders ‘two-track’ approach toward Nicaragua and simultaneously preserve State’s ability to control the course and direction of that

⁹⁹(...continued)

Quoted in Gutman, *Banana Diplomacy*, 127.

¹⁰⁰Shultz, *Turmoil and Triumph*, 305, 321. Emphasis in original.

¹⁰¹Quoted in Gutman, *Banana Diplomacy*, 132.

¹⁰²Shultz, *Turmoil and Triumph*, 305.

¹⁰³*Ibid.*, 306.

policy. "The present management situation is a mess," Shultz wrote the president, though he suggested a "simple and straightforward" solution. While it was important not to "sell out" the contras, and while negotiations with Nicaragua "will not be easy, because we will be dealing with people we don't like and don't trust," regardless

the only way in which we can re-establish a peaceful Central America, free from foreign incursions into democratic countries, is by regional negotiations leading to a reciprocal and verifiable agreement.¹⁰⁴

The secretary of state's gambit was only partially successful. While Reagan in his reply did not reject the essence of 'two-track' diplomacy for Nicaragua, he insisted that the irreconcilables work with Shultz and the State Department on policy toward Managua. "Success in Central America," Reagan wrote,

will require the cooperative effort of several Departments and agencies. No single agency can do it alone nor should it. [I look to you] to develop options in coordination with Cap, Bill Casey and others and coming to me for decisions. I believe in Cabinet government.¹⁰⁵

Even with that measured success, Shultz noted, "if I thought that these changes would turn the policy situation around, I was dead wrong...Central America policy was a swamp."¹⁰⁶

As spring turned to summer, the irreconcilables shifted their "grab for power"¹⁰⁷ from personnel to policy itself. "Clark was calling the shots in Central America,"

¹⁰⁴Department of State, Memorandum for the President, From George P. Shultz (Secretary of State), Subject: *Managing Our Central America Strategy*, 25 May 1983, in *Iran-Contra Hearings*, Vol. 100-9, 454.

¹⁰⁵The White House, Memorandum for the Honorable George P. Shultz, From the President, Subject: *Managing Our Central America Strategy*, undated, in *ibid.*, 462-3.

¹⁰⁶Shultz, *Turmoil and Triumph*, 306, 322.

¹⁰⁷*Ibid.*

as George Shultz complained. “The functions of the secretary of state were being usurped by the NSC staff.”¹⁰⁸ “The intensification of efforts all across the board, in all areas — this is the key change,” as one administration official described the transition in policy control from State to the NSC.¹⁰⁹ In June President Reagan approved a memorandum from the National Security adviser codifying a harder policy toward Managua. Clark’s memorandum argued that a diplomatic solution with the Sandinistas was impossible, and that economic and other inducements were unlikely to wreck any positive effect. The U.S., therefore, had no choice but to pursue a policy of destabilization.¹¹⁰ Clark had long despised the State Department’s “candy-assed approach” to Nicaragua, according to one NSC aide, and was eager to start escalating the pressure on Managua. “Let’s rip their faces off,” he had suggested of the Sandinistas.¹¹¹

Administration officials, moreover, began making ominous statements as to American intentions in Nicaragua, including a possible military intervention. “Let me make this clear to you,” Under Secretary of Defense Fred Iklé said in a speech, “we do not seek a military defeat for our friends. We do not seek a military stalemate. We seek victory for the forces of democracy.”¹¹²

¹⁰⁸Ibid., 315, 312.

¹⁰⁹Quoted in Don Oberdorfer, “U.S. Latin Policy Reflects A New Sense of Urgency,” Washington Post, 7 August 1983, A1.

¹¹⁰Gutman, *Banana Diplomacy*, 140-1.

¹¹¹Quoted in *ibid.*, 136.

¹¹²Iklé, “We Seek Victory for the Forces of Democracy,” 1358-9.

President Reagan “won’t shrink from the tough decision [to invade Nicaragua],” said one senior administration official. “Stopping Communism in the hemisphere is a matter of deep conviction to the president.” Added another: “Everybody at the White House feels you’ve got to do what has to be done down there. It’s a matter of vital U.S. strategic interests.”¹¹³

In early July, a leaked NSC secret “working paper” for an 8 July NSPG meeting reported that “the situation in Central America is nearing a critical point.” The United States faced “fundamental strategic choices” with the stakes “very high.” The paper argued that “diplomatic results have been mixed” and thus greater emphasis was to be placed on military options. “It is still possible to accomplish U.S. objectives without the direct use of U.S. troops,” the paper noted, “provided that the U.S. takes timely and effective action.”¹¹⁴ Moreover, the “growing Soviet military presence” in Nicaragua was posing a significant threat not only to the stability of the neighboring Central American nations, but to the entire Western hemisphere, and the paper emphasized that “basically, the United States has the power and the resources to prevent such outcomes.”¹¹⁵

The irreconcilables then had the results of that NSC meeting signed into NSDD 100, which emphasized “the increasing threat to U.S. national interests in Central America.”

¹¹³Quoted in Cannon, “Weighing the ‘Saving’ of Latin America,” A1.

¹¹⁴Cited in Oberdorfer, “U.S. Latin Policy Reflects A New Sense of Urgency,” A1; and in Philip Taubman, “U.S. Said to Weigh 40% Increase in Military Funds for Latin Allies,” New York Times, 17 July 1983, A1.

¹¹⁵Ibid.

The consolidation of a Marxist-Leninist regime in Nicaragua...poses a significant risk...[U.S. policy] must be visibly demonstrated by our military forces....U.S. military activities in the region must be significantly increased to demonstrate our willingness to defend our allies and to deter further Cuban and Soviet Bloc intervention.¹¹⁶

The NSDD ordered that the administration study interdiction and quarantine of Nicaragua. Moreover, “we must likewise enhance current efforts” to support the contras to ensure “adequate U.S. support” by developing alternative funding due to Congress’s insufficient assistance.¹¹⁷

On 18 July, William Clark convinced Reagan to order massive military exercises off both Nicaraguan coasts to carry out the decisions reached in the NSC meeting and later affirmed in NSDD 100.¹¹⁸ The exercises, dubbed *Ahaus Tara II* (‘Big Pine’), were immense in scale and scope: 5,000 U.S. troops, 6,000 Honduran soldiers, 2,800 U.S. Marines, two aircraft carriers, one cruiser, seventeen additional warships, and over 140 aircraft, including F-15s and C-130 transports.¹¹⁹ “They were combined sea-air-land exercises considerably beyond anything we had undertaken

¹¹⁶The White House, National Security Decision Directive 100, Subject: *Enhanced U.S. Military Activity and Assistance for the Central American Region*, 28 July 1983, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 313.

¹¹⁷*Ibid.*; and Shultz, *Turmoil and Triumph*, 310. Shultz wrote that he had been unaware of NSDD 100 until Clark showed him an already signed copy.

¹¹⁸The NSC and Clark, along with Caspar Weinberger and Defense, had totally cut State out of the decision-making loop on the maneuvers, according to George Shultz. He called news of the maneuvers “the biggest shock” and said that “I was totally blindsided.” See Shultz, *Turmoil and Triumph*, 310-1 and 314-6. See also Gutman, *Banana Diplomacy*, 146-7.

¹¹⁹Stockholm International Peace Research Institute, *World Armaments and Disarmament: SIPRI Yearbook 1984* (Oxford: Oxford University Press, 1984), 527.

before in Central America,” as George Shultz recalled.¹²⁰ These forces conducted mock bombing raids and held quarantine maneuvers off Nicaragua’s Atlantic and Pacific coasts.

The purpose of the exercises was “intimidation and interdiction,” according to Shultz. One administration official acknowledged that “some might call it gunboat diplomacy.”¹²¹ “The idea is to intimidate,” one Pentagon official candidly admitted, to threaten the Sandinistas with invasion if the exercises themselves did not ultimately provoke one.¹²² “We want to persuade...Nicaragua and Cuba that we are positioned to blockade, invade, or interdict if they cross a particular threshold,” an administration official explained. Under Secretary of Defense for Policy Fred Iklé said that *Ahaus Tara II* was designed “to signal...that we can move in with greater force if necessary.”¹²³ “One of the central purposes is to create the fear of an invasion,” another senior administration official added. The American forces will “push very close to the border, deliberately, to set off all the alarms [in Nicaragua].”¹²⁴

¹²⁰Shultz, *Turmoil and Triumph*, 315. The maneuvers were “unprecedented in size for Central America,” according to former CIA director Stansfield Turner. Quoted in Lenny Glynn, “The Winds of War,” *Macleans* 96, no. 32 (8 August 1983): 14.

¹²¹Quoted in Philip Taubman, “U.S. Said to Plan Military Exercise in Latin America,” *New York Times*, 19 July 1983, A1.

¹²²Quoted in Walter Isaacson, “Rolling Out the Big Guns,” *Time* 122, no. 5 (1 August 1983): 8-11.

¹²³Quoted in George Wilson, “U.S. Bases Considered for Honduras,” *Washington Post*, 6 August 1983, A1.

¹²⁴Quoted in Church, “A Big Stick Approach,” 21; and in Joel Brinkley, “Nicaraguan Army: ‘War Machine’ Or Defender of Besieged Nation?,” *New York Times*, 30 March (continued...)

A stray or panicked encounter — such as a Sandinista confrontation with Honduran forces — appeared to be all that separated the exercises from an actual invasion. In such an event, according to U.S. Army Chief of Staff Gen. E.C. Meyer, “the heart and soul of Nicaragua must be put at risk”, including the capture of Managua.¹²⁵ “Everything that we’re doing for the purpose of a military exercise,” acknowledged one official, “we’d also be doing if the aim were to overthrow the [Sandinista] regime.”¹²⁶ The massive maneuvers and military installations replete with airfields, roadways, bridges, and medical support facilities — all were in place, said one White House official, so that the United States would “have the necessary means to become heavily involved if we had to.”¹²⁷

When asked if the ‘Big Pine II’ maneuvers were meant to scare the Sandinistas by demonstrating an American resolve to blockade Nicaragua, invade, UN ambassador Jeane Kirkpatrick replied “Maybe. Maybe we’ll remind them of that.” The exercises are “useful to remind them [the Sandinistas] that they do not have a monopoly of force in the region.”¹²⁸ President Reagan himself declined to rule out

¹²⁴(...continued)
1985, A1.

¹²⁵Quoted in George Wilson, “U.S. Urged to Meet Honduran Requests,” Washington Post, 20 June 1983, A1.

¹²⁶Quoted in Lou Cannon, “Maneuvers Part of New Latin Plan,” Washington Post, 22 July 1983, A1.

¹²⁷Quoted in Cannon, “Weighing the Costs of ‘Saving’ Latin America,” A1.

¹²⁸Quoted in George Lardner and Fred Hiatt, “U.S. Envoys Hint At Possible Latin Naval Quarantine,” Washington Post, 25 July 1983, A1. “There is a desire,” as one senior U.S. diplomat added, “to show that U.S. power is not rhetoric.” See Richard Halloran, “U.S. Warships Will Meet Soviet Vessels in Latin Zone,” New York Times, 5 (continued...)

the possibility of an American naval quarantine. “A blockade is a very serious thing,” Reagan said during a news conference, “and I would hope that...that eventuality will not arise.”¹²⁹

While the eventuality of an American invasion or blockade did not in fact arise, the exercises had unintended consequences back in Washington. The House of Representatives had been moving all summer toward a vote on Boland-Zablocki, but with two weeks remaining before the floor vote, the chances of passage were at best uncertain. “We don’t have the votes as of today,” Congressman Zablocki admitted on 14 July, while House Speaker Tip O’Neill (D-Mass) could only predict “a very close vote.”¹³⁰

News of the military maneuvers, however, galvanized the House. Despite President Reagan’s objections — “it would be a very grave mistake if the legislature interfered with what we’re trying to do”¹³¹ — on 28 July the House voted 228-195 to adopt ‘Boland-Zablocki’ and terminate the contra aid program.¹³² “To a certain

¹²⁸(...continued)
August 1983, A3; and Isaacson, “Rolling Out the Big Guns,” 8-11.

¹²⁹Ronald Reagan, “Domestic and Foreign Issues”, Weekly Compilation of Presidential Documents 19, no. 29 (25 July 1983): 1033.

¹³⁰Quoted in Joanne Omang and Don Oberdorfer, “Reagan-Hill Compromise on Nicaragua Seen as Unlikely,” Washington Post, 15 July 1983, A1.

¹³¹Ronald Reagan, “The President’s News Conference of July 26, 1983,” Weekly Compilation of Presidential Documents 19, no. 30 (1 August 1983): 1055.

¹³²Though highly-charged, the House debate did not lack amusement. On one occasion, Congressman Jim Wright (D-Tex) proposed the following train wreck: “I offer an amendment to the amendment, as amended, as a substitute for the amendment, as amended.” See *Congressional Record* 129, Part 16, 98th Congress, 1st Session (28 July-3 August 1983): 21457.

extent,” Congressman Stephen Solarz (D-NY) explained, “in the process of scaring the Sandinistas, the president scared Congress.”¹³³ Secretary of State Shultz agreed with that assessment, writing that “the extended maneuvers had greatly upset members of Congress and damaged the administration’s cause....The news of Big Pine II caused the worst legislative defeat of the Reagan administration to that date.”¹³⁴

THE SENATE SIDE

When the Democratic-controlled House had voted to terminate the contra program, the administration turned its attention to the Republican-controlled Senate. Though the Senate confines were certainly friendlier in a partisan sense, the calculus of the House defeat meant that Casey and the irreconcilables had to be much more accommodating to Senate concerns. “For all his tough talk, Casey was now forced to back off,” as Bob Gates wrote. “His ‘roll ‘em’ strategy had failed. Now he had to deal.”¹³⁵

Fortunately for Casey, the chairman of the Senate Intelligence Committee — Barry Goldwater (R-AZ) — dealt him a playable hand. The Senate Committee had voted on 6 May to provide additional contra funding to the White House, but only if

¹³³Quoted in Steven Roberts, “Vote on Aid Cut-Off: A House Divided and Confused,” *New York Times*, 30 July 1983, A3. “The timing of events this week certainly didn’t help,” Congressman Trent Lott (R-La) told Shultz. See Shultz, *Turmoil and Triumph*, 311. Also see similar expressions quoted in John Felton, “House Quashes Covert Nicaragua Aid,” *Congressional Quarterly Weekly Report* 41, no. 30 (30 July 1983): 1536.

¹³⁴Shultz, *Turmoil and Triumph*, 311. “News of the July military exercises touched off a tremendous furor in Congress,” Bob Gates recalled. “The net result was” the aid termination by the House. See Gates, *From the Shadows*, 297. “It was one of those fiascos because we immediately lost the vote on the contras, which was devastating to us,” Craig Johnstone also noted. Quoted in Gutman, *Banana Diplomacy*, 147.

¹³⁵Gates, *From the Shadows*, 300. See also Woodward, *Veil*, 252.

the administration provided a new Presidential Finding that would clarify its actions and objectives beyond the original rationale of arms interdiction.¹³⁶ “We’d all like to know a little more clearly just what it is he intends to do down there,” Goldwater said. The president needed to explain “what are we doing in Nicaragua.”¹³⁷ Ranking minority committee member Sen. Daniel Patrick Moynihan expressed concerns over “the seeming lack of coordination between it [the contra program] and our diplomatic initiatives”, and he echoed Goldwater’s insistence that “the administration articulate in a clear and coherent fashion its policy objectives in a new Presidential Finding” before the end of the fiscal year on 30 September that would meet with the committee’s approval.¹³⁸

According to Bob Gates, “Casey’s and the administration’s strategy through the summer and fall was to come up with a finding and program that could gain the support of a majority on the Senate Intelligence Committee.”¹³⁹ On 3 August Casey returned to the committee with a draft Finding that asked for an increase in contra support and suggested that the administration sought a change in the Nicaraguan

¹³⁶Felton, “Central America Policy Compromise Elusive,” 873.

¹³⁷Quoted in Hume, “Capitol Hill Mood Shifts on Latin Aid,” A1. See also Patrick Tyler, “Senate Panel Compromises on Nicaragua,” *Washington Post*, 7 May 1983, A1; and Woodward, *Veil*, 252.

¹³⁸*Congressional Record* 129, Part 22, 98th Congress, 1st Session (2 November-9 November 1983): 30620. See also Woodward, *Veil*, 252.

¹³⁹Gates, *From the Shadows*, 300.

government.¹⁴⁰ The committee rejected this Finding as “much too broad and ambitious,” according to Moynihan, and Casey was forced to try again.¹⁴¹

A “deferential” DCI Casey understood this was “his last chance”¹⁴², and he accepted the committee’s instructions as the only way “to salvage the situation”, according to Duane Clarridge.¹⁴³ Casey returned once again to testify before the committee on 20 September to present the requested revised draft new Presidential Finding.¹⁴⁴ This version was fashioned along the Shultz/Enders line, asking for \$50 million for the U.S. to

provide support, equipment, and training assistance to Nicaraguan paramilitary resistance groups as a means to induce the Sandinistas and Cubans and their allies to cease their support for insurgencies in the region; to hamper Cuban/Nicaraguan arms trafficking; to divert Nicaragua’s resources and energies from support to Central American guerrilla movements; and to bring the Sandinistas into meaningful negotiations.¹⁴⁵

¹⁴⁰*Congressional Record*, 129, Part 22, 30621. “Our policy is to support the democratic forces,” Casey had told Sen. Gary Hart (D-CO). “We want them to retake the country if we can’t force the Sandinistas to moderate.” Quoted in Woodward, *Veil*, 275.

¹⁴¹*Ibid*; and *Report of the Select Committee on Intelligence*, Report 98-665, 6.

¹⁴²Woodward, *Veil*, 252.

¹⁴³Clarridge, *A Spy for All Seasons*, 240.

¹⁴⁴*Congressional Record* 129, Part 22, 30621. The Senate Intelligence Committee’s report said that the Finding “was responsive to the concerns the Committee had previously raised.” See *Report of the Select Committee on Intelligence*, Report 98-665, 6.

¹⁴⁵The White House, *Presidential Finding on Covert Operations in Nicaragua*, 19 September 1983, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 2, 1158.

Casey testified to the Committee that under the new Finding the CIA would reduce its presence and involvement in the Nicaraguan conflict. "The new Finding no longer expressly authorizes us to conduct paramilitary operations — but rather to provide support to Nicaraguan paramilitary resistance groups. This reflects that we have less of a leadership role and more of a passive role."¹⁴⁶

To reinforce this image further, Casey brought along Secretary of State George Shultz to convey an image of moderation and imply that the contra program sought only to augment, not supplant, U.S. diplomatic efforts.¹⁴⁷

On this occasion Casey was largely successful, as the committee on 22 September voted 13-2 to approve \$19 million in contra aid for the first half of FY 1984, and also authorized the CIA to spend an additional \$10 million in funds remaining from the FY 1983 budget for a total of \$29 million.¹⁴⁸ Moreover, the Senate plan allowed the CIA to use monies from its \$50 million contingency fund once the \$29 million ran out, unless both intelligence committees objected.¹⁴⁹ Chief critic Moynihan pronounced the new Finding as "more precise and much more limited" in scope and nature.¹⁵⁰ The presence of Secretary Shultz led others to

¹⁴⁶Quoted in Gates, *From the Shadows*, 301. According to Bob Woodward, Casey in fact had no intention of easing back the CIA's operational role in the contra program. He was "delighted" that the Finding had been approved, and believed that "the committee had been rolled." See Woodward, *Veil*, 252.

¹⁴⁷Woodward, *Veil*, 276.

¹⁴⁸John Felton, "Central America Returns to the Agenda," *Congressional Quarterly Weekly Report* 41, no. 41 (15 October 1983): 2138.

¹⁴⁹John Felton, "White House Gets Better Half Of a Covert Aid Compromise," *Congressional Quarterly Weekly Report* 41, no. 47 (26 November 1983): 2487.

¹⁵⁰*Congressional Record*, 129, Part 22, 30621.

conclude that the administration's policy "was much more sensible than in the past. It looked as if it had some coherence and practicality."¹⁵¹ On 3 November the Senate by voice-vote approved FY 1984 intelligence authorization bill containing the Senate Intelligence Committee's deal with the administration.

Meanwhile, a frustrated House, angered by the Senate's refusal to take up the free-standing Boland-Zablocki legislation, affixed the provision to its versions both of the intelligence authorization and defense appropriation bills.¹⁵² These votes, combined with that of 28 July, meant that for the third time in three months the entire House of Representatives had voted to terminate the contra aid program. Additionally, because neither Senate versions of these bills contained the Boland-Zablocki amendment, the House maneuvers forced the Senate to consider terminating the contra program in the now-necessary House-Senate conference committee.

In the end, House and Senate conferees on 17 November compromised on the defense appropriations bill to provide a resolute maximum of \$24 million in assistance to the contras; the administration could not reprogram or tap into contingency funds beyond that amount.¹⁵³ At the then-current rate of expenditure, the program would exhaust the authorized amount by June 1984, at which time the

¹⁵¹Quoted in "More Aid to Nicaraguan Rebels Backed," *New York Times*, 21 September 1983, in *Congressional Record*, 129, Part 22, 30621.

¹⁵²The House on 20 October attached the amendment to the intelligence authorization bill by a 227-194 vote. On 2 November the House approved by a 328-97 margin the FY 1984 defense appropriations bill with an amendment banning all support to the contras but absent the \$50 million in overt assistance.

¹⁵³John Felton, "Congress Approves Measure To Aid Nicaraguan Guerrillas," *Congressional Quarterly Weekly Report* 41, no. 46 (19 November 1983): 2411.

administration would have to seek additional sums from Capitol Hill or close down the operation.¹⁵⁴

AN UPSWING FOR NEGOTIATIONS?

After a tense spring and summer in which the dominance of the irreconcilables was palpable, a series of events both in and out of Washington throughout the latter half of 1983 appeared to augur well for a negotiated settlement of the Nicaraguan issue. On 6 September George Shultz presented a top secret memorandum to President Reagan “discuss[ing] U.S. objectives and prospects for advancing them through regional negotiations.” Shultz attempted to persuade the president that a diplomatic solution did not require or even imply an American withdrawal from the region or an abandonment of the contras. “To attain these objectives

will require sustained U.S. efforts for some years. Any negotiated regional agreement could of necessity be only part of a process involving the continuing application of U.S. resolve and resources over time.¹⁵⁵

With secured contra funding, “negotiations can proceed at a measured pace with the U.S. in the background,” Shultz wrote.¹⁵⁶ In short, Shultz tried to convince the president that a diplomatic solution need not be feared.

At the same time, the prospects for a regional negotiated settlement received a boost with the ‘Document of Objectives’ presented by the *Contadora* group. The

¹⁵⁴Felton, “White House Gets Better Half Of a Covert Aid Compromise,” 2486.

¹⁵⁵Department of State, Memorandum for the President, From George P. Shultz, Subject: *Central America Dialogue: Status and Prospects*, 6 September 1983, in *Iran-Contra Hearings* Vol. 100-9, 465-8.

¹⁵⁶*Ibid.*

Contadora group was the united effort of the foreign ministers from Mexico, Venezuela, Colombia, and Panama to obtain a diplomatic resolution to the Central American crisis. Secretary of State Shultz was admittedly skeptical of the group's potential for success, but nonetheless supportive because "the Contadora process kept alive the possibility of a negotiated outcome."¹⁵⁷ Casey and the irreconcilables, on the other hand, remained staunchly opposed.¹⁵⁸

Working together since January 1983¹⁵⁹, the Contadora group on 9 September produced twenty-one points that it hoped would provide the basis for negotiations.¹⁶⁰ The points covered four main topics: demilitarization, nonintervention, self-determination, and democratization. In reference to Nicaragua, the document appeared to meet the administration's objectives by banning Soviet/Cuban military bases, halting arms trafficking to El Salvador, expelling FMLN forces from Nicaragua, and requiring Managua to democratize its political structures and

¹⁵⁷Shultz, *Turmoil and Triumph*, 402.

¹⁵⁸Gates, *From the Shadows*, 302-3; Menges, *Inside the National Security Council*, 132-4.

¹⁵⁹Contadora took its name from the Panamanian island on which they first met on 8-9 January 1983. See "Information Bulletin issued in Contadora Island, Republic of Panama, on January 9, 1983," in Bagley et al., 164-6. For more on the Contadora efforts, see Terry Karl, "Mexico, Venezuela and the Contadora Initiative," in *Confronting Revolution*, ed. Morris Blachman, et al., 271-94.

¹⁶⁰See "Document of Objectives," in *Contadora and the Central American Peace Process*, ed. Bagley, et al., 176-80.

processes.¹⁶¹ In late September Nicaragua announced that it had ratified the document and its principles.¹⁶²

Meanwhile, in Washington, one of the leading irreconcilables — NSC advisor William Clark — abruptly resigned his post on 13 October and was named Secretary of the Interior. The tense struggle to replace Clark in such a critical position brought the negotiators and irreconcilables into open warfare when it appeared President Reagan had settled on moderate (and then-Chief of Staff) Jim Baker for the job.¹⁶³ Casey, Weinberger, and the irreconcilables immediately objected and put forward UN ambassador Jeane Kirkpatrick as their preferred candidate. In the end, both factions effectively blocked the other camps' nominee, and on 17 October President Reagan split the difference by giving the post to then-deputy national security adviser Robert 'Bud' McFarlane.¹⁶⁴ Though personally loyal to Clark, McFarlane was seen by Casey, Menges and other irreconcilables as effectively a member of the negotiator camp.¹⁶⁵ Casey complained that McFarlane was a "perceived moderate" whose

¹⁶¹Ibid.

¹⁶²See "Letter from *Comandante* Daniel Ortega Saavedra to the Presidents of Mexico, Venezuela, Colombia and Panama, dated 26 September 1983," in *ibid.*, 59-60.

¹⁶³Baker had no use for the irreconcilables, fearing "that the crazies want to get us into war [with Nicaragua]....we cannot get this economic recovery program going if we get involved in a land war in Central America." Quoted in Cannon, *Role of a Lifetime*, 382. Instead, Baker was decidedly in the negotiators' camp. "I'm on your side," he told Shultz. Quoted in Shultz, *Turmoil and Triumph*, 423.

¹⁶⁴See accounts in Woodward, *Veil*, 283-5; Cannon, *Role of a Lifetime*, 429-35; Persico, *Casey*, 350-2; Reagan, *An American Life*, 448; Shultz, *Turmoil and Triumph*, 319-21; McFarlane, *Special Trust*, 254-60; Menges, *Inside the National Security Council*, 61-2; and Hedrick Smith, *The Power Game*, 318-21.

¹⁶⁵Menges later wrote that "the NSC system worked reasonably well on behalf of
(continued...)

appointment “sends [the] wrong signal to [Capitol] Hill and Moscow.” The move would “be perceived as putting foreign policy in [the] hands of [the] State Department [and] cause [a] loss of confidence and anguish among conservatives.”¹⁶⁶ In the zero-sum climate of the White House, McFarlane’s appointment was, therefore, a ‘victory’ for the negotiators.

The following month Managua further presented four draft treaty proposals in accordance with Contadora’s twenty-one points. The draft treaties dealt solely with security issues, seeking to resolve disputes between Nicaragua and the U.S., between Nicaragua and Honduras, within El Salvador, and on the isthmus itself. The Sandinista leadership emphasized, however, that “these documents, which cover the issue of security alone, do not pretend to exhaust all the possible agreements that could emerge from the documents of Contadora.”¹⁶⁷

Nicaragua had taken the first of the four main points from Contadora — demilitarization — and thereby deliberately left off negotiations on the other three, including democratization, at least temporarily. The State Department’s response was firm: all four issue areas had to be pursued simultaneously. “In return, but only after

¹⁶⁵(...continued)

the president under Bill Clark; only when McFarlane took over did the process begin to tilt toward Shultz.” After watching the negotiators run down Clark, Menges claimed, McFarlane “seemed to become afraid to stand up to Shultz and Shultz’s White allies Deaver and Jim Baker....McFarlane had to stop the State Department from conducting its own foreign policy in Central America....In this McFarlane failed.” See Menges, *Inside the National Security Council*, 337-8, 345.

¹⁶⁶Quoted in Persico, *Casey*, 350. “I was not too happy with McFarlane’s appointment,” Constantine Menges wrote, because “McFarlane had always followed the State Department approach.” See Menges, *Inside the National Security Council*, 62.

¹⁶⁷Quoted in Patrick Tyler, “Sandinistas Propose 4 Security Accords to U.S.,” *Washington Post*, 21 October 1983, A1.

the four steps were agreed upon and irretrievably in the process of being implemented, the United States would end its support of the contras.”¹⁶⁸ Despite the loggerheads, however, Contadora did provide the two sides a framework for diplomacy.

The diplomatic impetus received an additional boost following the American invasion of Grenada on 24-25 October. The decisive U.S. military effort unnerved Sandinista leaders; they understood that Grenada might well mean, as DCI Casey explained, “that we might strike [next] in Nicaragua....It [Grenada] is a microcosm of Nicaragua.”¹⁶⁹ The DCI’s words were seconded by U.S. Ambassador to Costa Rica Curtis Windsor. “An invasion of Nicaragua is not impossible,” Windsor said, adding that the United States would not accept a Marxist-Leninist government in Central America.¹⁷⁰

Grenada visibly demonstrated to the FSLN regime not only American resolve but also the stark limits of Soviet and even Cuban defense commitments to their revolution. “In a virtual panic,” according to NSC staff official Roger Fontaine, “Managua, among other things, closed down the Salvadoran guerrilla command and

¹⁶⁸Shultz, *Turmoil and Triumph*, 402. See also Joanne Omang, “U.S. Calls Nicaragua Offer Deficient,” *Washington Post*, 22 October 1983, A11.

¹⁶⁹Quoted in Woodward, *Veil*, 295, 298. “The word ‘strike’ was given strong emphasis,” Woodward noted.

¹⁷⁰Quoted in Robert J. McCartney, “Pressure Builds for Concessions by Sandinista Regime,” *Washington Post*, 25 November 1983, A1. Though nominally a State Department employee, Windsor was, in Menges’s words, “a strong supporter of the president’s Central American policy” and “was appalled by State’s proposed plan” to pursue negotiations. See Menges, *Inside the National Security Council*, 125.

control center in Nicaragua and sent most of the FMLN/FDR leadership packing.”¹⁷¹ Nicaragua further announced that it would send home 1,000 Cuban advisers and personnel; relaxed censorship of opposition media outlets, including *La Prensa*; and announced a date for long-awaited national elections, promising to hold them in 1985.¹⁷² “I think,” said Craig Johnstone, chief of the State Department’s Central America desk, “the Nicaraguans were scared to death.”¹⁷³

On 1 December, the Sandinista regime submitted a draft treaty to Contadora which included a commitment to free and regularly-scheduled elections, a freeze on acquiring new armaments, the expulsion of all foreign military advisors, and a willingness to discuss weapons limitations, disarmament, and reduction of troops. It was, according to one State Department official, “the most auspicious and best opportunity” for a diplomatic solution, and Secretary Shultz pressed hard for a deal.¹⁷⁴ “This might be a moment when the Sandinistas could be induced to pull in their horns,” Shultz recalled, and he wrote to NSC advisor Robert McFarlane seeking White House support for a deal. “Nicaragua is increasingly isolated,” Shultz wrote,

¹⁷¹Roger Fontaine, “Choices on Nicaragua,” *Global Affairs* 1, no. 3 (Summer 1983): 113.

¹⁷²Gutman, *Banana Diplomacy*, 171-2.

¹⁷³Quoted in *ibid.*, 172. The Sandinistas were so shaken by the Grenada invasion that Tomás Borge urgently called in U.S. ambassador Anthony Quainton to show him an intricate evacuation plan for American citizens in Managua — involving at least three hotels and several aircraft — in the event of a crisis situation similar to Grenada. There would, therefore, be no need for the U.S. to use its own troops to protect Americans in Nicaragua, Borge said. When word of the Nicaraguan plan reached CIA Director Casey, he became ecstatic. The Sandinistas, he felt, were obviously very worried. See Shultz, *Turmoil and Triumph*, 344; Pastor, *Condemned to Repetition*, 246; and Woodward, *Veil*, 299.

¹⁷⁴Quoted in Gutman, *Banana Diplomacy*, 172.

and, as a result, is attempting to appear more reasonable and/or to signal a desire to reach some form of accommodation....Despite these successes, we have reached a plateau in our policy. New initiatives and decisive and effective action are needed so that current opportunities will not be lost.¹⁷⁵

“We seemed to be on a roll” regarding the possibility of a negotiated settlement with Nicaragua, Shultz concluded.¹⁷⁶

Swayed by the irreconcilables, however, President Reagan was disinclined to pursue a diplomatic channel at this juncture. In summarily dismissing the Sandinista efforts as so much cosmetic propaganda, the president left the impression that he might never be so inclined. “I haven’t believed anything they’ve been saying since they got in charge,” Reagan said when asked his reaction to the Nicaraguan diplomatic gestures, “and you shouldn’t either.”¹⁷⁷ Accordingly, “the State Department’s schema were serially rejected” by the White House, recalled a State official.¹⁷⁸

Instead Reagan and the irreconcilables sought to maximize pressure on Managua. “The Sandinistas are on the ropes,” one administration official explained. Another administration official agreed that “the Sandinistas are clearly feeling the

¹⁷⁵The White House, Memorandum for Robert C. McFarlane, Subject: *Next Steps in Central America*, 20 December 1983, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. I, 87-8.

¹⁷⁶Shultz, *Turmoil and Triumph*, 403-4. “Even if we failed,” Shultz wrote, “and I hoped we would succeed, the demonstration that I was seriously pursuing a diplomatic track was essential if we were to have any hope at all for support from Congress for our Central America policy.” Ibid.

¹⁷⁷Ronald Reagan, “President’s Personal Representative in the Middle East” *Weekly Compilation of Presidential Documents* 19, No. 44 (7 November 1983): 1515.

¹⁷⁸Quoted in Gutman, *Banana Diplomacy*, 186.

heat now. But they could hurt worse.”¹⁷⁹ Now was not the time for diplomacy, but to “keep the pressure on.”¹⁸⁰ The president agreed. “The simple questions are,” he said,

Will we support freedom in this hemisphere or not? Will we defend our vital interests in this hemisphere or not? Will we stop the spread of communism in this hemisphere or not?¹⁸¹

“Communist subversion is not an irreversible tide,” Reagan explained. “We have seen it rolled back...in Grenada....All it takes is the will and resources to get the job done.”¹⁸²

Additionally, the president and the irreconcilables were beginning to adopt an inflexible devotion and commitment to the contras. “Amidst all the turmoil and infighting,” Oliver North wrote, “by 1983 one thing was clear and steadfast: Ronald Reagan’s support for the Nicaraguan resistance.”¹⁸³ Both were to be fateful decisions with portentous consequences.

¹⁷⁹Quoted in Hedrick Smith, “U.S. Policy on Nicaragua: Keep the Pressure On,” *New York Times*, 1 December 1983, A16.

¹⁸⁰Ibid.

¹⁸¹Ronald Reagan, “United States Policy in Central America”, *Weekly Compilation of Presidential Documents* 20, No. 19 (14 May 1984): 681.

¹⁸²Ibid.

¹⁸³North, *Under Fire*, 229.

I myself saw the State Department run seven major attempts to conduct its own Central America policy rather than the president's....Time and time again,....it seemed to me that in State's view Reagan's firmness and realism were merely intransigence and naïveté, and his policy was therefore not to be implemented but circumvented.

NSC staff official Constantine Menges¹

Time and again, I had seen White House and NSC staff members all too ready to take matters into their own hands, usurping power and authority that was not theirs and going off on their own. As one who had blown the whistle more than once, I became in their eyes an obstacle — someone to be eliminated or circumvented.

Secretary of State George Shultz²

POLICY-MAKING AS JIHAD: THE REAGAN ADMINISTRATION AND NICARAGUA, 1984

As matters progressed on the diplomatic front, William Casey and the irreconcilables had been frenetically studying additional avenues to bring down the Nicaraguan regime — increasingly they called for “hardball in Nicaragua,” as Duane Clarridge wrote.³ Director Casey in particular had grown emphatic that the Sandinistas had to go. “I was being exhorted to move things along faster,” Clarridge recalled. “Casey’s constant refrain rang in my ears: ‘Can’t we get some more pressure on these

¹Menges, *Inside the National Security Council*, 95, 104.

²Shultz, *Turmoil and Triumph*, 321.

³Clarridge, *A Spy for All Seasons*, 261.

people?”⁴ According to Bob Gates, despite the multiple covert programs the DCI had launched,

Casey remained detached from them emotionally....But no individual covert action aroused his passion or significantly occupied his thoughts or even his time, save one. For reasons I never fully comprehended, Bill Casey became obsessed with Central America.⁵

In June Casey ordered a full-scale national intelligence estimate (NIE) on the contras' prospects for victory. "I want a paper, a Sandinista vulnerability study," he told the agency's national intelligence officer for Latin America John Horton. "Hell, maybe our contras could knock off Ortega and his guys."⁶ The CIA's draft NIE on the contras, however, "did not provide much good news" for Casey, according to Bob Gates.

The assessment noted the small scale of their activities compared to the insurgents in El Salvador, the need for tangible success soon, their inadequate strength and tactical direction, and the lack of a political strategy. It concluded that the contras had not yet succeeded in capturing or destroying arms shipments from Nicaragua to the guerrillas in El Salvador.⁷

⁴Ibid., 234.

⁵Gates, *From the Shadows*, 242.

⁶Quoted in Persico, *Casey*, 364. Emphasis in original. Persico mistakenly writes that the draft estimate came in August.

⁷Gates, *From the Shadows*, 296.

“We’re just saying that the Sandinistas aren’t going to fall,” Horton told Casey. “The contras aren’t going to beat them. That’s the view of the intelligence community.”⁸

On 25 June Casey presented the draft NIE to President Reagan. “We are losing in Central America,” Casey wrote in a cover note, and he “urged” the strengthening of the contras as well as “taking steps to keep additional Cuban military and security forces out of Nicaragua.”⁹ Down in Honduras, Duane Clarridge also felt a wind of despair. “Mid-1983 was a low point in our Nicaraguan operations,” he later wrote. “There was a lot of frustration in the administration,” Clarridge noted, especially as “Casey’s sense of urgency with respect to the Sandinistas continued to grow.”¹⁰

Spurred by the agency’s dour assessment, Casey felt, according to one senior intelligence analyst, that “if the FDN and Pastora’s people can’t really do the things that hurt, [then] it’s got to be worked out another way.”¹¹ Accordingly, the DCI ordered a large-scale strategy to further increase pressure on Managua. “I want you to look at something else,” he told Horton. “Maybe we can squeeze the bastards a little harder economically.”¹² Since mid-1982, in fact, the administration had been using economic pressure as an additional source of leverage to induce moderation in the

⁸Quoted in Persico, *Casey*, 364. See also Patrick Tyler, “U.S.-Backed Rebels Can’t Win in Nicaragua, CIA Finds,” *Washington Post*, 25 November 1983, A1.

⁹Gates, *From the Shadows*, 296.

¹⁰Clarridge, *A Spy for All Seasons*, 241, 261.

¹¹Quoted in Dickey, *With the Contras*, 258.

¹²Quoted in Persico, *Casey*, 364.

Sandinista regime. In February 1983 the administration had decided to slash Nicaragua's sugar quota — the amount the U.S. guaranteed to purchase at generously preferential rates — by 90 percent.¹³ Following the May announcement of the measure, Nicaraguan officials estimated the move would cost Managua \$54 million annually in badly-needed hard currency.¹⁴

The administration also moved to restrict Managua's access to international loans. Between 1979 and 1982, for example, Nicaragua received 34% of its external financial aid from multilateral development banks (MDBs); by November 1982, however, the Reagan administration had forced the World Bank to freeze all loan applications from Managua. After September 1983, moreover, the Inter-American Development Bank (IDB) never approved another loan to Nicaragua while Reagan was president.¹⁵ In July administration officials announced that the United States would oppose any MDB loans to Nicaragua — virtually tantamount to an absolute veto — until the Sandinistas reformed their “macroeconomic policies”. Another Treasury official was quoted previously as saying that “we had an overall political

¹³The White House, National Security Decision Directive 82, Subject: *U.S. Policy Initiatives to Improve Prospects for [Excised] El Salvador*, 24 February 1983, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 276.

¹⁴Associated Press, “U.S. Cutting Sugar Purchases, Nicaragua Says,” *New York Times*, 10 May 1983, A14; Ronald Reagan, “United States Imports of Sugar From Central America”, *Weekly Compilation of Presidential Documents* 19, No. 19 (16 May 1983): 695.

¹⁵Peter Kornbluh, “Uncle Sam’s Money War Against the Sandinistas,” *Washington Post*, 27 August 1989, C1.

problem with the direction” of Nicaragua.¹⁶ “I can’t see any loan that we would support until there are some fundamental changes in their policy,” said James Connow, Director of Treasury’s Office of Multilateral Banks.¹⁷ A 1 July 1983 Department of the Treasury memorandum explained that “since January of 1982, the United States has opposed five loans to Nicaragua from the World Bank and the IDB.

The number of proposals currently being prepared in the MDB’s include nine from the IDB and three from the World Bank....Assuming there is no change in Nicaragua’s economic policy, Treasury will attempt to persuade the Managements of the Banks not to bring the loans forward, but if that fails we expect to oppose the loans.¹⁸

In a 2 August memorandum, another Treasury official called for direct pressure to be applied to IDB President Antonio Ortíz Mena to halt loans to Nicaragua.

We are recommending that [Under Secretary] Beryl Sprinkel meet with Mr. Ortíz Mena as soon as possible. Dr. Sprinkel should also emphasize to him the importance we attach to avoiding a confrontation with Nicaragua and IDB at this time....We also are concerned about the effects of such a loan on the Congressional appropriation for the new IDB replenishment and, over the long run, continued support in Congress for the institution. [Sprinkel] should request that the Bank continue to hold this loan up but failing that, Beryl should stress that we hope Ortíz Mena can prevent any future loans from coming forward in the foreseeable future.¹⁹

¹⁶Quoted in Clyde Farnsworth, “U.S. Blocks Bank Loan for Nicaraguan Roads,” *New York Times*, 30 June 1983, D1.

¹⁷Quoted in Robert J. McCartney, “U.S. Will Oppose Loans to Nicaragua,” *Washington Post*, 1 July 1983, A1.

¹⁸Department of the Treasury, Memorandum from Acting Assistant Secretary Schotta to Secretary Donald Regan, Subject: *U.S. Votes on Loans to Nicaragua*, 1 July 1983, in National Security Archive, *Nicaragua Collection*, fiche 00138.

¹⁹Department of the Treasury, Memorandum from Assistant Secretary for International Affairs Marc Leland to Secretary Donald Regan, Subject: *IDB Loan to* (continued...)

The irreconcilables claimed credit for inducing these changes at Treasury. “We did help effect their interventions in the IDB and World Bank to not go ahead and lend to Nicaragua,” one NSC official said.²⁰ Despite these measures, however, Casey was unimpressed. “It’s not enough,” he complained to aides. “We gotta stick it to them. Take a look at what a total boycott will do.”²¹

John Horton replied that a trade embargo would accomplish little, as the Sandinistas were certain to find alternative markets. Casey became profane. “What [more] can we do about the economy to make these bastards sweat? We’ve got to do something, goddammit, we’ve got to do something,” he said. Casey wanted “full-scale economic warfare,” according to Bob Woodward. “A next step could put the Sandinistas in a corner; he [Casey] wanted them out.”²² “We gotta punish these sons of bitches, make ‘em hurt,” Casey emphasized.²³

Casey summoned Duane Clarridge to Washington. “Can’t we get some more pressure on these people?” he asked Clarridge over and over.²⁴ The DCI ordered Clarridge to step up the contra war on all fronts, to provide “a harder jolt” to the FSLN regime. “I was being exhorted to move things along faster,” Clarridge

¹⁹(...continued)

Nicaragua, 2 August 1983, in National Security Archive, *Nicaragua Collection*, fiche 00139.

²⁰Quoted in Kornbluh, “Uncle Sam’s Money War,” C1.

²¹Quoted in Persico, *Casey*, 364.

²²Quoted in Woodward, *Veil*, 281-2.

²³Quoted in Persico, *Casey*, 364.

²⁴Clarridge, *A Spy for All Seasons*, 246, 261. It was “Casey’s continual chant,” Clarridge said. *Ibid.*

recalled. "It was time to turn up the heat."²⁵ "Casey wants something that makes news," he told Tony Motley of the DCI's instructions. He wanted the contras to "do the urban bit, [to] get something."²⁶

Moreover, Casey wanted Clarridge and the contras "to begin an offensive against economic targets." Clarridge understood that "the selective destruction of economic targets" could do significant damage to the Sandinistas.²⁷

Countries like Nicaragua, which are dependent on bulk exports and at least a minimum of imports to keep things going, and which have only a single major port — in the case of Nicaragua, Corinto — are particularly vulnerable.²⁸

Consequently, Clarridge ordered that "we should change our strategy and begin attacking selected economic targets."²⁹ At the 8 July NSPG meeting President Reagan had approved an increase in contra forces up to 15,000³⁰, as well as an escalation of paramilitary activities — "Bill and the CIA are doing the right thing",

²⁵Ibid., 234, 261, 242.

²⁶Quoted in Woodward, *Veil*, 263. "Casey was anxious," Clarridge wrote, "to step up the program to what he thought would be the next level — guerrilla operations in urban areas....sabotaging targets and even engaging Sandinista forces." Clarridge, *A Spy for All Seasons*, 242.

²⁷Clarridge, *A Spy for All Seasons*, 263-4.

²⁸Ibid.

²⁹Ibid.

³⁰Obderdorfer, "U.S. Latin Policy Reflects A New Sense of Urgency," A1. "What's this about 12,000 men?," a congressman asked Clarridge during testimony. "You never told us there were that many." "You're lucky it's not 14,000," Clarridge retorted. Quoted in Doyle McManus and Robert Toth, "CIA Mining of Harbors 'a Fiasco'," *Los Angeles Times*, 5 March 1985, 1. "I had taken to obtaining NSPG approval for the augmentation of our troop strength," Clarridge wrote, "to show Congress that it was the president, not just Clarridge and Casey, who had a hand in the decision." Clarridge, *A Spy for All Seasons*, 241.

Reagan had said.³¹ Accordingly, Clarridge in July and October urged the contras to step up the intensity and frequency of their attacks.³² “We had to show results,” Clarridge later wrote of the pressures placed on him by Casey. The contras needed “a more substantial presence and more dynamic operations inside Nicaragua.”³³

Contra leaders understood the message. “There is a stage being set up” for some “spectacular” assaults, Adolfo Calero announced. “Everything adds up to the downfall of the Sandinista government. It has to happen, if not by the end of this year, then by the beginning of next year.”³⁴ Contra forces from Calero’s FDN in the north and from Pastora’s ARDE in the south launched new waves of offensives, including Pastora’s capture and holding of the southeastern town of San Juan del Norte for three days in early April 1984.³⁵ Throughout the remainder of 1983 and well into the spring of 1984, the two contra armies launched almost daily assaults on military and economic targets in both southern and northern Nicaragua — attacks which the Sandinistas were proving unable to prevent. Far more dangerously for the FSLN government, however, these attacks were seriously eroding the support of the peasantry in the countryside where the assaults were taking place — an erosion that would likely prove fatal if not arrested.

³¹Quoted in Woodward, *Veil*, 239.

³²Affidavit of Edgar Chamorro, 5 September 1985, 12.

³³Clarridge, *A Spy for All Seasons*, 246, 234. Clarridge referred to this new phase of contra activity as “the William J. Casey Memorial Operation.” See *ibid.*, 262.

³⁴Quoted in Cannon, “Maneuvers Part of New Latin Plan,” A1.

³⁵United States, Department of State, and United States, Department of Defense, *The Challenge to Democracy in Central America* (Washington, D.C.: USGPO, 1986), 38; Gutman, *Banana Diplomacy*, 204.

In October 1983 Clarridge launched what he called “the War of the Pacific” by targeting the port of Corinto, which was “Nicaragua’s only significant commercial harbor,” in his view. “The target was the port’s single, large Dutch-built crane, which was essential for loading and unloading cargo.”³⁶ The attack, led by CIA contract employees dubbed UCLAs (unilaterally controlled Latino assets), demolished the crane and blew up several oil and gasoline storage tanks, triggering tremendous explosions and igniting 3.4 million gallons of fuel. The resultant firestorm prompted the evacuation of the entire town of 25,000 people and raged out of control for two days.³⁷

“By anyone’s definition,” Clarridge wrote, “this was ‘more pressure’...Casey and the White House were pleased.”³⁸ Though pleased, however, Casey and the irreconcilables remained unsatisfied. The DCI continued to press for greater action against Nicaragua. “I increasingly had the feeling that we were racing against time,” Clarridge wrote. “Casey’s pleas to step up pressure took on additional gravity. He wanted more ideas out of all of us in the RIG [Restricted Interagency Group].”³⁹

Clarridge and CIA forces began targeting petroleum facilities, with Clarridge observing that Nicaragua’s oil supply was “one area where the Sandinistas were vulnerable.”⁴⁰ Attacks by CIA UCLAs against mooring facilities at Puerto Sandino,

³⁶Clarridge, *A Spy for All Seasons*, 266.

³⁷Ibid., 265-6. See also Charles E. Babcock, “CIA Directly Oversaw Attack in October on Nicaragua Oil Facility,” *Washington Post*, 18 April 1984, A1.

³⁸Clarridge, *A Spy for All Seasons*, 266.

³⁹Ibid., 268. See also Woodward, *Veil*, 282-3.

⁴⁰Clarridge, *A Spy for All Seasons*, 265. See also affidavit of Edgar Chamorro, 5
(continued...)

in addition to the Corinto raid, however, had little lasting effect. “I’d gone in and shot up the port of Corinto to take out the crane,” Clarridge noted in an interview, “lit the whole town on fire by hitting all the oil tanks, but nothing was really happening in a real sense.”⁴¹ Casey and the White House wanted still more. “Our objective,” a Special Interagency Working Group reported to NSC advisor Robert McFarlane, “should be to bring the Nicaraguan situation to a head in 1984.”⁴² An NSC meeting on 6 January 1984 presided over by President Reagan consequently ordered that the “covert action program should proceed with stepped-up intensity.”⁴³ The NSC meeting resulted in NSDD 124, which concluded that “vital U.S. interests are jeopardized by the continuing crisis in Central America.” NSDD 124 authorized yet another increase in the size of the contra army and requested the administration “[r]eview and recommend such economic sanctions against Nicaragua that are likely to build pressure on the Sandinistas.”⁴⁴

BACKFIRING MINES

⁴⁰(...continued)
September 1985, 14.

⁴¹Quoted in *CIA: Secret Warriors, Part I*. Transcribed by the author.

⁴²Quoted in U.S. Congress, *Report of the Congressional Committees Investigating the Iran-Contra Affair, with Supplemental, Minority and Additional Views*, 100th Congress, 1st Session, (Washington, D.C.: USGPO, November 1987), 36. See also The White House, Memorandum from Robert McFarlane, Subject: *Meeting With the National Security Planning Group*, 6 January 1984, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 1, 93.

⁴³Quoted in U.S. Congress, *Report of the Congressional Committees*, 36.

⁴⁴The White House, National Security Decision Directive 124, Subject: *Central America: Promoting Democracy, Economic Improvement, and Peace*, 7 February 1984, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 383.

To satisfy these demands, Clarridge returned to an old idea: mines. An NSC decision to mine Nicaragua's harbors and ports had actually been tentatively reached in late May 1983 by William Clark and the irreconcilables, only to be arrested by George Shultz, who found the idea "outrageous" and "dumbfounding." Shultz had the plan put on hold until it could be reviewed by President Reagan at a 31 May NSPG meeting, where the president disapproved the mining operation.⁴⁵

"Undaunted and undeterred," as he described himself, Clarridge resurrected the idea later that fall.⁴⁶ The operation was modified so that instead of sinking ships, the mines would cause minimal structural damage but still convey psychological fear and the impression of imminent danger. "The mines had been custom made," ARA Secretary Motley subsequently explained to George Shultz after the operation had been approved in the latter's absence, "designed to create a large bang and to do more damage to the courage of the Lloyds of London underwriters than to the hulls of the ships they struck."⁴⁷ In this way, the irreconcilables hoped to choke off Managua's access to international shipping through excessive insurance costs.⁴⁸ "We should plan to have the FDN notify Lloyd's of London after each insertion of mines

⁴⁵Shultz, *Turmoil and Triumph*, 306-8. See also Gates, *From the Shadows*, 306.

⁴⁶Clarridge, *A Spy for All Seasons*, 269-70; and Gates, *From the Shadows*, 306.

⁴⁷Shultz, *Turmoil and Triumph*, 406. "We called them firecracker mines because they made a lot of noise but would not do much damage," Duane Clarridge wrote. See Clarridge, *A Spy for All Seasons*, 270. It turned out, however, that several ships did in fact sink, causing civilian fatalities, while others sustained significant hull damage. The lethality of the mines, then, was largely a function of the size of the ships striking them.

⁴⁸"The object," Motley explained to Shultz, "was not to sink ships but rather to cause shipping to Nicaragua, especially of petroleum, to carry such high insurance rates that the harbors of Nicaragua would be avoided by the commerce of the world." See Shultz, *Turmoil and Triumph*, 406.

into the Nicaraguan ports,” Clarridge explained. “I fully expected that port traffic would be radically reduced and eventually halted as a result.”⁴⁹

The mining plan was approved by the RIG, which then took it straight to the president for confirmation. Anticipated opposition from Secretary of State Shultz was profanely dismissed by RIG member Oliver North — “[screw] the secretary of state,” he said.⁵⁰ Shultz, however, was in Europe attending a NATO foreign ministers’ conference, and State’s RIG representative ARA Secretary Tony Motley was personally close to Clarridge.⁵¹ With little opposition, President Reagan approved the program over the course of two December 1983 NSPG meetings.⁵² The plan authorized the CIA to assist contra forces in mining several Nicaraguan harbors, though in reality it was the CIA itself which carried out the mission — “the contras had no idea how to do this”, Gates wrote — seeding mines at the ports of Corinto and El Bluff, as well as at the vital oil terminal of Puerto Sandino in January and February of 1984.⁵³

⁴⁹Clarridge, *A Spy for All Seasons*, 270. Once a few mines detonate, Clarridge explained, “Lloyd’s of London pulls the insurance from ships going into Nicaragua and that’s it. They don’t get any oil.” Quoted in Persico, *Casey*, 372.

⁵⁰Quoted in Woodward, *Veil*, 282.

⁵¹See Clarridge, *A Spy for All Seasons*, 240-1.

⁵²Shultz, *Turmoil and Triumph*, 404; Clarridge, *A Spy for All Seasons*, 269-71; Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 234-5; Gates, *From the Shadows*, 306; Woodward, *Veil*, 283; Lou Cannon and Don Oberdorfer, “President Approved ‘Harassment’ Plan,” *Washington Post*, 11 April 1984, A1.

⁵³Gates, *From the Shadows*, 306; Clarridge, *A Spy for All Seasons*, 271-4.

The Sandinistas quickly discovered the mining operation as early as 3 January⁵⁴, prompting the CIA to make rapid adjustments. “On January 5, 1984, at 2:00am,” according to contra leader Edgar Chamorro,

the CIA deputy station chief of Tegucigalpa, the agent I knew as ‘George’, woke me up at my house in Tegucigalpa and handed me a press release in excellent Spanish. I was surprised to read that we — the FDN — were taking credit for having mined several Nicaraguan harbors. ‘George’ told me to rush to our clandestine radio station and read the announcement before the Sandinistas broke the news. The truth is that we played no role in the mining of the harbors.⁵⁵

The decision to conceal the CIA’s involvement and make the mining appear to be exclusively a contra operation would deliver a devastating blow to the administration’s covert program.

Initially, however, the mining operation did not appear to have any negative effect on international shipping to and from Nicaragua. “What mystified me,” Clarridge wrote, “was that the shipping didn’t stop — either the insurers and the international shipping lines didn’t know or they didn’t care.”⁵⁶ “Our intention is to

⁵⁴Radio Sandino, 3 January 1984, in *FBIS-LAM*, 3 January 1984, P18. See also Gutman, *Banana Diplomacy*, 198.

⁵⁵Affidavit of Edgar Chamorro, 5 September 1985, 18-19. Likewise, when CIA assets on 29 February placed mines in Corinto harbor, the administration had Edén Pastora’s ARDE claim credit for the operation. See The White House, Memorandum for Robert C. McFarlane, From Oliver L. North and Constantine Menges, Subject: *Special Activities in Nicaragua*, 2 March 1984, in *The Iran-Contra Scandal*, ed. Kornbluh and Byrne, 18.

⁵⁶Clarridge, *A Spy for All Seasons*, 272. “We assumed a big ripple of news,” said one senior State Department official, that “there would be an element of uncertainty. Deliveries would be stopped for thirty days. [But] nothing like that happened. No one cared. International shippers ignored it. It didn’t affect one shipping line’s schedule. Insurance companies were blasé about it.” Quoted in Gutman, *Banana Diplomacy*, 198. Clarridge in his memoirs claims that the mining operation did affect some countries, but the impact was blunted when political controversy forced the program to shut down.

(continued...)

severely disrupt the flow of shipping essential to Nicaraguan trade during the peak export period,” NSC officials Oliver North and Constantine Menges explained to NSC advisor Robert McFarlane.⁵⁷ Since this was not occurring, they then decided to escalate the program from its original plan of minimal structural damage to the outright sinking of ships. “While we could probably find a way to overtly stop the tanker from loading/departing,” North and Menges wrote to McFarlane,

it is our judgement that destroying the vessel and its cargo will be far more effective in accomplishing our overall goal of applying stringent economic pressure. It is entirely likely that once a ship has been sunk, no insurers will cover ships calling in Nicaragua.⁵⁸

Before that escalation could take place, however, dramatic events on Capitol Hill were to change everything.

“BUREAUCRATIC SUICIDE”⁵⁹

In accordance with existing legislation, William Casey and the CIA briefed the House and Senate intelligence committees on the state of the contra program, including the recently-approved mining operation. “The House intelligence committee was briefed in detail on the mining operation on 31 January”, according to Bob Gates, and again on 27 March, on both occasions by CIA staff who

⁵⁶(...continued)
See *Spy for All Seasons*, 272-5.

⁵⁷The White House, Memorandum for Robert C. McFarlane, From Oliver L. North and Constantine Menges, Subject: *Special Activities in Nicaragua*, 2 March 1984, in *The Iran-Contra Scandal*, ed. Kornbluh and Byrne, 18.

⁵⁸Ibid. The “tanker” targeted by the NSC is excised from the memorandum, but circumstantially it appears to be the Soviet tanker *Lugansk*, which docked at Corinto on 20 March.

⁵⁹Gates, *From the Shadows*, 306.

acknowledged the agency's role in the program.⁶⁰ The House committee expressed its disapproval, but remained powerless to arrest the operation.⁶¹

Conversely, however, the Senate briefings conducted by Casey on 8 March and 13 March were "scant at best", Gates wrote.⁶² Buried in the middle of tediously long testimony marked by Casey's legendary mumbling and monotonal droning was a single sentence inserted in the context of recent contra operations: "Magnetic mines have been placed in the Pacific harbor of Corinto and the Atlantic harbor of El Bluff as well as the oil terminal of Puerto Sandino."⁶³ Casey's testimony firmly implied that the contras — not CIA agents — were mining the harbors.⁶⁴

Meanwhile, on 5 April the Senate voted 76-19 to approve an additional \$21 million in supplemental contra aid for the remainder of fiscal year 1984, and affixed it to pending legislation appropriating emergency food aid for Africa.⁶⁵ The Senate's vote was critical for the administration, as the House version of the food aid bill did not contain contra aid, and as well because the contras were due to run out of money

⁶⁰Ibid., 306; and Philip Taubman, "How Congress was Informed of Mining of Nicaraguan Ports," *New York Times*, 16 April 1984, A1.

⁶¹See Persico, *Casey*, 373

⁶²Gates, *From the Shadows*, 306.

⁶³Ibid. Also see Woodward, *Veil*, 319-23; McFarlane, *Special Trust*, 283; Persico, *Casey*, 373; and Arnson, *Crossroads*, 163-71.

⁶⁴"I have no doubt," Robert McFarlane wrote, that this obfuscation "was hardly accidental on Casey's part....Bill Casey was notoriously contemptuous of Congress and really had no interest in telling it anything more than he had to in order to keep from being locked up." See McFarlane, *Special Trust*, 283.

⁶⁵Robert Rothman, "Senate Democrats Rebuffed; Latin Aid Package Approved," *Congressional Quarterly Weekly Report* 42, no. 14 (7 April 1984): 763.

by June at the latest. The White House had, therefore, made securing additional funding an urgent priority. “Unless an additional \$12M-\$14M is made available,” NSC advisor Robert McFarlane wrote to President Reagan, “the program will have to be drastically curtailed by May or June of this year.”⁶⁶ This was critical, because the **contras**

are the only significant pressure being applied against the regime in Managua. Should this effort collapse for lack of resources, we will have lost our principle instrument for restraining the Sandinistas from exporting their revolution and, in fact, for facilitating a negotiated end to the regional conflict. The international repercussions of this failure in American policy will affect friends and adversaries alike. We must avoid precipitating perceptions of a second ‘Bay of Pigs’ or creating an environment conducive to the collapse of El Salvador or increasing threats to Honduras.⁶⁷

“Our only practical alternative,” McFarlane concluded, “is to approach the Congress with a concerted effort to obtain additional funding for this program, despite the anticipated strong resistance we expect.”⁶⁸

President Reagan agreed with McFarlane’s memorandum that the situation “calls for immediate efforts to obtain sufficient funding to carry on our Nicaraguan democratic opposition program throughout 1984.”⁶⁹ “This must be a matter of highest priority,” Reagan wrote.

⁶⁶The White House, Memorandum for the President, From Robert C. McFarlane, Subject: *Support for the Anti-Sandinista Forces*, 16 February 1984, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 1, 225.

⁶⁷Ibid. Emphasis in original.

⁶⁸Ibid.

⁶⁹The White House, Memorandum for George P. Shultz, Caspar W. Weinberger, William J. Casey, General John W. Vessey, From The President, Subject: *Additional Funding for Nicaraguan Democratic Opposition Forces*, undated, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 1, 226.

Increased resources of \$12M-\$14M for this endeavor are essential to maintain these activities and prevent a major foreign policy reversal. I am determined that this program should continue.⁷⁰

The problem, however, was that “the covert program to aid the contras hung by a political thread,” as Bob Gates observed.

With the House Democratic majority steadfastly against it, the entire program depended on the continued sympathy and support of the Senate Intelligence Committee, and especially its chairman, Barry Goldwater. It would be CIA, not politics or the Senate, that would snap that vital thread in 1984. And it would be done more by inadvertence coupled with political stupidity than by design.⁷¹

On the evening of 5 April, following the affirmative aid vote, Senators discovered for the first time that the CIA, not the contras, had laid the mines, and that President Reagan had long ago approved the plan.⁷² At that point, according to Bob Gates, “all hell broke loose.”⁷³ Barry Goldwater was irate at what he viewed as Casey’s duplicity in obfuscating the agency’s role, and fired off a blistering letter to the DCI, while Daniel Moynihan resigned his committee vice-chairmanship in protest.⁷⁴

⁷⁰“We all must make it clear that this program is essential to U.S. national interests,” Reagan concluded. Ibid.

⁷¹Gates, *From the Shadows*, 303.

⁷²For more detailed versions of this event, see Clarridge, *A Spy for All Seasons*, 274-78; Shultz, *Turmoil and Triumph*, 404-6; Gates, *From the Shadows*, 306-10; Barry Goldwater, *Goldwater* (New York: Doubleday, 1988), 301-8; Woodward, *Veil*, 319-38; Persico, *Casey*, 371-9; Arnsion, *Crossroads*, 163-72; and Gutman, *Banana Diplomacy*, 194-202.

⁷³Gates, *From the Shadows*, 307.

⁷⁴Goldwater was especially incensed because just days earlier, he had vociferously denied allegations that Reagan had approved the CIA’s mining role. “Now I was being held up to ridicule as perhaps a liar and certainly uninformed by my own

(continued...)

Initially Casey and the irreconcilables resisted the Senate charges, insisting that the committee had in fact been briefed on the operation and the CIA's role in it. Unsurprisingly, this explanation — a single sentence in fifty-four pages of testimony on 8 March and in eighty-four pages on 13 March and which implied that the contras were laying the mines — did not quell Senate opposition.⁷⁵ Ultimately, Casey was forced to apologize profusely to the committee, which required him to sign a new set of guidelines committing the CIA to inform the intelligence committee more fully.⁷⁶ He did so, Casey told DDCI John McMahon because “the Nicaraguan operation was on the ropes. I only apologized to save the contras.”⁷⁷

Casey's efforts, however, proved insufficient. “The slender thread that sustained the contra program in Congress had snapped” over the mining fiasco, Bob Gates wrote.⁷⁸ NSC advisor Robert McFarlane agreed, calling the mining issue “the incident that cost us continued support for contra funding.”⁷⁹ The resultant furor

⁷⁴(...continued)
administration,” he wrote. See Goldwater, *Goldwater*, 301, 305.

⁷⁵U.S. Congress, Senate, *Report of the Select Committee on Intelligence*, Report 98-665, 1 January 1983 to 31 December 1984, 7; William Safire, “Firestorm in a Teacup,” *New York Times*, 13 April 1984, A35.

⁷⁶See Woodward, *Veil*, 337-8; Arnson, *Crossroads*, 172; Gates, *From the Shadows*, 307-9; and Persico, *Casey*, 378-9.

⁷⁷Quoted in Persico, *Casey*, 380. Clarridge wrote that “for the sake of the contras Casey ate crow on Capitol Hill.” Clarridge, *A Spy for All Seasons*, 277.

⁷⁸Gates, *From the Shadows*, 308. “Casey formally apologized to the Senate, but it was too late,” Robert McFarlane wrote. “It didn't lessen congressional ire over the episode....Now Congress would refuse to appropriate any additional monies.” McFarlane, *Special Trust*, 284.

⁷⁹McFarlane, *Special Trust*, 284. “The mining episode was a political disaster for
(continued...)

served to galvanize House opponents of contra aid while simultaneously undercutting the bargaining position of the Senate. “For many in Congress,” Oliver North commented, “the mining of the harbors was the last straw.”⁸⁰ The House adamantly refused to compromise with the Senate on any funds for the contras, and on 24 May voted 241-177 to strip out the \$21 million that the Senate had included in the Africa food legislation. “This side of the table is not under any circumstances going to recede” on its opposition, Congressman Edward Boland insisted.⁸¹

The House vote in turn galvanized the irreconcilables to launch a full-court press to salvage the contra program on Capitol Hill despite daunting odds. Secretary of Defense Weinberger argued that “we should make it a major issue with the Congress” — a view seconded by William Casey and Jeane Kirkpatrick. “It is essential that we tell the Congress what will happen if they fail to provide the funding for the anti-Sandinistas,” Casey said. Kirkpatrick agreed, adding that the Democrats in the House “don’t want to accept the responsibility for their votes against this program. I believe we need to make their responsibility in the Congress

⁷⁹(...continued)

the administration,” George Shultz wrote. “Our support for the contras was not immediately cut off despite the sharp congressional reaction. We would pay the price, however, when the fiscal-year authorization came to an end in October 1984.” See Shultz, *Turmoil and Triumph*, 406. See also Wright, *Balance of Power*, 429.

⁸⁰North, *Under Fire*, 236.

⁸¹Quoted in Robert Rothman, “House to Vote Again on Central America Aid,” *Congressional Quarterly Weekly Report* 42, no. 20 (19 May 1984): 1201. “Instead of providing additional money for the resistance,” North wrote, “the House of Representatives gave us a new Boland amendment.” North, *Under Fire*, 236.

clear to the U.S. public. We must require the Democrats to stand up and be counted.”⁸²

Secretary of State Shultz was opposed, arguing that the votes were not there and that a progression of losing confrontations with Congress would undermine the effectiveness of negotiations with Nicaragua. “I did not want to see a series of big administration defeats over contra aid on the Hill....I did not favor continued futile efforts to obtain congressional funding for the contras. That only underlined and contributed to our problem....The highly visible votes of defeat in Congress were giving the Sandinistas the heart to spurn our approaches,” he wrote. “Thinking of the congressional defeats,’ I said, ‘there are times when it is better to have fought and lost, but not all the time’.”⁸³

In the end, President Reagan sided with the irreconcilables. “On the anti-Sandinistas, I am behind an all-out push in Congress,” the president decided. “We must obtain the funds to help these freedom fighters.”⁸⁴ Shultz grudgingly acquiesced to the decision to “keep going at the Congress with a hard-hitting campaign,” as he wrote, but predicted failure. The administration should “not be sanguine about getting it.” “I have an empty feeling in my stomach,” he added, that “the guts of our

⁸²The White House, Minutes, National Security Planning Group Meeting, Subject: *Central America*, 25 June 1984, in *The Iran-Contra Scandal*, ed. Kornbluh and Byrne, 77. See also Shultz, *Turmoil and Triumph*, 413.

⁸³Shultz, *Turmoil and Triumph*, 403, 421, 428. “We don’t have the votes in the House of Representatives to obtain additional funds for the anti-Sandinistas,” Shultz told Reagan. See The White House, Minutes, National Security Planning Group Meeting, 25 June 1984, 71.

⁸⁴The White House, Minutes, National Security Planning Group Meeting, 25 June 1984, 81.

efforts are slipping out. The Nicaragua mining fiasco, I realized, had given the opposition a telling argument to use on swing voters in Congress on the issue of contra aid.”⁸⁵

To counter the lingering effects of the mining incident, the irreconcilables began shaping intelligence reports in ways that did not exactly comport with the data. For example, administration officials publicly issued alarmist proclamations about the “tremendously increased flow of offensive weapons” from the Soviet Union to Nicaragua, though privately acknowledged the opposite.⁸⁶ “The critical factor,” Secretary of Defense Caspar Weinberger argued, was the Soviets’ “constant flow of offensive weaponry” into Nicaragua “which is very harmful to their [sic] neighbors’ security and, incidentally, ultimately to ours.”⁸⁷ Yet a classified U.S. intelligence report prepared around the same time conceded that the Sandinistas’ “overall build-up is primarily defense-oriented, and much of the recent effort has been devoted to improving counterinsurgency capabilities.”⁸⁸

The administration also stressed increases in Sandinista military assistance to the FMLN in El Salvador. Members, however, were unswayed. One congressman

⁸⁵Shultz, *Turmoil and Triumph*, 413-4, 415.

⁸⁶Philip Taubman, “Policy Rift on Nicaragua,” *New York Times*, 12 November 1984, A8.

⁸⁷Quoted in Doyle McManus, “U.S. Studies New Ways to Pressure Nicaragua,” *Los Angeles Times*, 12 November 1984, Part I, 1.

⁸⁸The report is cited in Krauss and Greenberger, “Despite Fears of U.S.,” 1. See also Thomas Walker, “The Armed Forces,” in *Nicaragua: The First Five Years*, ed. Walker, 95.

labeled the testimony “amateurish....To see three mules on a path with boxes on their backs doesn’t confirm Nicaraguan involvement.”⁸⁹ “Don’t ask us about any flood of arms” a State Department official replied when asked to comment on the administration’s claims of massive arms transshipments from Nicaragua to the FMLN. “That comes from some White House speech writer, not from us.”⁹⁰

In the end, the secretary of state’s dour forecast proved accurate, as the House refused to budge on any contra aid whatsoever. By late June the Senate and the administration were forced to concede the matter and abandoned efforts to obtain any additional funding for the contras for the remainder of fiscal year 1984. Instead, contra aid supporters concentrated their efforts on securing financial assistance for fiscal year 1985, only again to fall short. While the Senate approved the administration’s request for \$28 million, the House on 2 August voted 294-118 to approve the ‘Boland II’ amendment, which prohibited any U.S. government entity involved in intelligence activities from aiding the contras.⁹¹ Again, the House remained steely determined to close down the contra program. “We’re not about to agree [to any additional aid],” Congressman Boland explained. “The House voted

⁸⁹Quoted in Robert Greenberger, “Congress skeptics Balk at Nicaragua Evidence,” *Wall Street Journal*. 15 June 1984, 34.

⁹⁰Quoted in LaFaber, *Inevitable Revolutions*, 294.

⁹¹The text of ‘Boland II’ read: “None of the funds appropriated for the Central Intelligence Agency or any other department, agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement or individual.”

four times to stop this war in Nicaragua.”⁹² On 11 October the Senate and the administration caved into the House, and ‘Boland II’ became law.⁹³ As far as most knew, the contra program was now terminated.

THE BATTLE FOR MANZANILLO

The mining episode starkly brought into question the core of the administration’s policy objectives in Nicaragua, exposing the reality that, in fact, the White House remained deeply divided. The furor on Capitol Hill served to enhance the influence of the negotiators while diminishing that of the irreconcilables, and the State Department in particular saw the opportunity to again press its case for a diplomatic solution to the crisis. Secretary of State Shultz and the negotiators had, of course, thought that their fortunes appeared promising in December 1983, only to see their efforts checked by the irreconcilables. This time would be different.

The negotiators worked stealthily throughout much of the winter and spring generating a four-step draft treaty very much like the one discussed in the fall of 1983.⁹⁴ Moreover, Shultz and the negotiators decided not to seek approval for their efforts in formal RIG or NSPG meetings, where Casey, Weinberger and the irreconcilables were likely to shoot it down.⁹⁵ Instead, they secretly enlisted — and

⁹²Quoted in John Felton, “On Foreign Aid, More Stumbling Blocks,” Congressional Quarterly Weekly Report 42, no. 40 (6 October 1984): 2418.

⁹³Quoted in Dale Tate, “Politics Prod Congress to Clear Money Bill,” Congressional Quarterly Weekly Report 42, no. 41 (13 October 1984): 2618.

⁹⁴Shultz, *Turmoil and Triumph*, 402.

⁹⁵George Shultz complained that “the interagency process...worked overtime to do what it did best: block diplomatic activity.” Shultz, *Turmoil and Triumph*, 412. NSC staff official and leading irreconcilable Constantine Menges backhandedly concurred, (continued...)

received — the support of NSC advisor Robert McFarlane, who after the mining event had started to warm to the potential of the diplomatic approach.⁹⁶ McFarlane worked to keep news of State's pending initiative secret from his NSC staff, which was dominated by irreconcilables, most notably Oliver North and Constantine Menges.⁹⁷

Finally, on the occasion of Mexican President Miguel de la Madrid's mid-May visit to Washington, Shultz suggested to President Reagan that Shultz travel to Managua for a face-to-face meeting with Nicaraguan leader Daniel Ortega in order "to break the negotiating logjam." Shultz proposed stopping over in Managua on 1 June, following his attendance at El Salvadoran President José Napoleon Duarte's 31

⁹⁵(...continued)

writing that "at these subcabinet Restricted Interagency Group meetings chaired by State there were many issues where it was Defense, CIA, NSC staff versus State — just like at the NSC meetings chaired by the president. The solution for State was obvious — avoid, delay, or end-run such meetings." In this particular instance, Menges complained, "this major change in policy had occurred without an NSC meeting where the president would most likely have heard Casey, Kirkpatrick, and Weinberger state the case against this unilateral initiative." Menges, *Inside the National Security Council*, 116-7, 123.

⁹⁶While McFarlane had opposed the 1981 Enders approach, this time he backed Shultz's effort because he thought this plan had "teeth" and required a "much more demanding standard of performance by the Sandinistas, arrangements that would give some confidence that terms would be adhered to." Quoted in Gutman, *Banana Diplomacy*, 210. According to Menges, by this time, "McFarlane was effectively tilting control of Latin America policy to the State Department." Menges, *Inside the National Security Council*, 116.

⁹⁷"Shultz couldn't have pulled this off without the acquiescence of the NSC adviser, Robert McFarlane, whose job it was to make sure that President Reagan was fully informed and not preempted by any part of the government," Menges wrote. He learned of Shultz's visit to Managua only on the day that it happened. "This was a complete surprise," he said, adding that he was "floored" by the news. Menges, *Inside the National Security Council*, 95, 123. Emphasis in original.

May inauguration. Reagan was noncommittal, saying only that he would think about it. By 29 May, however, Chief of Staff Jim Baker told Shultz that Reagan “was warming up to the idea,” and presidential approval would not be long in coming.⁹⁸

The irreconcilables — notably Casey and Weinberger — were “unenthusiastic over the prospect,” according to Shultz, and had reluctantly agreed not to block the stop-over only because Shultz and State misled them as to the true intention of their efforts. ARA Secretary Motley ‘sold’ Casey on the plan by telling the DCI that Shultz’s visit was strictly for domestic consumption without policy substance. “Listen, we’re going to try a public relations stunt,” Motley had promised. The goal was to get contra aid back on track in the Congress by appearing to be seriously pursuing a diplomatic solution. “Don’t get concerned,” Motley assured Casey, this was not going to be a serious effort.⁹⁹

Secretary of Defense Weinberger and UN ambassador Jeane Kirkpatrick received similar briefings, leading the irreconcilables to mistakenly believe that Shultz’s visit would be a one-time event solely for the purpose of reviving the dwindling prospects for contra aid on Capitol Hill. “They could see how such an effort would help us argue to Congress that we were trying to find a negotiated outcome,” Shultz wrote.

That would strengthen our case for contra aid as supplying the pressure needed to help negotiations succeed. But I wanted the reality of a negotiation, not just the appearance....The goal was to develop ideas

⁹⁸Shultz, *Turmoil and Triumph*, 407.

⁹⁹Quoted in Gutman, *Banana Diplomacy*, 210.

and points of agreement that would reinvigorate the Contadora process....This would be a serious negotiating effort on our part.¹⁰⁰

Moreover, Shultz saw his effort as going much further than a one-time photo opportunity. "If the meeting went well," he wrote, "I would suggest follow-on discussions with Harry Shlauderman in the chair on our side."¹⁰¹

In Managua Shultz met with Daniel Ortega at Sandino airport for some two hours. For Shultz, the meeting was "direct and candid" but absent the acrimonious rhetoric that had plagued the August 1981 Enders visit.¹⁰² The meeting, Shultz later cabled to U.S. ambassadors, confirmed "that a negotiated settlement is possible and that practical reasons exist on all sides to reach agreement."¹⁰³ At the close of the session, Shultz and Ortega agreed to engage in a series of further discussions in the Mexican town of Manzanillo between U.S. special envoy Harry Shlauderman and Nicaraguan vice foreign minister Victor Hugo Tinoco.¹⁰⁴ The basis for negotiation would be State's four-point plan.

The irreconcilables were furious at being misled by Shultz and the negotiators, and immediately sought to derail the impending talks. Shultz was "trying to circumvent the NSC decision-making process...to launch major policy changes over the heads — and behind the backs — of the rest of the foreign policy cabinet,"

¹⁰⁰Shultz, *Turmoil and Triumph*, 401, 408, 411.

¹⁰¹Ibid., 408.

¹⁰²"The Sandinistas were on their best behavior," Shultz wrote. See *ibid.*, 410. See also "U.S. Concerns With Nicaragua," *American Foreign Policy Current Documents 1984* (Washington, D.C.: USGPO, 1986), 1076.

¹⁰³Quoted in Gutman, *Banana Diplomacy*, 211.

¹⁰⁴Shultz, *Turmoil and Triumph*, 410-1.

Menges wrote. "This was the fifth attempted end run of the president and had to be stopped."¹⁰⁵ Their first effort occurred during an 18 June RIG meeting involving negotiators Motley and Shlauderman, along with irreconcilables Menges, North, and John Poindexter that was designed to approve State's four-step plan as the basis for negotiations. Shultz called the meeting "bruising" and said that the irreconcilables

wanted to reverse the process I had started in Managua. They sought to write terms of reference for Shlauderman that would cause a breakdown at the very outset of Manzanillo....I told Shlauderman to proceed without regard to their bureaucratic obstructionism.¹⁰⁶

Stymied at the RIG level, "I immediately told Casey, Kirkpatrick, and [Fred] Iklé" about State's "willingness to ignore the NSC process, keep their cabinet colleagues uninformed, and, in effect, manipulate a trusting president," Menges wrote.¹⁰⁷

His counter-efforts proved successful. Casey, Kirkpatrick and Weinberger "were appalled by the incompetence and bad judgement reflected in the State proposal, and they were determined to tell the president why he should reject the

¹⁰⁵Menges, *Inside the National Security Council*, 121, 125. "A frenzy gripped the Reagan administration over this event," Shultz wrote. Shultz, *Turmoil and Triumph*, 415.

¹⁰⁶Shultz, *Turmoil and Triumph*, 412. Menges's version of the meeting does not vary much, except to complain that Motley and Shlauderman purposefully withheld a full draft of the four-step plan. At any rate, "I objected that the proposal conceded too much and lacked provisions for verifying that the Sandinistas would keep their new promises. North agreed with me," he wrote. Menges, *Inside the National Security Council*, 124-5.

¹⁰⁷Menges, *Inside the National Security Council*, 125, 124. In his memoirs, Menges complained that in one-on-one meetings with Reagan, Shultz used a "misleading and one-sided approach in their private discussions. That is probably how in late May 1984 Shultz (with McFarlane going along) got Reagan to endorse the sudden opening of bilateral negotiations with Nicaragua." *Ibid.*, 374.

Shultz proposal and continue with his current policy,” according to Menges.¹⁰⁸ “Everybody was worried,” Jeane Kirkpatrick recalled, that Shultz was “about to definitively compromise something, but we weren’t quite sure what, in the Manzanillo talks. And since he didn’t keep anybody informed, Casey or Cap or anybody, everybody was felt free to develop their own fantasies.”¹⁰⁹ Shultz himself was quite aware of the irreconcilables’ opposition and concerns. “The very idea of a negotiation with Nicaragua unnerved them. They feared I would give away the store.”¹¹⁰

The irreconcilables insisted on a formal NSPG meeting to derail the upcoming Shlauderman-Tinoco talks before they could begin.¹¹¹ On 21 June Defense Secretary Weinberger told Motley “that we would have to ‘reverse the decision’ to hold such talks,” Shultz wrote. Weinberger “now said he ‘would like to recall George’s mission’.” “Nobody likes this negotiation,” DCI Casey likewise told Motley. “I knew,” Shultz wrote, “that almost everybody in the administration was opposed to any discussion or negotiation with Nicaragua....Nobody liked my views at all.”¹¹²

¹⁰⁸Ibid., 127. “I believed,” Menges wrote, “that the stakes were none other than whether the president’s sensible policy would continue or would be unraveled by State’s misguided proposal.” State’s “plan totally contradicted the president’s written policy directives.” Ibid., 125.

¹⁰⁹Quoted in Cannon, *Role of a Lifetime*, 381.

¹¹⁰Shultz, *Turmoil and Triumph*, 417.

¹¹¹Menges, *Inside the National Security Council*, 124-7. “When I got back to Washington from the summit,” Shultz wrote, “Cap Weinberger and Bill Casey were all over me with criticism of my meeting in Managua.” Shultz, *Turmoil and Triumph*, 412.

¹¹²Shultz, *Turmoil and Triumph*, 414-5.

On 25 June the NSPG formally convened to determine the fate of the negotiators' stratagem just hours after Shlauderman and Tinoco began their first meeting in Manzanillo. Constantine Menges, who took the minutes of the meeting, called it "the stormiest I ever attended." At issue, according to Shultz, was "whether to go forward at Manzanillo."¹¹³ NSC advisor Robert McFarlane began the meeting by stating that "the key question we need to consider now is what we believe about the prospects for further talks with Nicaragua; do we believe that Nicaragua wants to come to a reasonable agreement?"¹¹⁴

Shultz passionately argued for the talks to continue unabated. "An essential ingredient in [our] strategy is that we can say, if Nicaragua is halfway reasonable, there could be a regional negotiated solution — one which we support as much as we can...it is essential to our strategy to key everything we do to support for the Contadora regional processes."¹¹⁵

His position, Shultz wrote, was "strenuously opposed by Cap and Bill Casey" who were "opposed to any negotiation [and] wanted it stopped now."¹¹⁶ Weinberger argued that "the Department of Defense objected strongly to the content of the State Department negotiating proposals....[it] is not a negotiating position that the United States should be presenting."¹¹⁷ Weinberger concluded by insisting that "we can't end

¹¹³Ibid., 415; and Menges, *Inside the National Security Council*, 127.

¹¹⁴The White House, Minutes, National Security Planning Group Meeting, 25 June 1984, 70.

¹¹⁵Ibid., 71.

¹¹⁶Shultz, *Turmoil and Triumph*, 415.

¹¹⁷The White House, Minutes, National Security Planning Group Meeting, 25 June (continued...)

up with a negotiation which gets us into a separate bilateral deal with Nicaragua.” He proposed that State’s four-step plan be jettisoned and that Shlauderman be restricted to discussing existing Contadora proposals only.¹¹⁸

Shultz responded by saying “Cap’s characterization of what we are trying to do is inaccurate and unfair....we can keep to the Contadora process as the basis of our talks with the Nicaraguans, but then the U.S. negotiating initiative with Nicaragua is no more” and the talks would collapse. “To continue these negotiations, we must have content.” “I give the chances of a positive negotiation outcome with Nicaragua as two-in-ten,” Shultz estimated, but “if people here are so reluctant, then we can go back and try to abort this whole thing.”¹¹⁹

Weinberger’s objections were seconded by Jeane Kirkpatrick, who complained that the negotiations were taking place in the absence of any contra aid. “In fact,” she argued, “the coincidence of our undertaking this bilateral negotiating effort at the same time as the Congress fails to support funding for the contras is enough to totally unravel our entire position in the region.”¹²⁰

Again, Shultz disagreed on two counts. First, he argued that the contras were not wholly dependent on U.S. aid. “The contras would survive and fight, I felt, with or without congressional aid, so that they could still generate significant pressure on

¹¹⁷(...continued)
1984, 75, 73.

¹¹⁸Ibid.

¹¹⁹Ibid., 77-8.

¹²⁰Ibid., 76.

the Sandinista regime.”¹²¹ Moreover, Shultz questioned whether the contras were truly indispensable to success at Manzanillo. “If Congress withdraws support from the contras, that will hurt our effort, but all is not lost without a contra program,” he said. “Things won’t fall apart. It’s not a catastrophe.” The U.S. had additional implements of leverage, he said. “Our strength could be shown in naval exercises, in intelligence overflights, in the assistance Congress votes for El Salvador, in our determination to stand by our friends....We still have leverage.”¹²²

Shultz pressed for a decision. “From the standpoint of negotiations, we need to get the word to go ahead, or we need to decide on some other approach. Then, we will subvert the whole thing and it will have to abort. I have to get word to Shlauderman.”¹²³

In the end, President Reagan opted for a series of decisions in which both factions could — and did — claim victory, but one which in effect satisfied the ambitions of neither, thereby perpetuating the division.¹²⁴ The maximal objective of the irreconcilables was to scuttle the talks altogether, but on this matter Reagan was not persuaded. “I think there is merit to continuing the current negotiating session

¹²¹Shultz, *Turmoil and Triumph*, 403.

¹²²Ibid., 414-5.

¹²³The White House, Minutes, National Security Planning Group Meeting, 25 June 1984, 72.

¹²⁴“The outcome was very much to my liking,” Shultz wrote. “President Reagan came down on my side.” See Shultz, *Turmoil and Triumph*, 415. “When it [the meeting] ended,” Menges conversely wrote, “Shultz had lost again. The president had held to his policy and rejected the State proposal.” See Menges, *Inside the National Security Council*, 127.

with the Nicaraguans,” the president said. “I just think, now, to back away from [the] talks will also look like a defeat. I don’t think we should quit on it.”¹²⁵

Having extended approval for the continuation of negotiations, however, Reagan made it distinctly clear that in his view the meetings were solely for the purpose of generating support for contra aid on Capitol Hill, and not to result in a real diplomatic solution. “It all hangs on support for the anti-Sandinistas,” Reagan told the two warring camps.

How can we get that support in the Congress?...With respect to your differences on negotiating, our participation [in Manzanillo] is important from that standpoint, to get [contra aid] support from Congress....If we are just talking about negotiations with Nicaragua, that is so far-fetched to imagine that a communist government like that would make any reasonable deal with us, but if it is to get Congress to support the anti-Sandinistas, then that can be helpful.¹²⁶

Negotiations, Reagan said, could only be expected to serve this purpose. “I can’t imagine that Nicaragua would offer anything reasonable in a bilateral treaty.”¹²⁷

Furthermore, Reagan appeared to back away from using State’s four-step proposal as the basis for the meetings. “We should see these talks as only an adjunct to the Contadora,” he said. “Without aborting anything, we do want to keep getting a good Contadora treaty as the focus of our negotiating process.....What we are doing

¹²⁵The White House, Minutes, National Security Planning Group Meeting, 25 June 1984, 78, 81.

¹²⁶Ibid., 75.

¹²⁷Ibid., 81.

with the Nicaraguans is that our special ambassador is there to help the Contadora process along.”¹²⁸

The stark ambiguity of this final point ensured that the matter remained far from decided. For Shultz, Reagan in the NSPG “called for us to affirm the four goals I had summarized to Ortega” and that Shlauderman was preparing to present in greater detail in Manzanillo. For Menges, however, the result of the NSPG meeting was that “Shlauderman was ordered not to give the Sandinistas the new State plan.”¹²⁹ The irreconcilables had Reagan sign a NSDD immediately after the meeting “that appeared to prevent us from pursuing diplomatic steps and ran counter to what the president had said in the meeting,” according to Shultz. The irreconcilables, he claimed, were “trying to argue that the NSPG had concluded that Shlauderman could put forward no substantive position to the Nicaraguans.”¹³⁰

Shultz ignored the irreconcilables’ claim — “what I regarded as a deliberate recasting of the president’s decision at the meeting” — and ordered Shlauderman to present State’s four-step plan to Tinoco.¹³¹ The irreconcilables were, however, able to mitigate Shlauderman’s presentations with stringent constraints: initially, he was allowed only to discuss summaries of the plan until the NSPG decided whether to

¹²⁸Ibid., 78.

¹²⁹Shultz, *Turmoil and Triumph*, 415; and Menges, *Inside the National Security Council*, 127.

¹³⁰Shultz, *Turmoil and Triumph*, 416. Emphasis in original. See also The White House, President Reagan, Memorandum to George Shultz, Caspar Weinberger, William Casey, Jeane Kirkpatrick, and John Vessey, Subject: *Central America: NSPG Meeting of 25 June 1984*, 25 June 1984, in National Security Council, *Nicaragua Collection*, fiche 00462.

¹³¹Shultz, *Turmoil and Triumph*, 416.

continue the mission. Later Shlauderman was allowed to orally present the plan, but not to provide hard copies to the Sandinistas. Moreover, Menges and others were able to insist that several American concessions be left deliberately vague so as to invite Managua's rejection. It was not until 5 September that Shlauderman received permission to provide draft copies of State's plan to Tinoco.¹³²

Following the first round of talks in Manzanillo, Shultz on 27 June appealed to Reagan for reassurance and support. The secretary of state argued that the "results showed the wisdom of the course we were on.

'Your instincts were right on approving my trip to Managua,' I said to the president, 'and you were right in agreeing that we could not abort after starting this process. We are doing the right thing. This Nicaragua event is a ten-strike', I told him.¹³³

In late June — following his meeting with Shultz — President Reagan chaired another NSPG meeting where "the president announced that he was pleased and enthusiastic about the Shlauderman negotiations," according to Shultz. "The president's support was essential, but I knew that opposition would continue. Nothing ever seemed to get settled."¹³⁴

Shultz's concerns were not mislaid. "Every Manzanillo session tore the cabinet apart," said one U.S. diplomat. "There was a fight about everything," added

¹³²See Gutman, *Banana Diplomacy*, 215-23. "We are in a double negotiation [between you and the irreconcilables]," one U.S. delegation member told his Nicaraguan counterpart. Quoted in *ibid.*, 221.

¹³³Shultz, *Turmoil and Triumph*, 416-7.

¹³⁴*Ibid.* "Well, the president agreed," Harry Shlauderman remarked after one NSPG meeting, "but that doesn't change anything." Quoted in Gutman, *Banana Diplomacy*, 216.

another.¹³⁵ The following month, on 27 July, the irreconcilables again tried to end the Manzanillo talks by removing State's four-step plan from discussion. This time, Jeane Kirkpatrick led the irreconcilables' effort. "Communists win negotiations; they don't honor agreements; we are undermining our friends," as Shultz summarized her argument. "I replied with some vehemence, since I felt we were back to ground zero at every meeting. It was maddening."¹³⁶

Again the president seemingly failed to decisively resolve the dispute. "The meeting was heated and acrimonious, and the outcome was vague," according to Shultz.¹³⁷ As Menges recalled, however, Reagan was "emphatic" and "when the meeting ended, there was no doubt that he wanted to continue with his policy." This decision "sharply displeased" Shultz, and he took his ire out on Caspar Weinberger.¹³⁸ "If you can't support negotiations in Central America as the president ordered, you should leave the administration." The secretary of defense replied that "if you can't obey the president on the objectives of those negotiations, you're the one who should go."¹³⁹ According to Shultz, however, following the meeting "I checked privately

¹³⁵Quoted in Gutman, *Banana Diplomacy*, 216.

¹³⁶Shultz, *Turmoil and Triumph*, 419.

¹³⁷Ibid. On this point Menges fully agreed with Shultz: "The debate was tense and heated," he wrote. Menges, *Inside the National Security Council*, 129.

¹³⁸Menges, *Inside the National Security Council*, 129, 93.

¹³⁹Quoted in *ibid.*, 93-4. Emphases in original. Menges wrote that Shultz "rumbled angrily," while Weinberger responded "with suppressed indignation." "This encounter," Menges observed, "reflected the intensity of the inside struggle over U.S. policy in Central America." *Ibid.*

with the president and kept going” with the four-step approach at Manzanillo, efforts that did not go unnoticed by the irreconcilables.¹⁴⁰

Contadora II

Meanwhile, the Contadora states continued to build and expand upon their September 1983 ‘twenty-one points’ proposal. On 6 June, the four member-states announced that they had created a draft treaty providing a regional settlement for Central America, and a revised version was formally submitted to the Central American governments and the U.S. on 7 September.¹⁴¹

News of the draft Contadora treaty once again split the already-divided administration. Secretary Shultz termed the treaty “most unsatisfactory” in its present form, but nonetheless believed it showed promise and “in my view required critical, but easily identifiable, changes.”¹⁴² “We were trying to pull the Nicaraguans into such a regional settlement from the bottom up,” he wrote. Contadora, on the other hand, “tried to create a settlement from the top down.” Though the directions differed, the objective of reaching a regional settlement remained the same. “I felt

¹⁴⁰Shultz, *Turmoil and Triumph*, 419; and Menges, *Inside the National Security Council*, 141.

¹⁴¹*Contadora Act for Peace and Cooperation in Central America (Revised Version)*, 7 September 1984, Panama, in *Contradora and the Central American Peace Process*, ed. Bagley et al., 188-217.

¹⁴²Shultz, *Turmoil and Triumph*, 422. Shultz wrote European Community foreign ministers that “from our perspective this document presents many positive elements....we consider the Contadora draft an important step forward.” Quoted in Ryan, *U.S.-Sandinista Diplomatic Relations*, 78.

that the United States should support the work under way to strengthen the treaty and make it a sound document,” Shultz concluded.¹⁴³

Shultz and the negotiators were supportive of Contadora’s draft largely because they saw the Manzanillo talks as dove-tailing into Contadora. “I also felt that the Manzanillo talks could before too long be melded into the Contadora process,” Shultz wrote. Shlauderman was in Manzanillo “working to embed the content of those negotiations into the Contadora process and thereby gain regional acceptance of our four-step summary of the twenty-one points.”¹⁴⁴

For the irreconcilables, however, any Contadora treaty was unacceptable, because they “in effect, guaranteed the power of the communists in Nicaragua,” according to Constantine Menges.¹⁴⁵ The June Contadora treaty “was fatally flawed because though it in no way guaranteed the implementation of democracy in Nicaragua, it did require an end to all U.S. military aid to Central America and the immediate cut off of aid to the contras.” The September version contained “a smattering of cosmetic adjustments that again fell far short of a sound peace agreement.”¹⁴⁶ Contadora, in short, was a “Mexican-Cuban-Nicaraguan ‘false treaty trap’” that could in no way be amended to any degree of satisfaction, though he noted that this was not the view of the State Department.¹⁴⁷

¹⁴³Shultz, *Turmoil and Triumph*, 422.

¹⁴⁴Ibid., 419, 421.

¹⁴⁵Menges, *Inside the National Security Council*, 133.

¹⁴⁶Ibid., 134, 140.

¹⁴⁷Ibid., 133, 140.

The in-fighting over Contadora and Manzanillo continued unabated throughout the summer and fall of 1984. In the view of the State Department's Latin American analysts, "the contras would be able to maintain a minimal level of activity for at least another three months," Shultz wrote.

I wanted to use those months to develop a negotiated settlement in Contadora if at all possible. My Washington opponents knew that well....Bill Casey was wildly upset, and many on the NSC staff were dead set against what we were doing, as was Cap Weinberger.¹⁴⁸

Matters boiled over yet again at a 30 October NSC meeting, at which "Bill Casey, Jeane Kirkpatrick, and Cap Weinberger all said the United States should take no part in a negotiated solution" in Nicaragua, Shultz wrote. "You are out of your minds," the secretary of state countered. "Without negotiations we would face a catastrophe."¹⁴⁹

The irreconcilables instead favored a different tack that would seek the congressional fruits of seeming to be pursuing diplomacy while secretly forgoing that possibility. "Continue active negotiations, but agree on no treaty," deputy national security adviser John Poindexter advised McFarlane in late November. "Withhold true objectives from staffs."¹⁵⁰

"At this point," Shultz nonetheless believed, "I felt that we had regained the diplomatic initiative and had wide support for the kind of settlement that met our

¹⁴⁸Shultz, *Turmoil and Triumph*, 423.

¹⁴⁹*Ibid.*, 423-4.

¹⁵⁰The White House, Memorandum to Bud McFarlane, Note From John Poindexter, Subject: *A Proposal for Resolving Inter-agency Conflict*, 23 November 1984, in *Iran-Contra Hearings*, Vol. 100-8, 414-5.

objectives.”¹⁵¹ The secretary of state’s optimism, however, was misplaced on two fronts. In Washington, the irreconcilables succeeded in blunting the prospects for Contadora. “We have effectively blocked Contadora group efforts to impose a second draft of a revised Contadora Act,” an NSC briefing paper reported. “We have trumped the latest Nicaraguan/Mexican efforts to rush signature of an unsatisfactory Contadora agreement...although the situation remains fluid and requires careful management.”¹⁵²

In Manzanillo, moreover, the hard-fought-for negotiations had started going nowhere fast. On 21 September the Sandinistas had surprised everyone by agreeing to sign the 7 September Contadora treaty with the non-negotiable caveat that it not be altered in any way. Nicaragua had agreed to the treaty without modifications because it knew that in its present form Contadora was unacceptable to Washington. The current version, Manzanillo delegate head Victor Hugo Tinoco told Shlauderman, “as it now stands is unacceptable for you without modifications just as it is for us with modifications.”¹⁵³

At the 25 September meeting between Shlauderman and Tinoco, the U.S. delegation proposed that the 7 September Contadora treaty replace State’s four-step plan as the basis for subsequent negotiations. The Nicaraguans unsurprisingly refused, saying that their acceptance of the treaty was conditioned on the basis of

¹⁵¹Shultz, *Turmoil and Triumph*, 424.

¹⁵²Quoted in Alma Guillermoprieto and David Hoffman, “Document Describes How U.S. ‘Blocked’ A Contadora Treaty,” *Washington Post*, 6 November 1984, A1.

¹⁵³Quoted in Gutman, *Banana Diplomacy*, 261. “Of course,” Tinoco said, “our impression was that it probably would be difficult for the United States to accept that.” *Ibid.*, 229.

non-modification. Moreover, in accepting Contadora, the FSLN delegation said that its position in the Manzanillo talks would be on the basis of the 7 September treaty, the modification of which Managua had insisted was non-negotiable.¹⁵⁴ Shlauderman reported back to Shultz that at this point, the Sandinistas were “just stringing us along.”¹⁵⁵ Shultz agreed with that assessment. “The Nicaraguans were stalling,” he wrote, in large part “because they saw congressional support for the contras on the wane....They were reading the U.S. congressional votes.” As a result, “the seriousness of the Manzanillo negotiations consequently was ebbing,” Shultz wrote.¹⁵⁶

Calling himself “disappointed,” Shultz after an 18 December meeting with Shlauderman reluctantly agreed to end the Manzanillo sessions. He communicated this view to the White House on 4 January 1985.

I could see that under these circumstances the continuation of talks at Manzanillo was no longer productive from our point of view and would likely work to [Nicaragua's] advantage....Any attempt to get money from Congress for the contras in the near future would be fruitless, I realized. As a result, there was no chance that the Sandinistas would negotiate seriously; they didn't need to in the absence of contra funding....As the U.S. ability to array strength against Nicaragua diminished, the prospects for our diplomatic success did so as well. Manzanillo had worked in our favor for a time, but that time had now passed.¹⁵⁷

“On this occasion,” Shultz dryly noted, “I had no problem getting administration unity: Weinberger, Casey, McFarlane and I all agreed that Shaluderman should inform Tinoco that we saw no point in talking further.” After

¹⁵⁴Shultz, *Turmoil and Triumph*, 422; and Gutman, *Banana Diplomacy*, 229-30.

¹⁵⁵Quoted in Gutman, *Banana Diplomacy*, 230.

¹⁵⁶Shultz, *Turmoil and Triumph*, 422-3.

¹⁵⁷*Ibid.*, 426-7.

having fought so hard for the talks in the first place, however, Shultz insisted that the negotiating effort was not being abandoned, but merely postponed. "We weren't ending the talks, but we were suspending them under present circumstances," he argued. "The termination of the talks provided a semicolon, not a period, to the continuing efforts to implement a policy of strength and negotiation in Central America."¹⁵⁸

Finally, the irreconcilables began pushing for additional pressures to be brought to bear on Managua in the absence of contra aid and with little results to show from Manzanillo. They won approval to conduct large-scale Army airborne exercises in Georgia, as well as extensive naval maneuvers off both Nicaraguan coasts, as well as an increase in the number of different military exercises in Honduras.¹⁵⁹ "We shouldn't forget," Secretary of Defense Caspar Weinberger warned, "that the U.S. policy [in Latin America] for many years has been governed by the Monroe Doctrine....The United States is prepared for a number of contingencies that may have to be taken, and we're getting more prepared all the time."¹⁶⁰

On 6 November 1984, as the nation watched President Ronald Reagan secure a landslide re-election over Democratic challenger Walter Mondale, U.S. network stations interrupted their evening election coverage with a dramatic report that a

¹⁵⁸Ibid.

¹⁵⁹Fred Hiatt, "7 Exercises Going On As U.S. Continues Nicaragua Pressure: Managua 'Designs' On Neighbors Seen," *Washington Post*, 14 November 1984, A1.

¹⁶⁰Joel Brinkley, "U.S. Aides Split On Plans to Press The Sandinistas," *New York Times*, 12 November 1984, A1; Philip Taubman, "Policy Rift on Nicaragua," *New York Times*, 12 November 1984, A8.

Soviet ship was steaming at high speed toward Nicaragua laden with a dozen MiG-21 fighters.¹⁶¹ The report was especially vexing for the administration, as both the negotiators and the irreconcilables were of common mind that Nicaragua should be denied such high-performance fighter aircraft.¹⁶² “If they were MiGs, we would take them out,” Secretary of State Shultz wrote. “I was ready to support an immediate strike by the United States against the MiGs should they appear....The Soviets knew I had laid that marker down.”¹⁶³

After a few frenzied days, the report proved false — the Soviet ship had delivered formidable fighter helicopters to Nicaragua, but not the forbidden MiGs.¹⁶⁴ Shultz viewed the episode as the latest of “a now familiar pattern: an alarming early

¹⁶¹See Fred Hiatt, “U.S. Watching Soviet Cargo For Nicaragua,” *Washington Post*, 8 November 1984, A1.

¹⁶²See Woodward, *Veil*, 189. “To have MiGs in Nicaragua,” one Western diplomat in Managua commented, “would be to wave a red rag in the face of the U.S. bull.” A State Department official was more blunt. “The Soviets know that if they put the MiGs in, we’ll take them out.” Another administration official insisted that “to take the aircraft ‘out’ is not a complicated military problem. We would not allow advanced aircraft [in Nicaragua].” See George Wilson, “Jets in Bulgaria Believed Going to Nicaragua,” *Washington Post*, 25 November 1984, A21; Dan Williams, “U.S. Renews Its Warnings on Jets for Nicaragua,” *Los Angeles Times*, 18 August 1984, Part I, 1; Dennis Volman, “Cuba reportedly holds up delivery of Migs for Nicaragua,” *Christian Science Monitor*, 6 July 1984, 7; and Daniel Southerland, “Shultz-Gromyko talks likely to cover MiGs for Nicaragua,” *Christian Science Monitor*, 25 September 1984, 3.

¹⁶³Shultz, *Turmoil and Triumph*, 420, 424. Shultz noted that he laid down a “marker, authorized by the president, that MiGs in Nicaragua were ‘unacceptable’ and an ‘unfriendly act’....Gromyko and I both knew these were strong words in diplomacy....When I told Gromyko that such a development was unacceptable to us, the threat [of military action] was credible: the president had agreed on a plan to take them out. The Soviets, the Cubans, and the Nicaraguans sensed that we meant it. Therefore, the marker worked.” See *ibid.*, 311, 315, 345.

¹⁶⁴Bernard Gwertzman, “Shultz Indicates Soviet Has Denied Shipping Fighters,” *New York Times*, 9 November 1984, A1.

report became increasingly vague and ordinary the more we pressed the CIA for details.” The irreconcilables had effectively manipulated the MiG scare to gain ground on two fronts. First, they saw the issue as advancing their chances for direct military action against the Sandinistas, especially in light of the diminishing contra threat. According to one White House official,

Some of those who want us to adopt a harder line [against Nicaragua] have long wished that MiGs would be delivered because they know that would tilt the policy in their direction. The arrival of MiGs would break the bureaucratic tie ballgame over Nicaragua. The next best thing to the delivery of the MiGs was the possibility that they might arrive any day.¹⁶⁵

Secretary of State Shultz added that the ‘MiG scare’ was a source of encouragement to those in the administration who “welcomed a possible chance to press for an American military move against Nicaragua.” The incident “seemed to offer a hope for bringing on the military action against Nicaragua that the [irreconcilables] desired.”¹⁶⁶

Second, the MiG incident allowed the irreconcilables to eclipse the results of presidential elections in Nicaragua held on 4 November and instead emphasize the strategic perils to U.S. security interests posed by the Soviet-Nicaraguan relationship. Generating the image of a potential military threat from Nicaragua would be

¹⁶⁵Quoted in Philip Taubman, “U.S. Is Said to be Studying Ways to Increase Pressure on Nicaragua: Military Moves Considered,” *New York Times*, 11 November 1984, A1. Other high-ranking administration officials agreed. Noted one: “The right-wing network in this administration,” he noted, “wants to take advantage of the MiG scare [to realign U.S. policy] along much harder lines.” Quoted in Dennis Volman, “U.S. power struggle over Nicaragua,” *Christian Science Monitor*, 15 November 1984, 1.

¹⁶⁶Shultz, *Turmoil and Triumph*, 420, 424-5. Shultz termed the MiG leak “criminal”. “Whoever leaked that material engaged in a criminal act, in my opinion.” Quoted in Philip Taubman, “U.S. Is Said to be Studying Ways to Increase Pressure on Nicaragua,” A1.

invaluable for the administration in securing contra aid from the incoming Congress in the new year. As one official remarked, "if it [the 'MiG scare'] sensitizes the public to the fact that there is a very close relationship between Nicaragua and the Soviet Union, so much the better."¹⁶⁷

ELECTIONS IN NICARAGUA

In December 1983, the Sandinistas had announced that presidential and parliamentary elections would be held the following year. On 21 February 1984, Managua set 4 November as the election date, and the FSLN put forward Daniel Ortega and Sergio Ramírez as its presidential ticket.¹⁶⁸ On 20 July¹⁶⁹, former *junta* member Arturo José Cruz announced his candidacy for the Nicaraguan presidency, running on the opposition coalition *Coordinadora* (Democratic Coordinating Board), an amalgamation of political, business and labor opponents of Sandinistas.¹⁷⁰

Cruz's intended candidacy in the Nicaraguan election immediately enjoined the seemingly relentless struggle between the negotiators and the irreconcilables in Washington. The core question, clearly, was whether the United States should

¹⁶⁷Quoted in Joanne Omang, "Nicaraguan Jet Incident Leaves Mysteries," *Washington Post*, 18 November 1984, A34.

¹⁶⁸*Managua Domestic Service*, 4 December 1983, in *EBIS-LAM*, 5 December 1983, P10; and *ibid.*, 21 February 1984, in *ibid.*, 22 February 1984, P11.

¹⁶⁹In fact, Cruz had been recruited to run by State's Craig Johnstone since March 1984. See Gutman, *Banana Diplomacy*, 233. Irreconcilable official Peter Rodman, then director of policy planning at State, wrote that "Cruz accepted the nomination reluctantly, but at State Department urging." Rodman, *More Precious Than Peace*, 404.

¹⁷⁰*Coordinadora* included the private business coalition COSEP, the Conservative, Social Christian and Social Democratic parties, a splinter element of the Popular Social Christian Party, and two non-FSLN trade unions.

endorse Cruz's efforts or pressure him to withdraw. The divisiveness stemmed from the common belief in both camps that Cruz had virtually no chance to win.

For the negotiators, the ultimate outcome of the election was less important than getting the Sandinistas to hold free and fair elections in the first place.¹⁷¹ The State Department had been seeking a diplomatic resolution of the Nicaraguan issue since the summer of 1981, and a core element of that approach since 1982 had been democratization in Nicaragua. The Sandinistas, however, had consistently and adamantly rejected any negotiation over democratization in their country, which they believed to be a sovereign internal matter not open to discussion with foreign states. As long as democratization remained an essential element of the U.S. approach, a diplomatic resolution was impossible.

The negotiators viewed the 1984 elections, therefore, as an effective way to remove the thorniest impediment to a negotiated settlement between Washington and Managua. If the elections were reasonably free and fair, with viable opposition participation, then the holding of them could be considered as meeting the American requirement for democratization. Open elections with opposition candidacies would remove democratization from the negotiating table and pave the way for progress on the other issues that Nicaragua was willing to discuss. In short, though Nicaraguan democracy remained on the table at Manzanillo and elsewhere, it would be practically addressed through Cruz's candidacy.¹⁷²

¹⁷¹Though an electoral loss was presumed, U.S. ambassador to Nicaragua Harry Bergold nonetheless thought that a Cruz candidacy might "spark something exciting." Quoted in Gutman, *Banana Diplomacy*, 234

¹⁷²See *ibid.*, 215.

The negotiators held “sincere hopes that a fair election, whatever its outcome, would end the crisis – if not by change of regime, then by legitimation of the Sandinista leadership that could be used in Congress to kill the contra program once and for all,” irreconcilable Peter Rodman wrote. “The State Department tended...to want to see the election played out as a test of the Sandinistas’ good faith.”¹⁷³ Toward that objective, “we did everything we could,” Craig Johnstone said, “to support Cruz and get him into the election.”¹⁷⁴

Contrarily, however, the irreconcilables believed that any viable opposition participation in what they saw as fraudulent and rigged elections would have the effect of legitimizing Sandinista rule in Nicaragua. Director of Policy Planning Peter Rodman and other irreconcilable officials “did not trust the Sandinistas to run a really fair contest and feared most of all a stolen Sandinista victory that **appeared** to the world as an authentic popular mandate.”¹⁷⁵ This consequence was seen as especially intolerable, because it would effectively remove the core reason for the contra program. Having dropped the façade of arms interdiction as the principle objective of the contras, the administration had since the September 1983 Presidential Finding been arguing that the contras were the implement necessary to compel the Sandinistas

¹⁷³Rodman, *More Precious Than Peace*, 403. “State probably shared the Congressional Democrats’ hope that a decent outcome would help end the contra program one way or another,” Rodman charged. *Ibid*.

¹⁷⁴Quoted in Philip Taubman, “Key Aides Dispute U.S. Role in Nicaraguan Vote,” *New York Times*, 21 October 1984, A12.

¹⁷⁵Rodman, *More Precious Than Peace*, 403. *Emphasis in original*.

to negotiate with their domestic opposition and their foreign neighbors. The FSLN had consistently offered to engage the latter, but never the former.

As long as Managua refused to discuss democratization and address its domestic opposition, therefore, the administration would always have a persuasive reason for contra support. As well, a negotiated settlement that would preserve FSLN rule in Nicaragua would remain checked. Hence, free and fair elections that solicited and produced viable opposition involvement would undercut contra support, eliminate the program's rationale, and render a diplomatic solution with the Sandinistas possible if not probable — which, of course, was precisely the negotiators' objective.¹⁷⁶

Additionally, viable opposition candidacies in a losing effort would clearly validate the democratic process and thus legitimize Sandinista rule in Nicaragua — a price too high for the irreconcilables. “We cannot afford to legitimize a tyranny,” as Constantine Menges argued.¹⁷⁷ Cruz's candidacy, therefore, was supported by the irreconcilables solely on the expectation that ultimately he would withdraw from the campaign, thereby delegitimizing the elections and discrediting the Sandinista victory. The irreconcilables “never contemplated letting Cruz stay in the race,” said one administration official, “because then the Sandinistas could justifiably claim that the

¹⁷⁶Craig Johnstone, the chief architect of the negotiators' strategy, argued that “the contras would have to go away” in a diplomatic settlement. The elections provided the perfect haven, he thought. “We insisted that they had to go away in the context of being absorbed into the political process.” Quoted in Gutman, *Banana Diplomacy*, 221.

¹⁷⁷Quoted in *ibid.*, 239.

elections were legitimate, making it much harder for the United States to oppose the Nicaraguan government.”¹⁷⁸

It was yet again another bitter struggle between these two factions. “There is a division in the [U.S.] government,” U.S. ambassador to Costa Rica Curtis Windsor — a staunch irreconcilable — told Cruz aide William Baez. “Some people in the State Department are saying you should participate. I represent the views of the White House. My opinion is that it is not appropriate to go.”¹⁷⁹ According to one White House supporter, “it was ARA, with the support of the secretary of state, against the rest of the administration.”¹⁸⁰

In the end, President Reagan sided once more with the irreconcilables. The president said that any elections Managua might hold would be “the rubber stamp that we see in any totalitarian government.”¹⁸¹ “No person committed to democracy,” Reagan said, “will be taken in by a Soviet-style sham election.”¹⁸² Arturo Cruz, therefore, needed to quit the contest before his doomed candidacy wound up legitimizing Sandinista rule in Nicaragua. And, in fact, Cruz did withdraw from the campaign on 1 October.

¹⁷⁸Quoted in Taubman, “Key Aides Dispute U.S. Role in Nicaraguan Vote,” A12.

¹⁷⁹Quoted in Gutman, *Banana Diplomacy*, 244-5.

¹⁸⁰Quoted in *ibid.*, 237. One anonymous diplomatic source said that “the idea of the CIA and White House staff was to avoid participation in the elections.” Quoted in *ibid.*, 232.

¹⁸¹Francis Cline and Steven Weisman, “An Interview with President Reagan on Campaign Questions,” *New York Times*, 29 March 1984, B11.

¹⁸²Ronald Reagan, “Summit Conference of Caribbean Heads of State,” *Weekly Compilation of Presidential Documents* 20, no. 29 (23 July 1984): 1044.

Cruz's decision to abandon the campaign was certainly aided in no small measure by Sandinista intransigence and duplicity. The FSLN was uniformly unenthusiastic about holding the election in the first place, and was thus readily disinclined to fully embrace the concept. "Of course, if we did not have the war situation imposed on us by the United States, the electoral problem would be totally out of place in terms of its usefulness," Bayardo Arce said in a May 1984 speech. "For us, then, the elections, viewed from that perspective, are a nuisance."¹⁸³

Cruz, moreover, had refused to officially register as a candidate until his and *Coordinadora's* demands were met. The FSLN effectively strung Cruz along by extending electoral registration deadlines while suggesting and occasionally providing flexibility on those demands. Ultimately, however, the matter collapsed in last-minute mediation on 30 September, the day before the Sandinistas' 'final' registration deadline of 1 October. At this point, any participation of Cruz required that the 4 November elections be postponed until at least early 1985. The Sandinistas had, however, no intention of postponing the election, and with that Cruz withdrew from the campaign.¹⁸⁴

The results of the 4 November election fell far short of what the Sandinistas sought. The absence of any viable opposition candidates denied Managua the seal of

¹⁸³Arce's speech was secretly tape-recorded and first published in *La Vanguardia*, 31 July 1984. It is reprinted in *The Central American Crisis Reader*, ed. Leiken and Rubin, 289-97. Humberto Ortega opined that the elections were held because "we had the counterrevolution. The elections were a tactical tool, a weapon. They were a bitter pill that had to be swallowed." Quoted in Kagan, *A Twilight Struggle*, 304.

¹⁸⁴See Gutman, *Banana Diplomacy*, 232-55; Kinzer, *Blood of Brothers*, 235-50; Kagan, *A Twilight Struggle*, 318-36; and Ryan, *U.S.-Sandinista Diplomatic Relations*, 88-91.

legitimacy and validation that it desperately coveted. When the results came in, moreover, the FSLN ticket of Daniel Ortega and Sergio Ramírez had won only some sixty-three percent of the vote.¹⁸⁵ The fact that a toothless and token opposition could nonetheless garner one-third of the popular vote against a heavily-stacked electoral deck rudely jolted Sandinista senses. The contra war, the deteriorating economy, and the FSLN's domestic heavy-handedness however, had been primary factors generating such public opposition. Since in their eyes the first was directly responsible for the latter two, the Sandinistas had additional incentive to seek a negotiated end to the conflict before such opposition could pose a serious threat.

In order to accomplish that objective, however, the Sandinistas would have to again deal with the Reagan administration, freshly rejuvenated following a landslide electoral victory of its own.

¹⁸⁵Interior Minister Tomás Borge, the man charged with gauging the degree of internal opposition, loudly boasted that if the Sandinistas won less than seventy percent of the vote, he would “cry in a public plaza.” He did not keep his promise. See Kinzer, *Blood of Brothers*, 247.

And I guess that makes them contras, and so it makes me a contra, too.
President Ronald Reagan¹

You gotta understand; for Reagan, the contras were his boys. I mean, his boys. There's no way he was ever going to let them down.
CIA Division Chief Duane Clarridge²

PAST AS PRELUDE: THE REAGAN ADMINISTRATION AND NICARAGUA, 1985-86

Much of the Reagan administration's policy toward Nicaragua in its second term of office was to be shaped and influenced by events swirling below the surface during its inaugural term, while the bitter internecine wars for control of Nicaragua policy that had marked the first term substantially dissipated. In that respect, therefore, policy discontinuity between Reagan and Carter (and subsequently Bush) was largely invident throughout 1985 and into 1986, insofar as the fundamental distinction between the two administrations concerned U.S. efforts either to moderate or eliminate the Sandinista regime in Managua.

The Carter administration's approach had centered on using the carrot of economic assistance as inducement to moderation and thus acceptance, while the

¹Ronald Reagan, "Aid to the Contras," Weekly Compilation of Presidential Documents 22, no. 11 (17 March 1986): 354.

²Quoted in *CIA: Secret Warriors, Part I*. Transcribed by the author. "Over time, our guerrillas really became his boys," Clarridge wrote of Reagan in his memoirs. "They were never the contras to him; they were always his freedom fighters." Clarridge, *A Spy for All Seasons*, 230.

Reagan administration's negotiators had applied the stick of the contras to achieve the same objective. For the irreconcilables, however, the function of the contras was not to temper the Sandinista government but to overthrow it. In short, it was the existence of U.S. assistance to the contra forces, therefore, which illuminated the fundamental discontinuity between the two presidencies.

For the negotiators, successful diplomatic resolution required the existence of contra funding; Secretary of State George Shultz himself had argued that negotiations with Nicaragua were feckless without the actuality of the paramilitary dimension. Likewise, albeit for divergent purposes, the irreconcilables required a sustained and well-funded contra army. Given that in October 1984 Congress through the Boland II amendment engendered — it was believed — a categorical ban on all U.S. direct and indirect assistance to the contras, policy discontinuity between the administrations would remain largely invisible until such time as the White House — negotiators and irreconcilables alike — could convince the Congress to resurrect the program. In response to Boland II, consequently, the administration adopted concurrent tactical and strategic policies, both short-term and long-term.

In the short-term, the administration — especially the irreconcilables — believed it critical to fashion some way to sustain the contras until it could achieve the longer-term goal of persuading Congress to revive the contra aid program. The effort to ensure short-term support for the contras would become known as 'Project Democracy', while the strategic objective of persuading Congress to again extend U.S. assistance would emerge as an element of the 'Reagan Doctrine.' The shadows of both would eventually stretch across the entirety of President's Reagan's second term of office.

'BODY AND SOUL'

The immediate challenge facing the Reagan administration's Nicaragua policy as it began its second term was a conundrum stemming from the previous term — how to sustain the contras as a fighting force until Congress could be persuaded to restore U.S. assistance. “The president repeatedly made clear in public and in private that he did not intend to break faith with the contras,” Robert McFarlane later testified to Congress. “The president had made clear he wanted a job done....that we assure the contras of continuing administration support — to help them hold body and soul together — until the time when Congress would again agree to support them.”³

Administration concerns over a potential congressional termination of contra funding had in fact existed for well over a year. In fall 1983, following the House of Representatives' initial votes to terminate the program, Robert McFarlane instructed Oliver North to compile a list of possible third-country donors. North's list included the United Kingdom, West Germany, Israel, Taiwan, Saudi Arabia, and Singapore, among others.⁴

No action was taken on the matter until early in the following year, when a Congressional termination of the contra effort appeared increasingly imminent. “You will recall that the Nicaraguan project runs out of funds in mid-May,” DCI William

³Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 5. See also Testimony of Robert McFarlane, *United States v. Oliver L. North* [hereafter *North Trial*] (Washington, D.C.: USGPO, 1993), 2946, 4352; and McFarlane, *Special Trust*, 68. “Keeping the contras alive and kicking was a top priority for the administration,” according to Deputy DCI Bob Gates. See Gates, *From the Shadows*, 313.

⁴North, *Under Fire*, 240.

Casey wrote McFarlane in late March 1984. “In view of possible difficulties in obtaining supplemental appropriations to carry out the Nicaraguan covert action project through the remainder of the year, I am in full agreement that you should explore funding alternatives with the Israelis and perhaps others. I believe your thought of putting one of your staff in touch with the appropriate Israeli official should promptly be pursued.”⁵

Informed of this impending dilemma, President Reagan instructed McFarlane in May to develop some mechanism for sustaining the contras. “We’ve got to find a way to keep doing this, Bud,” the president had said. “I want you to do whatever you have to do to help these people keep body and soul together. Do everything you can.”⁶

While McFarlane sounded out the Israelis and found them disinclined for internal political reasons⁷, his efforts with Saudi Arabia proved more fruitful. In June

⁵Central Intelligence Agency, Memorandum for Robert C. McFarlane, From The Director of Central Intelligence (Casey), Subject: *Supplemental Assistance to Nicaragua Project*, 27 March 1984, in *Iran-Contra Hearings*, Vol. 100-2, 456. A subsequent copy released at the trial of Oliver North identified Israel as the target country. See *North Trial*, 4615-7.

⁶McFarlane, *Special Trust*, 68. “It was this state of affairs,” McFarlane wrote of the Boland passage, “facing off against Ronald Reagan’s deep personal commitment to supporting the freedom fighters in Nicaragua, that led to my appeal to Saudi Arabia — entirely legal at the time — for assistance in backing the contras.” *Ibid.*, 284.

⁷The White House, Memorandum for Howard Teicher, From Robert C. McFarlane, Subject: *Possible Meeting with [Excised]/Help With the Contras*, 20 April 1984, in *Iran-Contra Hearings*, Vol. 100-2, 458. “We will not press them on the question of assistance to the contras,” McFarlane wrote to NSC staff official Howard Teicher. “I am a little disappointed in the outcome but we will not raise it further.” *Ibid.* See also McFarlane, *Special Trust*, 68-9.

1984 — prior to Congressional adoption of Boland II — the national security advisor met with Saudi ambassador to the U.S. Prince Bandar bin Sultan and

made it clear it looked as though we were heading for a defeat regarding Congressional support for the contras, that it was almost inevitable that the administration would fail in getting any support for the contras and, because of that, it would represent a substantial loss for the president....I should stress [that]...in fact it was unmistakable in his [Bandar's] mind that my concern and my view of this impending loss would represent a significant setback for the president.⁸

Two or three days later, Bandar telephoned McFarlane to say that Saudi Arabia would contribute \$1 million a month to the contras beginning in July and continuing until the end of the year — although in fact the amount reached \$8 million and continued through February 1985.⁹ Shortly thereafter, McFarlane informed President Reagan of the Saudi largesse during a routine briefing via a note card so as not to alert the other members. Following the meeting, McFarlane testified, “I was called to come back and pick up the note card which, as I recall, it expressed the president’s satisfaction and pleasure that this had occurred.”¹⁰ Reagan, McFarlane

⁸Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 17. See also McFarlane, *Special Trust*, 69.

⁹Ibid. The \$8 million figure appears in The White House, Memorandum for Robert C. McFarlane, From Oliver L. North, Subject: *FDN Military Operations*, 11 April 1985, in *Iran-Contra Hearings*, Vol. 100-2, 520.

¹⁰Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 18. See also McFarlane, *Special Trust*, 70. Ironically, Reagan himself seemed to rule out seeking third-country assistance a year earlier. In arguing against cutting off funds for the contras, the president said: “Well, except that then the only help that you can give is through other governments, and I don’t think that’s an effective thing to do. And how do you know that the other governments would want to, themselves, then, participate in helping the people that need the help? In other words, we’d be asking some other governments to do what our own Congress has said that we can’t do.” See Ronald Reagan, “Foreign and Domestic Issues,” Weekly Compilation of Presidential Documents 19, no. 18 (9 May 1983): 650.

said, “made it clear to me that no one should [know about it] and let’s keep it that way.”¹¹

By February 1985, however, “the Boland amendment had been in effect since October, and Saudi money for the contras had stopped. The outlook for the movement was truly bleak,” McFarlane wrote.¹² That same month, President Reagan hosted a state visit from Saudi King Fahd ibn Abdul-Aziz. In logistical arrangements prior to the visit, McFarlane again mentioned to Bandar “that one of our problems would remain, as it had been before — the situation in Central America and funding for the contras.” Bandar asked what the administration was planning to do. “Right now,” McFarlane replied, “it looks as if we’re going to have to close down.”¹³

During his visit, Fahd was treated with unusual panoply, afforded for example a meeting with Reagan in the family residence of the White House, “which represents a special level of cachet and singling out for special treatment of a foreign visitor.”¹⁴ During a private meeting with Reagan in the Oval Office, Fahd announced that Saudi Arabia would not only continue funding the contras for the remainder of 1985, but

¹¹Testimony of Robert McFarlane, *North Trial*, 3983. In his memoirs McFarlane writes that “I was called back in to retrieve the note card, which expressed his great pleasure and satisfaction at the development, along with the admonition, ‘Mum’s the word’.” See *Special Trust*, 70.

¹²McFarlane, *Special Trust*, 73.

¹³Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol.100-2, 23; and McFarlane, *Special Trust*, 73-4.

¹⁴Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 23.

would in fact double the amount to \$2 million per month.¹⁵ “I think that’s fine,” Reagan replied.¹⁶

All combined, the Saudi contributions brought some \$32 million for the resistance, although financing the contras was merely part of a much larger dilemma for the administration.¹⁷ Following passage of Boland II, it appeared that irrespective of independent financing, the administration could no longer manage or administer the contra program. As it had with securing external funding, the White House — led by William Casey — began making contingency arrangements. In early 1984, Casey met with Duane Clarridge, Joseph Fernandez (head of CIA’s Latin American task force), Vincent Cannistraro (head of CIA’s Central American task force), and contra leader Adolfo Calero. “Mr. Casey,” according to Cannistraro,

¹⁵Ibid. See also *North Trial*, 4022; and McFarlane, *Special Trust*, 74.

¹⁶Deposition of Ronald Reagan, *United States v. John M. Poindexter* (Washington, D.C.: USGPO, 1993), 75. “And nothing was said about the contra or contra aid until he stood up to leave,” according to Reagan’s version of events. “As he was leaving the Oval Office and I was escorting him to the door, he told me of the contribution that he had been making to the contras. There had been no discussion of that in our meeting until that. He told me that, and his last words were — was that he was going to double it.” Ibid.

¹⁷While Riyadh was far and away the most important contributor, the government of Taiwan also extended an additional two million dollars. See Testimony of Oliver North, *Iran-Contra Hearings*, Vol.100-7, Part 1, 79-80; and Testimony of Gaston J. Sigur, *Iran-Contra Hearings*, Vol. 100-2, 289-93. See also Elaine Sciolino, “Contra Leader Discloses Bank Records,” *New York Times*, 6 March 1987, A18. In July 1984 Casey urged McFarlane to “look at the possibility of private funds being used, but that the Agency would have to stay out of it.” See Central Intelligence Agency, Memorandum For the Record, Subject: *Meeting With Bud McFarlane, Thursday 12 July 1984*, 16 July 1984, in *Iran-Contra Hearings*, Vol. 100-2, 460. Altogether, private contributions reached just over \$12 million, though very little of this actually reached contra forces. See Deposition of Carl R. Channell, in *Iran-Contra Hearings*, Appendix B: Vol. B-4, 680-1.

had wanted to meet with the senior official of the contras in order to explain to him that there was a lot of Congressional sentiment running against continuation of the paramilitary program, that he, Bill Casey, wanted to assure the freedom fighters that the United States Government would find a way to continue its support to the freedom fighters after the 30th of September, 1984, if the Boland Amendment became part of the operational restrictions against the involvement of the CIA.¹⁸

In May, Clarridge flew down to Tegucigalpa to inform the contras directly that while their funds were due to run out, nonetheless “President Reagan will never let you down.”¹⁹ Other administration emissaries carried the same message. “President Reagan”, they informed resistance leaders, “remain[s] committed to removing the Sandinistas from power,” and will “see to it that [the contras] received all the support necessary for that purpose.”²⁰

Such assurances of continued administration support for the contras were reflections of President Reagan’s personal devotion to the sustenance of the contras. “Bill Casey, John Poindexter, Oliver North, and Bud McFarlane knew that I believed that the survival of the contras as a democratic resistance force was essential in Nicaragua,” Ronald Reagan wrote. “I made no secret of that.”²¹ Duane Clarridge explained “that Reagan identified with the contras. They were truly his freedom

¹⁸Testimony of Vincent Cannistraro, *North Trial*, 6405, 6409-10.

¹⁹Clarridge, *A Spy for All Seasons*, 287.

²⁰Quoted in Joel Brinkley, “Nicaraguan Rebel Tells of Killings As Device for Forced Recruitment,” *New York Times*, 12 September 1985, A10.

²¹Reagan, *An American Life*, 542. “They also knew how frustrated I was over my battles with Congress,” Reagan added. *Ibid.*, 486.

fighters. He was committed and I knew he wouldn't let them hang out to dry."²²

Though he had assured the contras of continued American support, Clarridge privately acknowledged that "how he [Reagan] might help them, I had not a clue."²³

Others within the administration, however, did have an idea.

"Within the administration," Oliver North wrote, "there was no doubt that the resistance would continue to be supported. The only question was how."²⁴ The conundrum facing the administration, of course, was that Boland II appeared airtight in its prohibition of any U.S. assistance from "the Central Intelligence Agency or any other department, agency or entity of the United States involved in intelligence activities."

As John Poindexter testified, "the problem was that the Boland amendment did apply to the State Department, it did apply to CIA, and it did apply to the Defense Department."²⁵

²²Clarridge, *A Spy for All Seasons*, 287. Robert McFarlane also noted "Ronald Reagan's deep personal commitment to supporting the freedom fighters in Nicaragua." See McFarlane, *Special Trust*, 284.

²³Clarridge, *A Spy for All Seasons*, 287.

²⁴North, *Under Fire*, 239.

²⁵Testimony of John Poindexter, *Iran-Contra Hearings*, Vol. 100-8, 53.

The White House, however, elected to interpret the restrictions of Boland II as not applying to the National Security Council and its staff.²⁶ “I never believed,” John Poindexter testified,

and I don’t believe today that the Boland Amendment ever applied to the National Security Council staff or to the president’s personal staff...I felt that with the present legislation that we [the NSC] were not covered, that if it had been intended to cover the NSC, it would have said that, or if we were going to cut off all support to the contras, it would have said that. It didn’t say that.²⁷

“The net result,” McFarlane testified, “was that the job fell to the National Security Council staff.”²⁸ Though President Reagan shared and embraced this

²⁶This belief was held despite a 1981 Presidential Executive Order that legally defined the NSC as “the highest Executive Branch entity that provides review of, guidance for and direction to the conduct of all national foreign intelligence, counterintelligence, and special activities, and attendant policies and programs.” See “Executive Order 12333 — United States Intelligence Activities,” 4 December 1981, in *Public Papers of the Presidents, Ronald Reagan, 1981* (Washington, D.C.: USGPO, 1982), 1129.

²⁷Testimony of John Poindexter, *Iran-Contra Hearings*, Vol. 100-8, 53, 61. See similar testimony from Robert McFarlane, *ibid.*, Vol. 100-2, 5. “I have always felt,” Poindexter also testified, “...that the NSC staff was complying with the letter and spirit of the law.” See *ibid.*, Vol. 100-8, 96. However, Poindexter called into serious question the verity of this commitment to the “spirit” of the law by testifying that “I didn’t want Congress to know the details of how we were implementing the president’s policy [because]...I didn’t want to get more restrictive legislation....it was very likely if it became obvious what we were doing that members of Congress would have maybe tightened it up. I didn’t want that to happen.” See *ibid.*, 61. Deputy DCI Bob Gates wrote that the NSC’s activities in support of the contras was “contrary to the clear intent of Congress when it forbade CIA to support them....In short, Casey’s zeal for the contra cause led him to take actions clearly contrary to the intent of Congress beginning in the spring of 1984.” See Gates, *From the Shadows*, 391, 401.

²⁸Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 5. “I think it is fair to say,” McFarlane added, referring to the ‘turf’ wars of the first term, “that this occurrence was not an example of an NSC staff eagerly grabbing power from other departments and agencies. In the case of contra operations, it was the NSC that
(continued...)

interpretation,²⁹ the principal driving force was William Casey. “As far as Casey was concerned,” Duane Clarridge wrote, “this was a loophole big enough to solve both his problems. Because the NSC could take the point on matters that the CIA was enjoined from pursuing, the contras could be sustained, and the Agency would stay out of hot water on Capitol Hill.”³⁰ Thus the DCI, according to Bob Gates, “was instrumental in moving operational management of the contras from CIA in the summer and fall of 1984 to the NSC.”³¹

Casey argued that as a member of the NSC staff, Oliver North was not covered by Boland II’s restrictions, and therefore North would serve as “a principal point of reference” for the contras.³² Casey said that “he had discussed this with the president of the United States and it was agreed with the president that this was how it should be handled....the president was committed to sustaining the contras and that

²⁸(...continued)
was the agency of last resort.” Ibid.

²⁹See Testimony of Robert McFarlane, *North Trial*, 4550; and Gates, *From the Shadows*, 392.

³⁰Clarridge, *A Spy for All Seasons*, 279.

³¹Gates, *From the Shadows*, 400.

³²According to North, he was chosen largely because of his work on Central America since 1982 and especially because he had served as the NSC staff’s representative with the ‘Kissinger Commission’. See Testimony of Oliver North, *Iran-Contra Hearings*, Vol. 100-7, Part 2, 82; and North, *Under Fire*, 223, 228. According to CIA’s Central America task force chair Alan Fiers, “there was only one point in the apparatus who was functioning and who seemed to be able and was interested and was working the process, and that was Ollie North. And it was Ollie North who then moved into that void and was the focal point for the administration on Central American policy during that time frame [until fall 1985].” See Testimony to the Tower Commission, *Report of the President’s Special Review Board* (Washington, D.C.: USGPO, 26 February 1987), C-2.

the president agreed that Colonel North would be the principal point of reference following passage of the Boland amendment.”³³

As the administration’s designated successor to Clarridge, North was ordered by McFarlane “to go make contact with the resistance” to inform them of this changing of the guard. In Honduras, Clarridge introduced North to Adolfo Calero and the FDN leadership “as the authorized spokesman of the White House to deal with the contras.”³⁴ “Our goals and yours are the same,” North told Calero. “Like you, we want to see a democratic Nicaragua. Although the Congress has cut off the CIA, President Reagan wants you to know that we will find a way to help you. I can promise you that you will not be abandoned.”³⁵

By late summer 1984, just before Boland II was to be enacted, North was told “Okay, you have got it all,” meaning control of the contra program.³⁶ “I was given the job of holding them together in body and soul,” North said, and following passage of Boland II, “I was the only person left talking to them....The U.S. contact

³³Testimony of Vincent Cannistraro, *North Trial*, 6405, 6409-10, 6451.

³⁴Testimony of Oliver North, *Iran-Contra Hearings*, Vol. 100-7, Part 1, 75, 88; and Testimony of Vincent Cannistraro, *North Trial*, 6406-7. In his memoirs, Duane Clarridge confirms this meeting and introduction of North, but denies he was “officially passing the baton, as it were.” Additionally, Clarridge confirms a meeting where he and Casey introduced North to regional CIA station chiefs in Panama, but again denies this was Casey’s elevation of North to contra operational manager. See Clarridge, *A Spy for All Seasons*, 287-8, 290.

³⁵North, *Under Fire*, 244. Clarridge, North, Calero, and Cannistraro subsequently met a few weeks later in North’s office to reaffirm North’s principal role. See Testimony of Vincent Cannistraro, *North Trial*, 6409.

³⁶Testimony of Oliver North, *North Trial*, 6781-2.

with the Nicaraguan resistance was me, and I turned to others to help carry out that activity.”³⁷

From this juncture onward, the story of Oliver North and ‘The Enterprise’ lies beyond the scope of this work.³⁸ Regardless of subsequent events, what remains important is that the circumstances of and administration reaction to Boland II placed Nicaragua policy almost exclusively under the control of the hard-line NSC staff — particularly Oliver North — who in turn was effectively guided and managed by CIA Director William Casey. North himself candidly admitted that “I didn’t know the first thing about covert operations when I started this,” so he relied heavily on Casey because “he was the expert on covert operations and I certainly was not.”³⁹ “There seems little doubt,” Deputy DCI Bob Gates wrote of Casey, “that he advised and helped North during the period CIA was proscribed from involvement. Indeed, once the investigations began, even Casey was surprised to see from the record how often he had met and talked with North.”⁴⁰

In short, the administration’s surreptitious efforts to sustain the contras during Boland II’s prohibition proved successful. “We had been running this operation on our own for a long period of time,” John Poindexter testified, “because there was no

³⁷Testimony of Oliver North, *Iran-Contra Hearings*, Vol. 100-7, Part 1, 75.

³⁸For more on North’s activities, see Final Report of the Iran-Contra Committee; and Theodore Draper, *A Very Thin Line: The Iran-Contra Affairs* (New York: Hill and Wang, 1991).

³⁹Testimony of Oliver North, *North Trial*, 7584, 6947. See also North, *Under Fire*, 241-9. “Casey was searching for an alternative basis for conducting covert operations in Central America,” McFarlane wrote. “North was it.” See McFarlane, *Special Trust*, 352.

⁴⁰Gates, *From the Shadows*, 400-1.

other alternative in order to keep the contras alive.”⁴¹ Robert McFarlane credited Saudi assistance with saving the paramilitary program. “The anti-Sandinista program survived only because a foreign government contributed money to provide subsistence expenses through the end of the year,” he testified.⁴²

THE SECOND TERM

As 1984 wound down and the Reagan administration began preparing for a second term in office, the irreconcilables started campaigning for a renewed military effort to resolve the matter in Nicaragua. A senior administration official had predicted back in April 1984 that if Reagan were to win re-election, “the president is determined to go all-out to gain the upper hand” in Nicaragua.⁴³ Reagan himself agreed that Nicaragua “should be one of the administration’s priorities for the second term,” according to NSC advisor Robert McFarlane, “the areas on which we would concentrate our time and effort and resources.”⁴⁴

The internecine battles between the irreconcilables and the negotiators that had plagued the administration throughout its inaugural term were largely absent during Reagan’s second term, chiefly for two reasons. The first was that, in the absence of on-going negotiations with the Sandinistas following the U.S. suspension of the Manzanillo talks, there remained very little to argue about between the two camps. The negotiators in particular felt demoralized over the failure of Manzanillo to offer

⁴¹Testimony of John Poindexter, *Iran-Contra Hearings*, Vol. 100-8, 53.

⁴²Testimony of Robert McFarlane, *Iran-Contra Hearings*, Vol. 100-2, 5.

⁴³Quoted in Bob Woodward and Fred Hiatt, “Stepped-Up Role Seen After U.S. Elections,” *Washington Post*, 10 April 1984, A1.

⁴⁴McFarlane, *Special Trust*, 72. See also Reagan, *An American Life*, 488-9.

anything positive, and thus had neither the stomach nor the inclination to push for additional diplomatic efforts.

Moreover, the negotiator camp had suffered significant casualties in the administration's staff reshuffling heading into its second term. Deputy Assistant Secretary of State for Central American Affairs Craig Johnstone — the primary architect of State's four-point plan — was taken off the region and in July named ambassador to Algeria. ARA Secretary Tony Motley resigned his position in April 1985, and was replaced in July by the fiery Elliott Abrams, who renounced a negotiated settlement with Managua. "We'd be kidding ourselves if we thought we could solve our problems that way," Abrams had said. "The Sandinistas are communists and such agreements are lies and will be used to destroy the contras....It is preposterous to think we could sign a deal with the Sandinistas to meet our foreign policy concerns and expect it to be kept."⁴⁵ Indeed, Abrams commented that his appointment was "probably a sign of how far right [the administration has] gone...a sign that the battle is over."⁴⁶

Additionally, moderate Jim Baker, who as White House Chief of Staff had worked on behalf of the negotiators to keep Nicaragua from poisoning the administration's domestic agenda, switched positions with Treasury Secretary Donald Regan, who articulated a much harder line against the Sandinista government. "We have to get rid of it in some way or another," Regan had insisted. "And what we

⁴⁵Quoted in Shirley Christian, "Reagan Aides See No Possibility of U.S. Accord with Sandinistas," *New York Times*, 18 August 1985, A1. Abrams told leading irreconcilable Constantine Menges that "he fully supported the president's policy in Central America and would not do what his predecessors [Enders and Motley] had done." Menges, *Inside the National Security Council*, 278.

⁴⁶Quoted in Gutman, *Banana Diplomacy*, 315.

want to do is to try to help those who are trying to overthrow that communist government.”⁴⁷

Finally, in December 1985, national security adviser Robert McFarlane had resigned, and replaced by his deputy, Rear Admiral John Poindexter. While McFarlane had aided Shultz’s surreptitious efforts to engender and sustain the Manzanillo talks, his successor held in disdain a negotiated settlement. Any diplomatic solution with Nicaragua, Poindexter later testified, would be “very dangerous because I did not personally believe that even if the Sandinistas agreed to a treaty that they would ever live up to it.”⁴⁸ In short, while George Shultz remained secretary of state, the negotiator faction had suffered serious losses.

The second chief reason for the truce in the irreconcilable-negotiator *jihad* was that both sides had a compelling reason to cooperate. Boland II’s termination of the contra program had temporarily forged common ground between the two otherwise incompatible camps, insofar as both sought and desired — albeit for divergent purposes — a Congressionally-funded paramilitary dimension to U.S. Nicaragua policy. The constellation of forces *vis-à-vis* the two factions at this moment was less important than their transient but congruent objective: the resurrection and continuance of contra aid. The strategic differences over the contras’ proper role

⁴⁷Quoted in “The Winds of War,” Washington Post National Weekly Edition, 28 July 1986, 9. The Baker-Regan job swap was warmly received by Casey and the irreconcilables. See Woodward, *Veil*, 400.

⁴⁸Testimony of John Poindexter, *Iran-Contra Hearings*, Vol. 100-8, 77. Again, Casey heartily approved the appointment of Poindexter, feeling that he “was hard-line.” See Woodward, *Veil*, 427.

remained unresolved, but both desperately sought — and needed — the same tactical implement.

MEMORANDA

Deputy Director of Central Intelligence Bob Gates, for one, manifestly argued for a reinvigorated approach to Nicaragua in Reagan's second term. Mightily frustrated with the fratricidal struggles that had plagued the president's inaugural term, Gates wrote that "the contrast between the administration's apocalyptic rhetoric and the pusillanimous character of its actions...made me uneasy. I wanted to defeat the Sandinistas, but I didn't think it could be done with ever more constrained covert action."⁴⁹

On 6 December 1984, DCI William Casey circulated a memorandum to top CIA officials calling for their "best thinking" on a "comprehensive" approach that would provide "support to check Soviet and Cuban expansionism" in the region and bring closure "to the Nicaraguan problem."⁵⁰ Gates seized the opportunity to deliver a blistering response. "It is time to talk absolutely straight about Nicaragua," the DDCI wrote to Casey on 14 December 1984.⁵¹

⁴⁹Gates, *From the Shadows*, 294-5.

⁵⁰Central Intelligence Agency, William J. Casey, Director of Central Intelligence, Memorandum for Deputy Director for Central Intelligence; Deputy Director of Operations; Chief, Latin America Division; Chief, Central American Task Force; Subject: *Analysis of the Nicaraguan Revolution*, 6 December 1984, National Security Archive, *Nicaragua Collection*, fiche 00646. See also Benjamin Weiser and Charles R. Babcock, "The Gates Hearings: Were Intelligence Reports Tilted by Ideology?," *Washington Post*, 22 September 1991, A21.

⁵¹Central Intelligence Agency, Memorandum for Director of Central Intelligence (Casey), From Deputy Director for Intelligence (Gates), Subject: *Nicaragua*, 14 December 1984, in *The Iran-Contra Scandal*, ed. Kornbluh and Byrne, 45-9.

Based on all the assessments we have done, the contras, even with American support, cannot overthrow the Sandinista regime....The truth of the matter is that our policy has been to muddle along in Nicaragua with an essentially half-hearted policy substantially because there is no agreement within the administration or with the Congress on our real objectives....It seems to me that the only way that we can prevent disaster in Central America is to acknowledge openly what some have argued privately: that the existence of a Marxist-Leninist regime in Nicaragua closely aligned with the Soviet Union and Cuba is unacceptable to the United States and that the United States will do everything in its power short of invasion to put that regime out. Hopes of causing the regime to reform itself for a more pluralistic government are essentially silly and hopeless.⁵²

“Once you accept that ridding the continent of this regime is important to our national interest and must be our primary objective,” Gates continued,

the issue becomes a stark one. You either acknowledge that you are willing to take all necessary measures (short of military invasion) to bring down that regime or you admit that you do not have the will to do anything about the problem and you make the best deal you can. Casting all fiction aside, it is the latter course we are on....Any negotiated agreement simply will offer a cover for the consolidation of the regime and two or three years from now we will be in considerably worse shape than we are now....The alternative to our present policy — which I predict ultimately and inevitably is leading to the consolidation of the Nicaraguan regime and our facing a second Cuba in Central America — is overtly to try and bring down the regime.⁵³

Gates called for an overt contra program, an economic embargo and “perhaps even a quarantine,” and “the use of air strikes to destroy a considerable portion of Nicaragua’s military buildup.” The Deputy DCI was certainly attune to political ramifications of such action, acknowledging that “these are hard measures. They probably are politically unacceptable.”⁵⁴

⁵²Ibid.

⁵³Ibid.

⁵⁴Ibid.

Several other administration officials voiced similar conclusions about the ultimate outcome of the contra policy and what the U.S. needed to do with Nicaragua. According to one observer who based his conclusions on interviews with over fifty government and military officials, the prospect of an American invasion of Nicaragua was closer than ever before. By mid-1985, he reported, discussion of a direct armed intervention had “become commonplace in official circles.”⁵⁵

Unbeknownst to Gates, however, NSC staff official Oliver North was composing a similar memorandum “which proffers policy options for Nicaragua....a detailed assessment of the current situation and various alternatives which we can pursue during the second administration.”⁵⁶ “The presence of a Marxist-Leninist state in Central America is an unacceptable threat to regional stability and long term U.S. strategic interests,” North wrote. “Most of the steps in establishing a Marxist-Leninist state [in Nicaragua] have been accomplished....Once this consolidation has been completed, those antagonistic to U.S. security goals, particularly the Soviet Union and Cuba, will have a secure base on the mainland of the Americas from which to promote subversion of neighboring states....If the consolidation of a Soviet client state is to be prevented, decisive action must be initiated within the next few months.”⁵⁷

⁵⁵Joel Brinkley, “Nicaragua and the U.S. Options: An Invasion Is Openly Discussed,” *New York Times*, 24 May 1985, A1.

⁵⁶The White House, Memorandum for Robert C. McFarlane, From Oliver L. North, Subject: *Nicaragua Options*, 15 January 1985, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 1, 301-7.

⁵⁷*Ibid.*

North wrote that three fundamental options existed for the White House to prevent this outcome. One called for “the use of military force by the United States to prevent the establishment of a Marxist-Leninist state in Nicaragua and replace it with a pluralistic democratic government.” While the memorandum makes clear that this in fact remained the goal of the irreconcilables’ policy, the use of American military force to achieve this end was not favored.⁵⁸

A second option called for “a negotiated solution which acquiesces to the existence of a Marxist-Leninist Nicaraguan state in return for assurances that the state would not pursue a policy of exporting revolution.” The memorandum argued strongly against any diplomatic solution that would leave the FSLN in power, asserting that the export of revolution was “a *sine qua non* of all Marxist-Leninist states.”⁵⁹

The final option sought “a resumption of U.S. support to the Nicaraguan opposition — both armed and unarmed — in order to prevent the consolidation of a Marxist-Leninist state allied with the USSR and to establish in its stead a truly democratic and pluralistic government.”

In short, the paper concludes that the most prudent course of action, given the threat we face from the Soviets and their surrogates in Central America, is to seek Congressional approval for resuming our support to the Nicaraguan resistance....The weight of the evidence argues strongly in favor of a major campaign to restore support for the democratic resistance forces. Their military operations must be designed to prevent the consolidation of a Marxist-Leninist FSLN government in Nicaragua. Since the process of consolidation is in the advanced stages, arresting and reversing that process will be difficult.

⁵⁸Ibid.

⁵⁹Ibid.

The longer the delay in initiation of such an effort, the less likely is success and the more costly the consequences.⁶⁰

Given the deep opposition to direct American military involvement in Central America, Gates's memorandum calling for U.S. airstrikes unsurprisingly went unheeded in favor of North's advocacy for a full-court press for resumption of contra aid. Having successfully won re-election in a landslide, President Reagan needed to test the Congressional waters to see if Capitol Hill had warmed to a program it had shut down just months earlier.

THE (NON)IMPACT OF NICARAGUA

That the controversial and volatile issue of Nicaragua proved a mostly extraneous factor in the 1984 presidential and congressional elections was a surprise to most observers and participants. The White House feared that Nicaragua would become a major issue in the campaign — the polling of Richard Wirthlin consistently showed that Nicaragua was a negative and that the president was potentially vulnerable on the issue, despite his repeated entreaties and deep convictions⁶¹ — and thus had acted accordingly. “Let's not have the contra operation become an election issue,” Secretary of State George Shultz had told new ARA Secretary Tony Motley back in May 1983, advice that White House Chief of Staff Jim Baker likewise dispensed.⁶²

The anticipated electoral danger to the president, however, never emerged. Not only the embarrassing mining incident but also news that the CIA had distributed

⁶⁰Ibid.

⁶¹See Cannon, *Role of a Lifetime*, 384.

⁶²Quoted in Woodward, *Veil*, 256.

a ‘murder manual’ to contra forces instructing them on “psychological warfare” and the “neutralization” of Sandinista officials failed to translate into voter opposition in the American electorate.⁶³ Though polling data consistently showed that a majority of the public did not approve of Reagan’s contra program, the salience quotient in terms of voting decisions remained low. It appeared that voters were motivated chiefly by the fear of a possible land war in Central America with U.S. forces. Policies falling short that — such as contra aid — even if generally disfavored nonetheless failed to sufficiently impel the public either to pressure Congress into backing the president’s efforts or to punish the otherwise popular president at the ballot box.⁶⁴

⁶³The ‘murder manual’ — entitled *Psychological Operations in Guerrilla Warfare* — was leaked to the media in mid-October 1984 and later published by Vintage Books in 1985. “The manual referred to ‘neutralizing’ officials,” according to Bob Gates, “talked about blackmail, terror, and the use professional criminals; and was blatant about the objective of overthrowing the Sandinistas. The manual seemed to transgress the Boland amendment, the prohibition against assassination, and more.” See Gates, *From the Shadows*, 310-1. Former FDN leader Edgar Chamorro, who helped translate the manual into Spanish, testified that “it advocated ‘explicit and implicit terror’ against the civilian population, including assassination of government employees and sympathizers,...hiring professional criminals,...[and] killing some of our colleagues to create martyrs for the cause.” See Chamorro, deposition to the World Court, 21-2. Also see Woodward, *Veil*, 388-90. Duane Clarridge in large measure denies both accounts. See Clarridge, *A Spy for All Seasons*, 291-3.

⁶⁴“Time and again,” Reagan observed in his memoirs, “I would speak on television, to a joint session of Congress, or to other audiences about the problems in Central America, and I would hope that the outcome would be an outpouring of support from Americans who would apply the same kind of heat on Congress that helped us pass the economic recovery package. But the polls usually found that large numbers of Americans cared little or not at all about what happened in Central America — in fact, a surprisingly large proportion didn’t even know where Nicaragua and El Salvador were located — and, among those who did care, too few cared enough about a communist penetration of the Americas to apply the kind of pressure I needed on Congress.” Reagan, *An American Life*, 479.

Reagan's re-election, therefore, lifted considerably the administration's spirits on the possibilities of renewed contra aid, and it set about immediately trying to establish a nexus between the landslide victory and the resurrection of the contra program.⁶⁵ "I feel the people of this country made it very plain that they approved what we've been doing," Reagan said days after his victory, and that he intended to use his popularity to "make them [members of Congress] feel the heat if they can't see the light."⁶⁶ "I think that Congress — or that portion of it that's been blocking us — has been very irresponsible," Reagan said of his legislative contra aid opponents.⁶⁷

As for Congress, despite a virtual absence of any correlation between voting against contra aid and negative electoral consequences, several members nevertheless feared the potency of Reagan's popularity might well be turned against them should they decline to support the administration's contra program. "Members of the House did not look to the polls to see how their constituents wanted them to vote on contra aid," two leading scholars concluded, "they looked to the polls to see how much

⁶⁵"The Reagan team, fresh from their own electoral victory, geared up for a new request to the Congress for contra aid in 1985," Director of Policy Planning for State Peter Rodman wrote. Rodman, *More Precious Than Peace*, 406.

⁶⁶Quoted in Arnson, *Crossroads*, 185.

⁶⁷Quoted in Philip Taubman, "Administration to Press for New Aid to Nicaraguan Rebels," *New York Times*, 5 January 1985, A1.

support Ronald Reagan could command from the public.”⁶⁸ These members thus “felt compelled to support some policy other than simply abandoning the contra.”⁶⁹

In short, then, despite the previous term’s adoption of the asphyxiant Boland II amendment, large numbers of the new Congress felt sufficiently cowed by Reagan’s landslide re-election to reconsider the administration’s contra program in some fashion. Boland II had provided \$14 million in contra aid, albeit under two restrictive conditions: the administration could not ask for the money until after 28 February 1985, and after that date it could be released only with the concurrence of both chambers, meaning that either wielded an absolute veto over the funds.

Though the White House certainly faced an uphill battle, the votes for dispersal of the \$14 million were within reach. Quantitative analysis identified a large ‘swing bloc’ of votes centered among conservative Democrats who were inclined to support in some fashion the contra program.⁷⁰ “In my opinion,” leading swing member Congressman Dave McCurdy (D-Okla.) commented, “to relieve the outside

⁶⁸William LeoGrande and Phillip Brenner quantitatively found “almost no relationship between constituent attitudes and members’ voting records” on contra aid. However, while members were not “greatly worried about what public opinion was, they were all terrified of what it might become.” See LeoGrande, “Did the Public Matter?,” 185-6.

⁶⁹Ibid., 186.

⁷⁰According to William LeoGrande, of the 535 members in the three Houses between 1983 and 1988, 377 (70.5%) had perfectly consistent voting records either for or against contra aid over the course of nineteen floor votes: pro-contra members numbered 192 (35.9%), while anti-contra members numbered 185 (34.6%). The remaining ‘swing’ 158 members (29.5%) had changed their vote on contra aid at least once during their House tenure. Thus, LeoGrande concluded, “swing members, even when few in number, always held the balance of power.” Ibid., 179.

pressure on the Sandinistas would be a mistake.”⁷¹ Senator Bennett Johnson (D-LA) added that “I strongly believe that we should not abandon the contras,” while fellow Senator Sam Nunn (D-GA) argued that “the end of all aid for the contras” would be seen as “a victory for the Sandinistas.”⁷² “I’ll support any open policy to support the democratic revolution” in Nicaragua, Senator David Durenberger (R-MN), the new chair of Senate intelligence committee, commented, but “under covert action I’ll vote against it.”⁷³

In short, as Bob Gates observed, on Capitol Hill “there was also great unease at having left the resistance high and dry. Accordingly, Congress was amenable to restoring some kind of help, even if it was only humanitarian.”⁷⁴ The administration’s case was helped by the departure of the controversial Duane Clarridge from the CIA’s contra program. “I was a liability when it came to dealing with Congress,” Clarridge had noted. “I sure as hell had had enough of Congress, and I think the feeling was quite mutual.”⁷⁵

In order to revive the contra program and take advantage of the currently favorable political climate, therefore, the administration needed to repackage it in a more palatable context and configuration.

THE REAGAN DOCTRINE

⁷¹*Congressional Record*, 131, Part 48, 99th Congress, 1st Session (22 April-30 April 1985), 9034.

⁷²*Ibid.*, 8847, 8893.

⁷³Quoted in “Panels Help Set Course of Nicaragua’s War,” *Congressional Quarterly Weekly Report* 43, no. 3 (19 January 1985): 119.

⁷⁴Gates, *From the Shadows*, 314.

⁷⁵Clarridge, *A Spy for All Seasons*, 289-90.

Ronald Reagan in post-presidential commentary described his doctrine as “our often controversial policy of supporting those fighting for freedom and against communism wherever we found them. And we found them in such places as Afghanistan, Nicaragua, and Angola.”⁷⁶ As a conceptual device, this notion had percolated throughout the president’s first term of office.⁷⁷ Certainly Reagan and his top aides had come into office seeking restraint and eventual rollback of what they saw as threatening Soviet gains in the Third World, though they had yet to develop a larger framework within which to multilaterally coordinate the articulation and operation of this objective. Initially, such efforts were singularly pursued in the integral, without any aggregated unifying approach. It was more ambience and aspiration than policy or doctrine.

By 1982, however, the administration’s thinking on this issue began to coalesce, and a ‘Reagan Doctrine’ haltingly emerged. In a 9 May 1982 speech at his alma mater

⁷⁶Ronald Reagan, *Speaking My Mind: Selected Speeches* (New York: Simon and Schuster, 1989), 107-8. It was columnist Charles Krauthammer who first coined this phrase in his essay, “The Reagan Doctrine”, *Time* 125, no.13 (1 April 1985): 54-5. See also his previous article, “Nicaraguan Nettle,” *The New Republic* 188, no. 18 (9 May 1983): 15-6.

⁷⁷In 1968, Constantine Menges wrote a report for the Rand Corporation entitled *Democratic Revolutionary Insurgency as an Alternative Strategy* in which he “urged free world help for armed resistance movements against newly established communist regimes.” Menges claimed to have presented the basic outline of this report to the administration’s transition team in winter 1980, as well as to Casey, Haig, Weinberger and Allen in 1981. See Menges, *Inside the National Security Council*, 38, 46; and Menges, *The Twilight Struggle: The Soviet Union vs. the United States Today* (Washington, D.C.: American Enterprise Institute, 1990), 6-7. See also James M. Scott, *Deciding to Intervene: The Reagan Doctrine and American Foreign Policy* (Durham: Duke University Press, 1996).

of Eureka College⁷⁸, “the president declared war on the Soviets in the Third World, pledging that the United States would support people fighting for freedom against communism, wherever they were,” DDCI Bob Gates wrote.⁷⁹ At some point that same month, Reagan signed NSDD 32, a still-classified document in which the U.S. adopted a “forward strategy” called “Prevailing With Pride” designed to pressure the Soviet Union through the latter’s satellites in Eastern Europe and the Third World by extending financial assistance to anti-communist forces there.⁸⁰ “We must be prepared to respond vigorously to opportunities as they arise,” National Security Advisor Clark described as one of NSDD 32’s functions, “and to create opportunities where they have not existed before.”⁸¹

The following month, in an 8 June address to the British parliament, Reagan explicitly called for a “global campaign for democracy” and “a plan...for the long-term — the march of freedom and democracy which will leave Marxism-Leninism on the ash

⁷⁸Ronald Reagan, “Eureka College,” Weekly Compilation of Presidential Documents 18, no. 19 (17 May 1982): 599-604.

⁷⁹Gates, *From the Shadows*, 256.

⁸⁰The White House, National Security Decision Directive 32, Subject: *U.S. National Security Strategy*, May 1982, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 62-3. Much of NSDD 32 was laid out by William Clark in a 21 May speech at Georgetown University. See Clark, “National Security Strategy,” *American Foreign Policy: Current Documents 1982* (Washington, D.C.: USGPO, 1985), 88-93. Reagan biographer Lou Cannon said NSDD 32 sought to “neutralize efforts of the USSR to increase its influence.” See Cannon, *Role of a Lifetime*, 316. See also McFarlane, *Special Trust*, 219; and Schweizer, *Victory*, 76-7.

⁸¹Clark, “National Security Strategy,” 90.

heap of history.”⁸² Slowly the concept began to gel so that by late 1982, the administration had incorporated it as a fundamental element of its Soviet policy in NSDD 75. This document called for

external resistance to Soviet imperialism....to contain and over time reverse Soviet expansionism...particularly...in geographic regions of priority concern to the United States. This will remain the primary focus of U.S. policy toward the USSR....U.S. policy must have an ideological thrust which clearly affirms the superiority of U.S. and Western values...over the repressive features of Soviet communism....There are a number of important weaknesses and vulnerabilities within the Soviet empire which the U.S. should exploit....It is a further objective to weaken and, where possible, undermine the existing links between them and the Soviet Union. U.S. policy will include active efforts to encourage democratic movements and forces to bring about political change inside these countries.⁸³

“Militarily,” national security adviser Robert McFarlane wrote, in NSDD 75, “we are committed...to endeavoring to roll back some of the imperialist gains Moscow had made between 1975 and 1980 and to supporting freedom fighters such as the mujaheddin in Afghanistan and the contras in Nicaragua in their efforts to overthrow the communist-backed regimes in their countries.”⁸⁴

⁸²Ronald Reagan, “Address to Members of Parliament,” *Weekly Compilation of Presidential Documents* 18, no. 23 (14 June 1982): 768-9. In subsequent commentary, Reagan called this speech “one of the most important speeches I gave as president. What eventually flowed from it became known as the Reagan Doctrine.” See Reagan, *Speaking My Mind*, 107-8.

⁸³The White House, National Security Decision Directive 75, Subject: *U.S. Relations With the USSR*, 17 January 1983, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 225.

⁸⁴McFarlane, *Special Trust*, 222. The “working principles” of NSDD 75, McFarlane explained, were that “the United States does not accept the current Soviet sphere of influence beyond its borders, and the U.S. will seek to roll it back....The United States will seek opportunities to roll back the level of Soviet influence

(continued...)

The president further enunciated this emerging concept and the administration's commitment to it in a 3 October 1983 speech. "Throughout the world today," Reagan said,

the aspirations for freedom and democracy are growing. In the Third World, in Afghanistan, in Central America, in Africa and Southeast Asia, opposition to totalitarian regimes is on the rise. It may not grab the headlines, but there is a democratic revolution underway....The goal of the free world must no longer be stated in the negative, that is, resistance to Soviet expansionism. The goal of the free world must instead be stated in the affirmative. We must go on the offensive with a forward strategy for freedom.⁸⁵

In essence, the administration was fitting Nicaragua into the larger dynamic of global democratic insurgencies and strategic anti-communist context. "If the Soviet Union metaphysically is equated to an ancient, evil empire," as one White House official involved in Nicaragua policy-making explained, "then to the extent we can, we ought to attack it by going at the colonies....Central America is the first opportunity to do it right."⁸⁶ Another senior administration official added that "the ultimate objective

⁸⁴(...continued)

overseas....NSDD-75 did not say we should confront the Soviets at every point. It said we would look for vulnerabilities and try to beat them." Quoted in Schweizer, *Victory*, 131-2.

⁸⁵Ronald Reagan, "Heritage Foundation," Weekly Compilation of Presidential Documents 19, no. 40 (10 October 1983): 1382-3. Reagan later wrote that "this is a good representation of what I was trying to accomplish at the start of my second term....What I'm saying in this speech to my fellow conservatives could actually serve as the inaugural address for my second term." Reagan, *Speaking My Mind*, 271.

⁸⁶Quoted in Gerald M. Boyd, "Role in Nicaragua Described by U.S.," *Los Angeles Times*, 9 August 1985, A4. The official was referring to an 8 March 1983 speech in which President Reagan called the USSR "the focus of evil in the modern world" and "an evil empire." See Ronald Reagan, "Remarks at the Annual Convention of the National Association of Evangelicals," 8 March 1983, Weekly Compilation of
(continued...)

is to assure a democratic outcome in Nicaragua. This goes beyond Nicaragua. If these people can stand up and throw off communism, it goes beyond Managua. It goes to the gut of our national interest. The way to go after the Soviet Union is through the colonies.”⁸⁷

U.S. policy toward Nicaragua would be packaged as a cornerstone of a larger effort to assist anti-communist insurgencies around the world. Importantly, this prototype of the ‘Reagan doctrine’ went beyond merely plying anti-communist rebels with only enough assistance to fight stalemated, protracted wars. The administration’s goal was to overturn these Soviet ‘gains’ in the Third World and supplant them with American ones. “What they are doing,” one high American diplomat commented of the administration’s new efforts,

is building a model of how the United States can take a socialist revolution which we regard as inimical and reverse it without the use of [U.S.] military force. Democracy would emerge as the alternative and take over. The Sandinistas would either participate as a minority or go away. This would be...a casebook study of how to shrink the Soviet empire at its extremities.⁸⁸

To that extent, then, the effort was as much ‘take-back’ as rollback, and the administration pursued it with a vengeance. “Reagan and Casey turn[ed] up the heat” on Nicaragua and other Reagan Doctrine countries beginning in 1985, as Bob Gates wrote. The White House sought to

⁸⁶(...continued)

Presidential Documents 19, no. 10 (14 March 1983): 369.

⁸⁷Quoted in Shirley Christian, “Reagan Aides See No Possibility of U.S. Accord with Sandinistas,” *New York Times*, 18 August 1985, A1.

⁸⁸Quoted in Gutman, *Banana Diplomacy*, 272.

intensify the pressures on the Soviet Union and its surrogates in the Third World....By the end of 1984, Casey's covert war in the Third World against the Soviet Union and its surrogates was in full swing....Washington pour[ed] it on.⁸⁹

Accordingly, in early 1985 Casey ordered four separate National Intelligence Estimates on Nicaragua to cover the Sandinistas' military buildup, their domestic political consolidation, their security ties to the USSR and Cuba, and their covert efforts to export revolution in El Salvador and elsewhere. In forwarding the NIEs to President Reagan, Casey summed their findings up by concluding that "the Soviet Union and Cuba have established and consolidated a beachhead, put hundreds of millions of dollars behind...aggressive subversion."⁹⁰

On the political front, moreover, the enunciation and adoption of the Reagan Doctrine elevated the debate and discourse over contra aid to a higher strategic and moral plane than had existed previously. The new rhetorical tactic "would raise morale," a top-ranking U.S. diplomat explained. "It would make people think we are on the right side of history."⁹¹

The administration could use the Reagan Doctrine to show recalcitrant Representatives and Senators initially confused over the precise objectives of the paramilitary program and squeamish over providing assistance to contra forces that the contras were part and parcel of a sweeping global pattern of anti-communist

⁸⁹Gates, *From the Shadows*, 319, 323, 346. Gates referred to the Reagan Doctrine as "the 'Third World' war. Ibid., 319.

⁹⁰Woodward, *Veil*, 400.

⁹¹Quoted in Gutman, *Banana Diplomacy*, 272.

insurgencies deserving of American support. In this way, the White House especially sought to link conceptually — and hopefully politically — the popular Afghan, Angolan, and Cambodian covert programs with the unpopular contra one.⁹² “We’re asking Congress,” Reagan said, “to be consistent and support those who are fighting communism in Nicaragua, just as we support the democratic resistance in Afghanistan and Cambodia.”⁹³ The allure and luster of the mujaheddin and Jonas Savimbi’s UNITA forces would — it was hoped — rub off on the contras and thereby make support for the latter more politically palatable.⁹⁴

⁹²“One of the purposes of the doctrine,” Peter Rodman explained, “was to lift the tone of the debate from a nasty brawl over covert arms to Nicaraguan guerrillas to a more elevated philosophical discussion of American support for those resisting tyranny around the globe.” Rodman, *More Precious Than Peace*, 406.

⁹³Ronald Reagan, “Radio Address to the Nation,” Weekly Compilation of Presidential Documents 21, no. 17 (29 April 1985): 490.

⁹⁴The administration had test-run this tactic the previous year. A McFarlane memorandum to Reagan called for a “concerted lobbying effort” to frame contra aid as a “watershed” issue whose rejection would imperil the success of other “anti-communist democratic resistance groups. We **must** portray this vote as an issue of long term significance which will affect future administrations, whether they be Democratic or Republican.” See The White House, Memorandum from Robert C. McFarlane, To The President, Subject: *Nicaragua and El Salvador Funding*, 18 May 1984, National Security Archive, *Nicaragua Collection*, fiche 00428. Emphasis in original. In reply, Reagan instructed aides to “frame our approach on the strategic importance of Central America to our own national security. It should be stressed that continuing the Nicaraguan program is critical not only to the future of Central America but to our world wide credibility. Measures should be taken...so that there can be no doubt that ‘terminating’ this program would have disastrous results for the United States.” See The White House, Memorandum to George P. Shultz, Caspar W. Weinberger, William J. Casey, John W. Vessey, From the President, Subject: *Funding for the Nicaraguan Program and El Salvador*, undated, National Security Archive, *Nicaragua Collection*, fiche 00427.

Director of Central Intelligence William Casey proved an eager soldier in this repackaging effort.⁹⁵ In a speech before the Union League Club on 9 January 1985 entitled “America’s New Calling”, Casey said the USSR and its satellite allies had “unleashed the Four Horsemen of the Apocalypse: famine, pestilence, war and death.” Chief among these states were “the occupied countries — Afghanistan, Cambodia, Ethiopia, Angola, Nicaragua” which received billions in Soviet economic and military aid in their efforts to undermine U.S. security.⁹⁶ “The good news,” Casey argued, “is that the tide has changed....the 1980s have emerged as the decade of freedom fighters resisting communist regimes....They need only modest support and strength of purpose from nations that want to see freedom prevail and which will find their own security impaired if it doesn’t.”⁹⁷

President Reagan extended Casey’s theme in his 6 February ‘State of the Union’ address, explicitly imparting a doctrinal framework of overtly aiding regional insurgencies in military campaigns against Soviet-allied governments. The United States, the president announced, “must not break faith with those who are risking their lives — on every continent from Afghanistan to Nicaragua — to defy Soviet supported aggression....Support to [these] freedom fighters is self-defense and...tied to our own

⁹⁵U.S. diplomats dubbed Casey “secretary of state for the Reagan Doctrine Countries.” Quoted in Gutman, *Banana Diplomacy*, 314.

⁹⁶William J. Casey, “Collapse of the Marxist Model: America’s New Calling,” in *Scouting the Future: The Public Speeches of William J. Casey* compiled by Herbert E. Meyer (New York: Regnery Gateway Publishers, 1989), 167, 169.

⁹⁷*Ibid.*, 171-2.

security.”⁹⁸ The contras “are our brothers,” the president said in a subsequent national radio address in which he compared them to Simón Bolívar and French Resistance. “How can we ignore them? How can we refuse them assistance when we know that, ultimately, their fight is our fight?”⁹⁹ And finally, in a 1 March speech, Reagan called the contras “the moral equivalent of our Founding Fathers.... We cannot turn away from them, for the struggle here is not right versus left, but right versus wrong.”¹⁰⁰

ON TO CAPITOL HILL

Armed with this new conceptual framework, the White House began an “all-out press on this issue,” according to one administration official.¹⁰¹ Continuing his criticism of previous administration efforts to secure contra aid, DCI Casey wrote to Chief of Staff Donald Regan that “it is crucial that we move quickly and strongly for renewed funding for the armed opposition.”

The battle for contra funding is viewed in Central and Latin America as a litmus test of U.S. resolve and long-term intentions in Central

⁹⁸Ronald Reagan, “The State of the Union,” Weekly Compilation of Presidential Documents 21, no. 6 (11 February 1985): 146.

⁹⁹Ronald Reagan, “Central America,” Weekly Compilation of Presidential Documents, 21, no. 8 (25 February 1985): 187.

¹⁰⁰Ronald Reagan, “Conservative Political Action Conference,” Weekly Compilation of Presidential Documents 21, no. 10 (11 March 1985): 245. In his memoirs, Reagan retained the comparison between the contras and the ‘founding fathers’: “In time, the CIA began organizing these freedom fighters into the contras, a military fighting force that, with our aid and support, undertook the task of bringing democracy to Nicaragua in the same way that the freedom fighters who led the American Revolution brought democracy to our people.” Reagan, *An American Life*, 477.

¹⁰¹Quoted in Joel Brinkley, “Vote on Nicaraguan Rebels: Either Way, a Turning Point,” New York Times, 17 March 1985, A1.

America....It is our assessment that without renewed aid, advice and guidance, the Sandinista effort to destroy the effectiveness of the armed opposition will be successful, probably within a twelve-month period.¹⁰²

A defeat on the contra bill, Casey argued, would “seriously undermine our credibility with our regional partners and call into question explicit messages passed to them by senior administration officials.”¹⁰³

Moreover, administration officials insisted that they were no longer required to abide by the Boland I amendment that prohibited the White House from seeking the overthrow of the Sandinista regime, insofar as Boland I had been affixed to an appropriations bill and thus had expired at the end of fiscal year 1983. “There is no legal prohibition,” said a senior Defense Department official, “with the resumption of aid, to seeking the overthrow of the Nicaraguan government.”¹⁰⁴

A senior intelligence official added that the White House “is bent on overthrowing them, and that’s why they’re making such a point of saying they are not constrained by law.”¹⁰⁵ Even President Reagan appeared to make the same argument. Asked at a press conference if he intended to overthrow the Sandinista government,

¹⁰²Central Intelligence Agency, Letter from Director of Central Intelligence (William J. Casey) to Donald T. Regan, untitled, 20 March 1986, in *Iran-Contra Hearings*, Vol. 100-10, 279-80.

¹⁰³*Ibid.* Casey concluded his memorandum with a fervid “God save America!”. In private conversation, Casey was furious at White House managing of the contra issue. “Abysmal handling,” he complained to reporter Bob Woodward. “The White House can’t do two things at once....The president is not paying attention to Soviet creeping expansionism.” Quoted in Woodward, *Veil*, 403.

¹⁰⁴Quoted in Brinkley, “Vote on Nicaraguan Rebels.”

¹⁰⁵*Ibid.*

Reagan responded in the affirmative, saying he sought to “remove [it] in the sense of its present structure....You can say we’re trying to oust the Sandinistas by what we’re saying.”¹⁰⁶

On 4 April, Reagan announced he would officially seek disbursement of the \$14 million, promising to spend the funds only on food and medicine, unless the FSLN government refused to accept the contras’ offer of direct negotiations — a complete certainty — at which point the money could then be used for military aid.¹⁰⁷ The president urged swift passage of the funds, falsely claiming that the contras “are close to desperate straits” in order to heighten the sense of urgency.¹⁰⁸ If Congress rejected the administration’s package, Reagan said, it would represent “a shameful surrender” and

¹⁰⁶Ronald Reagan, “The President’s News Conference of 21 February 1985,” Weekly Compilation of Presidential Documents 21, no. 8 (25 February 1985): 212, 214. The president said that U.S. hostility against the Sandinistas would end “if the present government would turn around and say, all right, if they’d say ‘Uncle’.” *Ibid.*, 213.

¹⁰⁷Ronald Reagan, “Remarks Announcing the Central America Peace Proposal,” Weekly Compilation of Presidential Documents 21, no. 14 (8 April 1985): 416-7.

¹⁰⁸Ronald Reagan, “Remarks Announcing the Central American Peace Proposal,” Weekly Compilation of Presidential Documents 21, no. 14 (8 April 1985): 419. “Please do **not** in any way make **anyone** aware of the deposit,” Oliver North wrote to contra leader Adolfo Calero regarding a Saudi contribution of \$20 million. “We need to make sure that this new financing does **not** become known. The Congress must believe that there continues to be an urgent need for funding.” Letter from ‘Steelhammer’ [North] to ‘My Friend’ [Calero], undated, in *Iran-Contra Hearings*, Vol.100-2, 780. Emphasis in original.

“will be sending a message of desertion.”¹⁰⁹ Nonetheless, he vowed, “we’re not going to quit and walk away from them [the contras], no matter what happens.”¹¹⁰

Despite the willingness of many in Congress to support the contras in some fashion, the president’s strategy backfired. “Without any change in formulation of policy there,” House minority leader Congressman Bob Michel (R-Ill.) informed the White House, “we’re dead in the water for the moment.”¹¹¹ The administration’s call for military assistance to the contras and its insistence that it was free to seek the overthrow of the Sandinista government were not well-received on Capitol Hill, and the president’s proposal was categorically rejected. With no realistic choice, Reagan agreed to restrict the \$14 million solely to nonmilitary aid.¹¹²

The agreement to seek so-called ‘humanitarian’ aid for the contras proved sufficient to win over the Senate, which on 23 April approved the request by a 53-46 vote, the closest Senate vote on contra aid up to that point. Contra aid opponents in the House, however, countered Reagan’s offer with a compromise of their own, called ‘Barnes-Hamilton’, after its two co-sponsors. ‘Barnes-Hamilton’ maintained the ban on

¹⁰⁹Reagan, “Radio Address to the Nation,” 490; and quoted in John Felton, “Reagan Agrees to Compromise on ‘Contra’ Aid,” Congressional Quarterly Weekly Report, 43, no. 16 (20 April 1985): 707.

¹¹⁰Reagan, “Remarks Announcing the Central American Peace Proposal,” 418.

¹¹¹Quoted in Gerald M. Boyd, “Reagan, Despite G.O.P. Warning, Pursues Aid for Nicaragua Rebels,” New York Times, 4 April 1985, A1.

¹¹²“Reagan Agrees to Compromise on ‘Contra’ Aid,” 707. “It is going to take some amazing political sophistry,” Senator Patrick Leahy (D-VT) said, “for the administration to claim that Congress has given the green light to go ahead and overthrow the Sandinistas.” Quoted in Brinkley, “Vote on Nicaraguan Rebels: Either Way, a Turning Point,” A1.

contra aid, but provided the release of the \$14 million to assist Nicaraguan refugees and to help finance the Contadora peace process. The House narrowly defeated assistance legislation similar to the Senate's version by a razor-thin 215-213 tally, then voted for final passage of 'Barnes-Hamilton', which had won preliminary approval by a 219-206 result.¹¹³

Shockingly, however, 'Barnes-Hamilton' was resoundingly trounced (303-123) by an unholy alliance between liberal Democrats and conservative Republicans. The conservatives rejected 'Barnes-Hamilton' because they viewed it as an unacceptable compromise on the administration's original proposal, while liberals sank the legislation because they feared its passage would provide a vehicle for the Senate to manipulate in conference committee for additional, and possibly military, aid to the contras.¹¹⁴

The administration's defeat, however, proved short-lived for two fundamental reasons. Moderate Democrats were incensed by what they believed to be a betrayal by their liberal party colleagues, and they immediately countered with a larger humanitarian aid package of their own. Their efforts were in no small part assisted by an inauspiciously timed trip to Moscow by Nicaraguan President Daniel Ortega the very day following House rejection of the contra aid legislation. On 16 April, Mexican President Miguel de la Madrid had stunned the Nicaraguans by announcing that Mexico would no longer supply Managua with petroleum because of the Sandinistas' inability

¹¹³John Felton, "In Major Defeat, Reagan Loses 'Contra' Aid," *Congressional Quarterly Weekly Report*, 43, no. 17 (27 April 1985): 779. See also LeoGrande, "The Contras and Congress," 208-16; and Arnson, *Crossroads*, 193-204.

¹¹⁴Ibid.

to pay even on extremely lenient credit terms. Nicaragua, de la Madrid said, would have to find another source of oil.¹¹⁵

The Mexican oil reduction left the Sandinistas with little choice but to immediately appeal to the Soviet Union as only plausible alternative in order to avoid a complete economic shutdown. “Without the agreement on oil supplies that we reached there [in Moscow],” *comandante* Bayardo Arce explained, “Nicaragua would have come to a standstill.”¹¹⁶ “It was a strategic matter. We simply didn’t have oil,” a Nicaraguan diplomat further observed. “We had to conclude an agreement [with the Soviets] very formally and at the highest levels....We knew there was a price to it.”¹¹⁷

The practical exigencies of the looming Nicaraguan oil crisis as the cause for Ortega’s trip to Moscow were hardly relevant to the political dynamics of the bitter contra debate in Washington. Several members interpreted Ortega’s visit as a celebratory sojourn, and contra aid opponents were roundly embarrassed at being depicted as defenders of the Sandinista regime. “He embarrassed us, to be perfectly truthful,” leading contra aid opponent Speaker Tip O’Neil (D-Mass.) complained. “I took it as an intentional slap at Congress and a slap at those of us who had gone out on a

¹¹⁵Gutman, *Banana Diplomacy*, 289.

¹¹⁶Dagens Nyheter (Stockholm), 20 June 1985, in *EBIS-LAM*, 3 July 1985, P12; Nicaraguan Foreign Ministry official, background interview by the author, November 1991.

¹¹⁷Quoted in Gutman, *Banana Diplomacy*, 289.

limb to come up with something” alternative to contra assistance, Congressman Butler Derrick (D-S.C.) fumed.¹¹⁸

In addition to the resentment moderate Democrats felt for perceived Sandinista duplicity, likewise several felt betrayed by the more liberal House leadership, which had unexpectedly joined forces with Republican aid supporters to doom the compromise Barnes-Hamilton package. “I was just livid,” leading moderate Dave McCurdy (D-Okla.) said following the vote. “We had felt a little betrayed, a little co-opted.... When they [the liberals] backed off, we said, the hell with them. That very night we were drafting the basis for the \$27 million [humanitarian package].”¹¹⁹

The Reagan administration seized the opportunity to press forward for another contra aid vote in light of the opposition’s evident disarray and discord. In stark contrast to Congress’s disharmony, the administration enjoyed unusual stability and unity, as both negotiators and irreconcilables joined forces to press for a resumption of contra aid. In promising to seek a political, not military, solution in Nicaragua, the negotiators were especially effective. “George Shultz came and met with us,” Representative Spratt recalled. “He said, ‘Look, I’m an old labor negotiator. If you want me to negotiate with the Sandinistas, I have to have something to trade with. I

¹¹⁸Quoted in Margaret Shapiro and Joanne Omang, “Speaker Says House May Aid ‘Contras’,” *Washington Post*, 7 May 1985, A1; and in Shapiro, “Contra Aid Vote Presages Renewed U.S. Role,” *ibid.*, 14 June 1985, A18. “What he did was rather stupid, from the Sandinistas’ own point of view,” Senator Sam Nunn (D-GA) commented. “It certainly cost them support up here.” Quoted in Joel Brinkley, “Nicaragua and the U.S. Options: An Invasion Is Openly Discussed,” *New York Times*, 5 June 1985, A1.

¹¹⁹Quoted in Arnson, *Crossroads*, 198.

have to go to the table and meet their force with my force’.” Providing humanitarian aid, to Spratt and other moderates, allowed the U.S. the ability “to maintain the contras as a fighting force...It gave Shultz the leverage the negotiations. It gave us a way to stay involved.”¹²⁰

On 6 June the Senate approved an even larger humanitarian aid package — \$38 million — by a wider 55-42 vote. On 11 June, the eve of the crucial House vote, President Reagan wrote Congressman McCurdy promising to explore “how and when the U.S. could resume useful direct talks with Nicaragua.”¹²¹ McCurdy and the moderates believed Reagan had provided a sufficient commitment to seeking a negotiated solution, and they backed the humanitarian bill they had opposed the previous March. On 12 June the House approved McCurdy’s \$27 million humanitarian package by a wide 248-184 margin. Later in conference committee, the House and Senate agreed on the House’s version.

Having secured an impressive if improbable legislative victory, President Reagan quickly backed away from his initial promises to McCurdy to pursue negotiations. In a 31 August letter, Reagan dismissed a resumption of the Manzanillo talks, claiming that the Sandinistas were unprepared to negotiate seriously.¹²² Instead,

¹²⁰Quoted in *ibid.*, 200-1.

¹²¹The letter appears in *Congressional Record*, 131, Part 11, 99th Congress, 1st Session (5 June-13 June 1985): 15203. In point of fact, Reagan’s letter to McCurdy was dictated by the Congressman himself. “I dictated letters to Bud McFarlane that came back with the president’s signature,” McCurdy acknowledged. Quoted in Arnson, *Crossroads*, 189.

¹²²Gutman, *Banana Diplomacy*, 290-1.

the administration began preparations for yet another titanic struggle for contra aid, since the \$27 million was due to expire on 31 March 1986.

ROUND TWO

Flush with confidence and brimming with aplomb, the White House drove into its effort to secure contra aid for fiscal year 1986 with a vengeance, fueled in large measure by the irreconcilable camp. On 10 January the administration decided to seek a staggering \$100 million in assistance for the contras, a sum several times higher than any previously sought. Moreover, it wanted \$70 million of that total to be military aid, and as well for legislative restrictions against CIA involvement in dispensing the aid to be removed.¹²³

The debate over the contra aid proposal — always spirited and fractious in the past — quickly devolved into an unseemly episode of Red-baiting. “Casey, as always, wanted to fight to the death and then, if they lost, blame Congress for the loss of Central America,” according to Bob Gates. “Casey was appalled by the contrast between the threat he and others perceived and the administration’s feeble response” — a view of “the administration’s political pusillanimity on Nicaragua” that Gates and other irreconcilables shared.¹²⁴

The contrast was stark between the muscular rhetoric about the communist danger in Nicaragua and the administration’s temporizing and knuckling under as Congress progressively crippled the program to help the resistance. The Reagan administration stood by and watched the Congress pass legislation that restricted CIA’s ability to support the

¹²³The 1985 legislation established the Nicaraguan Humanitarian Assistance Office based in the Department of State to disburse the funds.

¹²⁴Gates, *From the Shadows*, 312, 392, 394.

contras and finally kill it while, by signing these bills, the president allowed the legislature to evade responsibility for the strangulation.¹²⁵

White House Director of Communications Patrick Buchanan fired the first salvo of the irreconcilable-led approach, writing that

by cutting arms shipments to Nicaragua's freedom fighters, by tying the president's hands with the Boland amendment, the national Democratic Party has now become, with Moscow, co-guarantor of the Brezhnev Doctrine in Central America. Whose side are you on? With the vote on contra aid, the Democratic Party will reveal whether it stands with Ronald Reagan and the resistance — or Daniel Ortega and the communists.¹²⁶

Buchanan's sharp words were effectively echoed by President Reagan, who, when asked if he would equate opposition to contra aid with support for the Sandinistas, replied "It's hard not to."¹²⁷ "To me," Reagan wrote in his memoirs, "the seriousness of the problems in Central America were so obvious that we had no choice: based simply on the difference between right and wrong." Congressional opponents of contra aid were "battling to limit virtually everything the administration was trying to do in Central America.... Well-intentioned or not, they were in effect furthering Moscow's agenda in Latin America."¹²⁸

¹²⁵Ibid., 392-3.

¹²⁶Patrick Buchanan, "The Contras Need Our Help," *Washington Post*, 5 March 1986, A19.

¹²⁷Quoted in John Felton, "Reagan Loses Ground on 'Contra' Aid Program," *Congressional Quarterly Weekly Report*, 44, no. 10 (8 March 1986): 537.

¹²⁸Reagan, *An American Life*, 478-9. The mostly-vitriolic debate did find occasion for amusement. The pro-contra National Conservative Political Action Committee wrote to several wavering House members asking them not "to drive a nail into the coffin of liberty and democracy for the Nicaraguan people," and enclosed a nail for dramatic effect. One perturbed Representative — Jim Chapman (D-Tex.) — mailed
(continued...)

Contra aid foes, Reagan told one audience, “are courting disaster, and history will hold them accountable.”¹²⁹ The president then delivered an emphatic national address on 16 March, days before the critical House vote, in which he warned the House not to “abandon the democratic resistance to its Communist enemy.” “Now the Congress must decide where it stands,” the president said, echoing the polar rhetoric of Patrick Buchanan. “Only this is certain. Through all time to come, this, the 99th Congress of the United States, will be remembered as that body of men and women that either stopped the Communists before it was too late — or did not.”¹³⁰

The administration combined its unsubtle rhetoric with comments suggesting that it sought the military overthrow of the FSLN regime. “If Nicaragua still won’t see the light, or the Nicaraguan government won’t,” President Reagan told a Mexican newspaper, “then the only alternative is for the freedom fighters to have their way and take over.”¹³¹ A White House spokesman confirmed the president’s remarks, confirming that “the ultimate aim of the Reagan policy is to have a more moderate

¹²⁸(...continued)

back a screw in reply. See Edward Walsh, “Administration Officials Hopeful Contra Aid Will Pass House,” Washington Post, 18 March 1986, A1.

¹²⁹Ronald Reagan, “Remarks at a White House Briefing,” Weekly Compilation of Presidential Documents 22, no. 10 (10 March 1986): 310-11.

¹³⁰Ronald Reagan, “Address to the Nation,” Weekly Compilation of Presidential Documents 22, no. 12 (24 March 1986): 374.

¹³¹Quoted in Bernard Weinraub, “Contras May Need to Seize Control, Reagan Says,” New York Times, 20 August 1986, A1. The comments were made to the Mexican newspaper Excelsior.

government” in Nicaragua, and “the only resolution appears to be a victory by the contras.”¹³²

Unsurprisingly, Democrats responded angrily to the administration’s forceful rhetoric and evident abandoning of a diplomatic solution. “These statements are the moral equivalent of McCarthyism,” Congressman Michael Barnes (D-Md) charged. More importantly, Congressman Dave McCurdy contended, the White House’s approach was having the unintended effect of hardening contra opposition. “The rhetoric is losing votes,” he warned.¹³³

McCurdy’s admonition proved accurate, as the House on 20 March rejected the administration’s \$100 million aid bill by a 222-210 margin. Reagan called the action “a dark day for freedom. This vote must be reversed.” The president pledged his “solemn determination to come back again and again until this battle is won.”¹³⁴ “We cannot give up,” he vowed. “We will never give up.”¹³⁵

¹³²Ibid. When asked if the United States was out to overthrow the Sandinista government, White House spokesman Larry Speakes replied “yes, to be absolutely frank.” Quoted in Jeremiah O’Leary and Mary Belcher, “Reagan opens campaign for aid to contras,” Washington Times, 19 February 1986, A1.

¹³³Quoted in “Congress Agrees to Renew Contra Arms Aid,” Congressional Quarterly Almanac 1986, 398.

¹³⁴Ronald Reagan, “Statement by the President on Action by the House of Representatives,” Weekly Compilation of Presidential Documents 22, no. 12 (24 March 1986): 396. In his memoirs, Reagan described the House opposition as “new efforts by Congress to starve the contras.” Reagan, *An American Life*, 515.

¹³⁵Ronald Reagan, “Remarks at a White House Reception for Private Sector Supporters,” Weekly Compilation of Presidential Documents 22, no. 12 (24 March 1986): 397.

Two days after the House vote, Sandinista troops crossed into Honduras to attack contra base camps in the El Paraiso province along the Coco River border. Such maneuvers had become fairly routine along the Nicaraguan-Honduran border, though all parties involved preferred not to publicize them.¹³⁶ Fresh off the stinging House defeat of contra aid, however, and with the Senate vote looming, the Reagan administration moved anxiously to capitalize on the situation.

Defense Intelligence Agency analysts termed the matter an “incident” that “represented more a target of opportunity for the Sandinistas rather than being representative of any clear strategy.”¹³⁷ DCI Casey, however, insisted that “the incursion appears to us to be a long-planned effort designed to knock out the contra forces quickly” while the U.S. debated contra aid.¹³⁸ Irreconcilable ally Constantine Menges concurred; “obviously the communist Sandinistas hoped to finish off the contras before the House could vote again,” he later wrote of the incident.¹³⁹ That

¹³⁶The Sandinistas did not wish publicize that their troops had crossed a state border, thus violating international law. The contras did not want to admit that their base camps were in Honduras, not inside Nicaragua as they repeatedly claimed. And the Hondurans did not care to acknowledge that they not only were in fact hosting the contra forces but that they had also effectively lost control of their own territory.

¹³⁷Central Intelligence Agency, Office of African and Latin American Analysis, Memorandum to DCI [Casey], From [Excised], Subject: *Sandinista Military Actions and Intentions*, 3 April 1986, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 2, 1097.

¹³⁸Central Intelligence Agency, Memorandum for Chief, Central America Task Force, Directorate of Operations [Alan Fiers], From Director of Central Intelligence, Subject: *Sandinista Military Actions and Intentions*, 3 April 1986, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 2, 1096.

¹³⁹Menges, *Inside the National Security Council*, 291.

was enough to convince President Reagan to argue that the Sandinistas felt “emboldened” by the House vote and were “try[ing] to serious damage the freedom fighters before aid can arrive.”¹⁴⁰

The White House, Constantine Menges recalled, quickly sought to “use the bold Nicaraguan military invasion of Honduras to dramatize the communist threat and thus help win a second vote.”¹⁴¹ Accordingly, the administration wanted to dispatch immediately \$20 million in emergency military aid to Tegucigalpa to dramatize the gravity of the situation. The law, however, required a formal request from Honduras, which had no inclination to place one and had in any event declined even to place its forces on alert status. The White House, however, insisted that a reluctant Honduran President José Azcona Hoyo request emergency military assistance from the United States. “You have got to tell them to declare there was an incursion!,” Abrams ordered Ambassador to Honduras John Ferch to demand in person of the Hondurans. “You don’t have a choice on this one,” Ferch informed Azcona. “You’ve got to get a letter up there right now. They’re going bonkers up there. This is absurd, but you’ve got to do it.” Azcona dutifully complied, then demonstrated his country’s level of concern by taking a long weekend at the beach.¹⁴²

¹⁴⁰Reagan, “Remarks at a White House Reception for Private Sector Supporters,” 397.

¹⁴¹Menges, *Inside the National Security Council*, 291. See also Steven V. Roberts, “U.S. To Send Force To Aid Honduras, Citing ‘Incursion’,” *New York Times*, 17 March 1988, A1.

¹⁴²Quoted in Kinzer, *Blood of Brothers*, 300-1. See also Gutman, *Banana Diplomacy*, 324-5; and Krauss, *Inside Central America*, 204-5. President Azcona’s
(continued...)

Regardless of the actual degree of military seriousness along the Nicaraguan-Honduran border, the incident — reminiscent of Daniel Ortega's 1985 post-House contra aid rejection sojourn to Moscow — yet again reinforced the political untenability of contra aid opponents who feared — and risked — being depicted as defenders of the Sandinistas. The practical political repercussions were not long in coming. The Senate on 27 March voted 53-47 to approve the administration's \$100 million aid package. More importantly, opposition to the administration's proposal began to crumble with the news of the latest Sandinista transgression. Leading aid foe House Speaker Tip O'Neill slammed Daniel Ortega as a "bumbling, incompetent Marxist-Leninist communist," while House Majority Whip Thomas Foley (D-Wash.) called the border incident "unjustified and stupid."¹⁴³

Likewise, the administration adjusted its legislative strategy for securing contra aid, abandoning the pugilistic approach of the irreconcilables in favor of the diplomacy-laden arguments of the negotiators. Secretary of State Shultz, for example, clearly articulated the negotiators' approach that contra aid was critical for a diplomatic solution. "If you do not have any cards to play," he told the Senate Foreign Affairs Committee, "you cannot get into the card game." The Sandinista government could be

¹⁴²(...continued)

press secretary Lisandro Quezada termed the entire matter as "part of the publicity campaign by the Reagan administration to secure approval of the \$100 million for the counterrevolution." Quoted in Paris AFP, 24 March 1986, in *FBIS-LAM*, 25 March 1986, P4.

¹⁴³Quoted in "Congress Agrees to Renew Contra Arms Aid," 402. Secretary of State George Shultz wrote that both in 1985 and 1986 the Sandinistas "helped our efforts with Congress by demonstrating...remarkable ineptness at key moments." Shultz, *Turmoil and Triumph*, 953.

dealt with, but only when it “sees that it cannot win militarily, that it is losing its base of support, and that its best hope for retaining some part of the government of the country is to sit down and negotiate....Under those circumstances, it will do it.”¹⁴⁴

By early summer the administration proved able to pick off enough swing votes in the House to win approval of the \$100 million bill with a 221-209 vote on 25 June. Because the aid package had been affixed in the House to a new bill, it required separate Senate approval. Overcoming liberal attempts to filibuster the aid proposal, the Senate on 13 August approved the administration’s proposal by a 53-47 vote.¹⁴⁵ The Reagan administration — and the CIA — legally rejoined in the contra war — “we were back in business,” Deputy DCI Bob Gates observed.¹⁴⁶

HABIB HUB-BUB

As long as Congress continued to inhibit contra aid, policy discontinuity between the Carter and Reagan administrations — as manifested by the irreconcilable-negotiator fissure — remained submerged and muted. In fact, for most of 1985, the irreconcilables appeared transcendent, as evidenced by a May speech by DCI William Casey that denounced the quest for a negotiated settlement. “There are some who

¹⁴⁴Testimony before Senate Foreign Affairs Committee, 27 February 1986. The recently-appointed special envoy for Central America, Philip Habib, told House members that if he attempted diplomacy “without something in my tool box, the Sandinistas will laugh at me.” Quoted by Congressman Robert Michel in *Congressional Record*, 132, Part 4, 99th Congress, 2nd Session (12 March-20 March 1986): 5454. Habib also told Sen. Richard Lugar (R-IN) that in the absence of military aid to the contras, the Sandinistas would eschew serious negotiations. See Richard Lugar, *Letters to the Next President* (New York: Simon and Schuster, 1988), 195.

¹⁴⁵“Congress Agrees to Renew Contra Arms Aid,” 406, 410.

¹⁴⁶Gates, *From the Shadows*, 434.

will be content with an agreement that the Nicaraguans will now forgo further aggression,” Casey said.

Our experience in Korea and Indochina provides some lessons on the value of agreements with communist governments....We believe the Sandinistas’ main objectives in regional negotiations are to buy time to further consolidate the regime....History and the record and purposes of Marxist-Leninist regimes in general and the Sandinistas in particular lead us to believe that unless Nicaragua has implemented genuine democracy...such assurances could not be adequately verified and would not be complied with.¹⁴⁷

Secretary of State George Shultz had told his ARA Secretary Elliott Abrams in September that the “diplomatic track [was] very important” and that Shultz wanted to “keep [it] alive”, but Abrams, harboring other ideas, had ignored the order.¹⁴⁸ Instead, “I want to be the first to reverse a communist revolution,” he told one U.S. ambassador in late 1985.¹⁴⁹

By the early spring of 1986, however, as it became clear that the administration was poised to win approval of the \$100 million aid package, the jihad between the two camps erupted into the open once again. In late April, William Casey wrote to White House Chief of Staff Don Regan that he had telephoned President Reagan “to impress upon him my concerns about the loss of Central America and the loss of our intelligence capabilities.”¹⁵⁰ Casey argued that “we are at a critical juncture” in Nicaragua policy.

¹⁴⁷Quoted in Gutman, *Banana Diplomacy*, 277.

¹⁴⁸Testimony of Elliott Abrams, *Iran-Contra Hearings*, Vol. 100-5, 125.

¹⁴⁹Quoted in Gutman, *Banana Diplomacy*, 317.

¹⁵⁰Central Intelligence Agency, Memorandum from The Director of Central Intelligence (Casey), To Donald T. Regan, Subject: *Situation in Nicaragua*, 23 April 1986, in *Iran-Contra Hearings*, Vol. 100-10, 342.

Either we get funding for the contras to implement the policy or we scrap our present policy and move ahead with final alternatives....we need to make it clear that if we fail we will be forced to give up the contra alternative and pursue other options....Our long-term security could require embargo, blockade or other direct military action.¹⁵¹

Casey informed Regan that he was “working with John Poindexter and his [NSC] staff” and that President Reagan had “reacted with great concern and agreed on the urgency of taking strong measures to improve our position on both of these matters.”¹⁵²

Secretary of State Shultz, meanwhile, was laboring to resurrect the negotiating track while retaining effective control over it. “In Washington,” Shultz complained,

staff members in the White House and in the departments, including State, were skeptical of, and in some cases were actually trying to sabotage, my efforts to establish a diplomatic track in Central America...many individuals, in the Senate and House, in the CIA, the NSC staff, the Pentagon and White House, and even at State, felt free to conduct their own foreign policies toward Nicaragua.¹⁵³

“With the United States once again helping the contras officially,” Deputy DCI Bob Gates observed, “the negotiating arena became active.”¹⁵⁴ As Shultz saw matters, “my job was to maintain as strong a negotiating effort as possible,” but in the spring of 1986, “there was no real diplomatic process under way for Central America then.”¹⁵⁵ Accordingly, in March Shultz convinced President Reagan to replace

¹⁵¹Ibid.

¹⁵²Ibid.

¹⁵³Shultz, *Turmoil and Triumph*, 950.

¹⁵⁴Gates, *From the Shadows*, 434.

¹⁵⁵Shultz, *Turmoil and Triumph*, 963, 951.

Harry Shlauderman with Philip Habib as the administration's special envoy to Central America. Following Habib's diplomatic stints in Lebanon and the Philippines — where he successfully negotiated the ouster of dictator Ferdinand Marcos — Shultz was confident that Habib could successfully navigate the nettlesome thicket of Nicaragua. “‘Habib’ can do anything’ was the aura around him,” Shultz recalled. “He had the confidence of the president and me and the Congress....Habib was perfect for the job.”¹⁵⁶

At the time of his appointment, negotiations with the Sandinistas had been stagnant for some time, “and I told Habib to assess the prospects for a negotiated outcome of the conflicts there, particularly those involving Nicaragua,” Shultz recalled.¹⁵⁷ Habib's mandate remained unchanged from that of previous missions: the four points he sought for the United States were an end to Sandinista assistance to the FMLN, the removal of Soviet bloc military advisors, a ceiling on Nicaraguan armament, and democratization of Nicaragua's political process. “None of these points had anything to do with winning a war or overthrowing the Ortega regime by military force,” Shultz insisted, which of course was the crux of the dilemma.¹⁵⁸ The negotiators' approach did not guarantee the removal of the FSLN government; indeed, it openly allowed for co-existence between the United States and Sandinista Nicaragua.

The appointment of Habib, coupled with the resumed diplomatic effort by the negotiators, did not go unnoticed by the irreconcilable camp. “Habib's attitude and

¹⁵⁶Ibid., 951-2. See also Gates, *From the Shadows*, 434.

¹⁵⁷Shultz, *Turmoil and Triumph*, 951.

¹⁵⁸Ibid., 952.

judgements were definitely bad news,” Constantine Menges wrote, and he castigated Habib’s negotiating background.¹⁵⁹ Another high-ranking State department official critical of Habib emphasized that the appointment of the special envoy had been on 7 March — just before the critical House vote on the \$100 million contra aid package. “We needed a plausible negotiating track,” the official said, in order to secure approval of the funds. “We did not realize that he [Habib] would view it as his role to achieve a treaty.”¹⁶⁰ Shultz himself was aware of the renewed tension: while he called Habib “a top professional diplomat working to achieve a negotiated outcome” in Nicaragua, he also knew “the hard right in Washington deeply distrusted such negotiations, resented Habib’s appointment, and sabotaged his efforts.”¹⁶¹

Meanwhile, the Contadora nations doggedly continued to plug away at reaching a negotiated settlement of the Central American crisis, setting 6 June as its latest deadline for signature of a treaty. On 11 April, Habib inadvertently touched off a maelstrom in a seemingly innocuous letter to Representatives Jim Slattery (D-Kan.),

¹⁵⁹Menges, *Inside the National Security Council*, 296, 292. Habib had served 3 years in the Carter administration, Menges noted — “three years of setbacks for the free world.” Menges also wrote that following the FSLN victory in July 1979, “Habib dismissed my concerns that Sandinista-led Nicaragua would become a second Cuba....Habib reportedly counseled the Carter administration to take a few preventive actions, but not to worry much about either Nicaragua or Grenada....Somehow this record of negotiating experience suggested to the State Department that Habib was the right person to become special envoy.” *Ibid.*, 292.

¹⁶⁰Quoted in Philip Gwertzman, “Habib Finds Himself in a Hot Seat,” *New York Times*, 17 July 1986, A20. “Anyone who knows Phil,” a colleague commented, “should know that if you name him special negotiator, he is going to try his darnedest to negotiate an agreement. Unfortunately, there were many around who did not know him well.” *Ibid.*

¹⁶¹Shultz, *Turmoil and Triumph*, 952.

Michael Barnes (D-Md), and Bill Richardson (D-NM) that spelled out the administration's position with respect to a Contadora agreement and U.S. support for the Nicaraguan resistance.¹⁶² "We interpret these provisions," Habib wrote of the draft Contadora treaty, "as requiring a cessation of support to irregular forces and/or insurrectional movements from the date of signature" — although the administration believed that humanitarian assistance for the purpose of relocation and repatriation was permitted.¹⁶³

Habib's letter "set off alarm bells" among the irreconcilables, according to Peter Rodman, director of the State Department's Policy Planning staff, "fueling fears that either the administration's interpretation of Contadora or else Contadora itself was a trap for the resistance."¹⁶⁴ Leading irreconcilables immediately pounced on Habib's implication that U.S. support for the contras would cease upon the signing of the Contadora treaty on 6 June, provided that the Sandinista government likewise signed, as most believed it would. Constantine Menges denounced Habib's letter as "destructive,"¹⁶⁵ while Elliott Abrams insisted that the letter "was in error" and

¹⁶²Shultz described the ensuing uproar as "a time of wild and divisive tension over Nicaragua in Washington," while Menges referred to "the dramatic but hidden battles of the spring of 1986." See Shultz, *Turmoil and Triumph*, 954; and Menges, *Inside the National Security Council*, 277.

¹⁶³"Letter from the Special Envoy for Central America (Habib) to Three Congressmen, 11 April 1986," in *American Foreign Policy: Current Documents 1986* (Washington, D.C.: USGPO, 1987), 762-3.

¹⁶⁴Rodman, *More Precious Than Peace*, 416.

¹⁶⁵Menges, *Inside the National Security Council*, 277.

“imprecise.” If he could rewrite the letter, Abrams said, “I’d just change the word ‘signature’ to ‘implementation’.”¹⁶⁶

Far more disquieting to the irreconcilables, however, was the momentum they perceived to be building toward a signed Contadora treaty by the June deadline — what Menges decried as a “steamroller that was building toward a false treaty on 6 June” that was fueled in large measure by “State Department pressures being exerted for an inadequate treaty.”¹⁶⁷ In a 29 April meeting with House conservatives, “Habib argued vigorously for a treaty to be signed by 6 June,” according to participant Congressman Jack Kemp (R-NY) — a position that greatly alarmed the irreconcilables. They needed to “take firm action to stop State Department preemptive concessions from undermining Reagan’s policy both in Central America and Congress,” as Menges wrote.¹⁶⁸ “Once again, the State Department was up to its old tricks” and “had decided to pursue its own policy,” he charged. “The State Department seemed to be proceeding along the lines of its formula — **which the president had rejected.**”¹⁶⁹

“Administration opponents of the Contadora treaty,” irreconcilable Peter Rodman wrote, “took the opportunity to go on the offensive.”¹⁷⁰ Former U.N.

¹⁶⁶Quoted in Gwertzman, “Habib Finds Himself in a Hot Seat,” A20; and Joanne Omang, “Habib Called Wrong, Imprecise In Letter on U.S. Latin Policy,” *Washington Post*, 24 May 1986, A21. The comments from Abrams angered Habib, since the letter had been drafted by Abrams’s ARA office and had been cleared by Abrams himself.

¹⁶⁷Menges, *Inside the National Security Council*, 296, 301.

¹⁶⁸*Ibid.*, 296, 295.

¹⁶⁹*Ibid.*, 303, 310. Emphasis in original.

¹⁷⁰Rodman, *More Precious Than Peace*, 417. “Once again,” Menges wrote, “in
(continued...) ”

Ambassador Jeane Kirkpatrick wrote a lengthy editorial that compared Contadora to the 1945 Yalta accords, criticized the negotiators' "zeal for a settlement" and castigated "the American proclivity for negotiating agreements that had no realistic chance of being implemented." With respect to Contadora, Kirkpatrick wrote,

the debate once again pits the State Department, with its enthusiasm for an agreement of some sort, against the field. It is entirely possible that State will win, because of our deep-grained national proclivity to believe that an agreement is the same as a solution.¹⁷¹

To further dampen any enthusiasm for a signed Contadora treaty, Under Secretary of Defense Fred Iklé released a Defense Department report entitled *Prospects for Containment of Nicaragua's Communist Government*.¹⁷² According to Iklé, "the purpose of the report is to explain the military difficulties of a containment policy that would rely initially on an agreement along the lines currently being negotiated [in Contadora]."¹⁷³ As fellow irreconcilable Constantine Menges wrote, "the report asked one basic question: If the proposed Contadora treaty were signed by all five Central American governments, and the Sandinista regime remained, what would be the cost and likelihood of containing it?"¹⁷⁴

¹⁷⁰(...continued)

regard to the president's policy, it was a question of heading the 'bad guys' off at the pass." Menges, *Inside the National Security Council*, 277.

¹⁷¹Jeane Kirkpatrick, "The Contadora Treaty? Communists Don't Comply," *Washington Post*, 26 May 1986, A21.

¹⁷²U.S. Department of Defense, *Prospects for Containment of Nicaragua's Communist Government* (Washington, D.C.: USGPO, May 1986).

¹⁷³Quoted in Leslie Gelb, "Pentagon Fears Major War If Latins Sign Peace Accord," *New York Times*, 20 May 1986, A1.

¹⁷⁴Menges, *Inside the National Security Council*, 303.

Unsurprisingly, Iklé's analysis was provocative and singularly unattractive, insofar as he had previously insisted that "the idea that you can strike a deal with them [the Sandinistas] seems unrealistic."¹⁷⁵ Iklé concluded that, because the Sandinistas would cheat on the treaty's terms and thus remain a serious threat to American security interests, the U.S. would be forced to expend some \$9.2 billion a year and sustain a military commitment of over 100,000 U.S. troops throughout the countries bordering Nicaragua in order to assure minimal Sandinista compliance. "Even with a major commitment of the U.S. and its allies," he warned, "containment...likely would only be partially effective."¹⁷⁶ In short, as Peter Rodman wrote, the report "assess[ed] the risks of a Contadora treaty that left the Sandinista regime intact" and "concluded that such a peace treaty would face the United States with an increased military problem" in the region.¹⁷⁷

The State Department immediately reacted furiously to the Pentagon's report, complaining that its release seriously undercut Habib's ability to conclude a negotiated settlement. "The State Department," Rodman wrote, "regarded the Iklé report as either a slight to its diplomatic efforts or a blow to the prospects for agreement."¹⁷⁸ Under Secretary of State Michael Armacost denounced the report as "unofficial and unauthorized", while State Department spokesman Charles Redman insisted that the report "has no standing as a United States Government document"

¹⁷⁵Quoted in Brinkley, "Nicaragua and the U.S. Options," A1.

¹⁷⁶Department of Defense, *Prospects for Containment of Nicaragua's Communist Government*.

¹⁷⁷Rodman, *More Precious Than Peace*, 417. Emphasis in original.

¹⁷⁸Ibid.

and was merely “an internal Department of Defense study written under contract and released without authority.”¹⁷⁹

The irreconcilables’ public undercutting of Habib was matched by private efforts to ensure that the 6 June Contadora deadline passed without a signed treaty. National security advisor John Poindexter wrote that “ongoing Contadora discussions are creating expectations and anxieties in the U.S. and in Central America....This continues to be a volatile political issue which has created considerable speculation that a treaty is about to be signed by the Central Americans which would ‘sell out’ the DRF [contras].” The U.S., Poindexter argued to Reagan, should advance the objections to Contadora by the four Central American allies — thereby assuring failure — “while denouncing the Sandinistas for refusing to negotiate.”¹⁸⁰

In the end, the much-anticipated 6 June deadline passed without incident, though the very real possibility of a negotiated settlement once more illuminated the gulf between the negotiators and the irreconcilables, and hence the policy discontinuity between the Carter and Reagan administrations. Policy incongruence between the two presidencies remained prominent during the last two years of President Reagan’s second term, augmented in large measure by a constitutional crisis as well as

¹⁷⁹Quoted in Menges, *Inside the National Security Council*, 303; and quoted in Bernard Gwertzman, “Pentagon Report Irks State Dept.,” *New York Times*, 21 May 1986, A5. Iklé denied State’s assertions, insisting that “it was an official statement of the U.S. government that had been cleared by an interagency committee that had included the State Department.” The imbroglio prompted Menges to wonder “whether Habib would need to be diverted from Central America to arrange a peace treaty between State and Defense.” See Menges, *Inside the National Security Council*, 303.

¹⁸⁰The White House, Memorandum from John M. Poindexter, To the President, Subject: *Meeting With the National Security Planning Group (NSPG)*, 16 May 1986, in *Iran-Contra Hearings*, Vol. 100-8, 576.

by the emergence of the U.S. Congress as the dominant force in Nicaragua policy-making.

Anyone who believes that this president will go out of office with the Sandinistas in power doesn't know Ronald Reagan.

Assistant Secretary of State Elliott Abrams¹

As long as there are free elections and free speech, if Ortega's elected that's fine with me.

Speaker of the House Jim Wright²

TUG OF WAR: THE REAGAN ADMINISTRATION AND NICARAGUA, 1987-88

The bitter internal battles for control of Nicaragua policy that had marked his first term did not so much abate as shift locus during the final two years of Ronald Reagan's second term, moving from inside the administration to reflect an institutional power struggle between the White House and Capitol Hill. Despite the change both in actors and in venue, however, the fundamental policy discontinuity separating the Carter and Reagan administrations remained evident and in place. The legislative

¹Quoted in Gutman, *Banana Diplomacy*, 317. "Nobody who listens to him is completely sure," a senior administration official had privately commented at the start of Reagan's second term, "if it comes to the end of his term and Nicaragua is incontestably moving toward becoming a second Cuba, will Ronald Reagan leave office letting it be just that?" Quoted in Joel Brinkley, "Nicaragua and the U.S. Options: An Invasion Is Openly Discussed," *New York Times*, 5 June 1985, A1. According to another administration official, Reagan in early 1988 told his top advisers that he wanted the Sandinistas gone by the time he left office the following year. Quoted in Nancy Cooper, "Peace Now, Pay Later," *Newsweek* 111, no. 4 (25 January 1988): 36.

²Quoted in John M. Barry, *The Ambition and the Power* (New York: Viking Press), 357.

branch, led primarily by the House of Representatives in general and House Speaker Jim Wright in particular, essentially assumed the role played by the negotiators within the administration in seeking a diplomatic accommodation with Nicaragua that did not necessitate the removal of the Sandinista government from power.

The irreconcilable faction within the administration remained distinctly opposed to any negotiated settlement that would preserve FSLN rule in Managua, and strenuously fought such efforts regardless of source. But while the irreconcilables were largely successful in blocking the attempts of the negotiators because both were within the executive branch, their efforts to stymie diplomatic initiatives from Speaker Wright and his congressional allies proved much less effective, given the latter's independent and formidable Constitutional base of power. In short, then, U.S. policy toward Nicaragua changed for the third time, back toward the Carter administration's accommodative approach, due not to a Reagan administration change of heart, but because of the irresistible institutional influence of the Congress.

DIVERSIONS

"I am really serious," a frustrated Ronald Reagan told NSC adviser John Poindexter in May 1986. "If we can't move the contra package before June 9, I want to figure out a way to take action unilaterally to provide assistance."³ The two were discussing a White House paper laying out administration options regarding the \$100 million contra aid package pending in the House, "and one of the options in the paper was that if we were unable to get the 100 million, to pull out, drop our support of the

³The White House, PROF (professional office communications computer system) Note from John Poindexter to Don Fortier, Subject: *Contra Project*, 2 May 1986, in *Iran-Contra Hearings*, Vol. 100-8, 568.

contras,” Poindexter testified. “‘Look,’” he quoted the president as saying in reply, “‘I don’t want to pull out our support for the contras for any reason. This would be an unacceptable option, isn’t there something that I could do unilaterally?’”⁴

Observing that the president was “very adamant,” Poindexter wrote a colleague that Reagan “was taken with the examples of presidential actions in the past without Congressional approval....the fact remains that the president is ready to confront Congress on the constitutional question of who controls foreign policy.”⁵

Seemingly unbeknownst to Reagan⁶, however, his administration was in fact taking unilateral steps to financially assist the contras in the absence of Congressionally-approved support. It took a series of seemingly unrelated events to bring the affair to light, and would do so in a manner that ironically would cripple the administration’s political base of support for contra aid at the moment of its apex.

Shortly after noon on 5 October 1986, some thirty miles from the Costa Rican border, a Sandinista patrol caught sight of an aged C-123 transport plane on a contra resupply mission. A young EPS soldier named José Fernando Canales brought the plane down with a single SAM-7 surface-to-air missile. The sole survivor was an American named Eugene Hasenfus, and both his statements and documents recovered from the wreckage suggested U.S. government involvement.

⁴Testimony of John Poindexter, *Iran-Contra Hearings*, Vol. 100-8, 51.

⁵The White House, PROF Note from John Poindexter to Don Fortier, Subject: *Contra Project*, 2 May 1986. Poindexter made it clear that he sided with Reagan on this issue. “I clearly recognize the constitutional authority of the Congress to appropriate monies,” he testified. “But I don’t think that the vehicle should be used to try to restrict what the president can do in foreign policy.” Testimony of John Poindexter, in *Iran-Contra Hearings*, Vol. 100-8, 372.

⁶Amid great speculation, it has never been established that President Reagan was made aware of the diversions of funds from Iranian missile sales to the contras.

The following month, on 3 November, a pro-Syrian Lebanese magazine called *Al-Shiraa* published an extraordinary article claiming that the Reagan administration had sold arms to Iran in an effort to free American hostages held in Lebanon. The transactions were confirmed by the White House, although President Reagan insisted they were done to assist 'moderate' political forces in Iran and were not a straight-up 'arms-for-hostages' ransom.

Regardless, the two ostensibly unrelated events were fused into one on 25 November, when Attorney General Edwin Meese stunned the nation by announcing that, in the course of administration investigations both of the Iranian venture and of the Hasenfus incident, profits from the arms sales had been diverted to the Nicaraguan contras. The chief source of evidence was an early April 1986 memorandum from Oliver North to John Poindexter stating that "the residual funds from this transaction are allocated as follows:

\$12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This material is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to 'bridge' the period between now and when Congressionally-approved lethal assistance (beyond the \$25 million in 'defensive' arms) can be delivered.⁷

⁷The White House, Memorandum from Oliver L. North, To John M. Poindexter, Subject: *Release of American Hostages in Beirut*, undated, in *Iran-Contra Hearings*, Appendix A: Source Documents, Vol. 1, 1201. Gross sales of the arms to Iran had netted some \$30.3 million, though the actual value of the weapons was roughly \$12.2 million. The remaining money was available for disbursement to the contras, but in the end only some \$3.6 million appeared to have been diverted. See Lawrence E. Walsh, *Firewall: The Iran-Contra Conspiracy and Cover-Up* (New York: W. W. Norton, 1997), 150-1.

The resulting furor, termed 'Iran-contra', has been extensively examined in other venues and need not be exhumed here.⁸ Its impact on the Reagan administration's Nicaragua policy-making, however, prompted significant personnel turnover while encouraging other external actors interested in the issue to impose their own preferences on the policy and eventually assume effective veto power over it.

But while the resultant turmoil over the revelation of the arms diversion and the summer-long Congressional inquiries considerably recast the players in the irreconcilable-negotiator jihad, it did not appreciably diminish its intensity. On 15 December 1986, DCI William Casey suffered a seizure in his Langley office, the result of a massive brain tumor. He resigned from his position on 29 January 1987, and died on 6 May. Deputy DCI and irreconcilable Bob Gates, who had replaced Casey during his illness on an acting capacity, proved too badly damaged by Iran-contra to serve as a permanent replacement, and instead moderate outsider William Webster became the new DCI.

For their direct roles in Iran-contra, irreconcilables NSC staff member Oliver North and his boss NSC adviser John Poindexter were immediate casualties of the affair, soon followed by White House Chief of Staff Don Regan. But while Regan was replaced by the moderate Howard Baker, Poindexter was succeeded by the hardline Frank Carlucci, a Weinberger protégée.

Carlucci proceeded to staff the NSC accordingly, selecting two former aides to Jeane Kirkpatrick: José Sorzano was named director of Latin America affairs, and

⁸For a single-volume account of the Iran-contra affair, see Draper, *A Very Thin Line*.

Jackie Tillman was tabbed to head Central American matters. "I hoped," Constantine Menges wrote, "that Sorzano and Abrams, working with Iklé, Weinberger, Carlucci and the president, could save Central America from the misguided initiatives of Shultz, Armacost, Habib and the State Department's Latin American bureau."⁹ Thus, despite the Iran-contra scandal, the bitter and seemingly unending struggle between the State Department and the NSC appeared likely to continue unabated.

Parallel Tracks

For most of the decade, the Central American nation of Costa Rica had been a reluctant and occasionally unwitting ally in the U.S.-led contra war, providing sanctuary for the contra insurgents and airstrips for CIA resupply efforts. In February 1986, however, Costa Ricans surprisingly elected Oscar Ariás Sanchez as president, and he immediately launched an ambitious and assiduous crusade to end the strife in Nicaragua and to bring peace to Central America.

While candidly critical of the Sandinistas, Ariás also called for a termination of U.S. assistance to the contras, a position that incurred the wrath of the irreconcilables¹⁰

⁹Menges, *Inside the National Security Council*, 320. Fellow irreconcilable Peter Rodman – who had in 1986 moved over to the NSC staff – wrote that following the Iran-contra scandal, "it was now a dispirited administration – wounded, gun-shy, depopulated of most of its more ideological champions, dominated by men like George Shultz and former Senator Howard Baker, who saw conciliation of Congress as the best strategy now." Rodman, *More Precious Than Peace*, 428.

¹⁰George Shultz recalled that "NSC advisor John Poindexter and hard-liners on the NSC staff" unsuccessfully worked to keep Vice-President George Bush from attending Ariás's inauguration on 8 May 1986 "as a rebuff to Ariás for his opposition to the contras." Shultz, *Turmoil and Triumph*, 952.

and the skepticism of the negotiators.¹¹ Since, however, Ariás so prominently pressed for democratization through diplomacy in Nicaragua, the negotiators were largely supportive of his efforts. On 24-25 May 1986, the five Central American presidents held a regional summit meeting in Esquipulas, Guatemala. At the close of the summit, the leaders issued a declaration dubbed 'Esquipulas I' that called for each state to choose its own economic, social and political system without external interference and with the support of the people.

On 7 January 1987, special envoy Philip Habib and Elliott Abrams met with Costa Rican Foreign Minister Rodrigo Madrigal in Miami "to go over the outlines of the evolving peace plan being developed by President Oscar Ariás, following Esquipulas I." Acknowledging meaningful differences – primarily over contra aid – Secretary of State George Shultz nonetheless argued that the basic thrust of Ariás's approach was "actually similar to those I had discussed with Habib."¹² The emerging 'Ariás Plan', Shultz testified to the Senate Foreign Relations Committee, was "a healthy, welcome development."¹³ The plan concentrated on new elections in Nicaragua, a cease-fire and general amnesty, and a regional peace treaty. The goal of

¹¹"Ariás strongly emphasized the importance of democracy, and he became the spokesman for democratic change inside Nicaragua," Shultz wrote. "I never doubted his sincerity of purpose." Shultz added, however, that "I knew he did not appreciate how important the growing contra pressure was to the success of his negotiating efforts....His blind spot – an unwillingness to recognize the importance of pressure from the contras to spur the Nicaraguans to the negotiating table – always baffled me." Shultz, *Turmoil and Triumph*, 952, 956.

¹²Shultz, *Turmoil and Triumph*, 952.

¹³Quoted in Don Oberdorfer, "Dodd, Shultz Trade Barbs on Policy," *Washington Post*, 25 February 1987, A10.

the peace agreement, special envoy Philip Habib explained, was to be the “reintegration of Nicaraguans...into the political process.”¹⁴ Accordingly, Shultz dispatched the special envoy to work closely with Ariás and the Central American leaders.¹⁵

“As the diplomatic effort proceeded,” Shultz wrote, “Habib was almost constantly at the side of the heads of government and foreign ministers of the Core Group, urging them to concentrate on a sustainable approach to a negotiated settlement.”¹⁶ Such activity, however, quickly aroused the wrath of the irreconcilables. “The hard-liners from all corners around town were busy sniping at Phil Habib,” Shultz recalled. “Despite all the potshots, by the first months of 1987, we had reestablished a diplomatic track. I considered this to be real progress.”¹⁷

Leading irreconcilables, unsurprisingly, did not share Shultz’s enthusiasm principally because the plan held no role for the contras and would, therefore, serve only to preserve Sandinista rule in Nicaragua. Constantine Menges was deeply troubled by the State Department’s courting of the Ariás initiative, and predicted to an aide that it would prove to be “the instrument that will be used for this year’s run

¹⁴Testimony of Philip Habib, Hearings before the Committee on Foreign Affairs, Subcommittee on Western Hemisphere Affairs, House of Representatives, 100th Congress, 1st Session, *Recent Events Concerning the Ariás Peace Proposal* (Washington, D.C.: USGPO, 9 July 1987), 6-7, 19.

¹⁵Shultz, *Turmoil and Triumph*, 952-3, 955.

¹⁶Ibid., 952-3.

¹⁷Ibid., 955-6.

at a false political settlement.”¹⁸ “Another year, another phony peace treaty,” he ruefully concluded.¹⁹

President Arias had unveiled his ambitious plan at a February 1987 regional summit meeting in the Costa Rican capital of San José, and he planned to have all Central American leaders sign on to his peace accord at a final summit meeting at the end of June. By spring, however, irreconcilable forces within the administration had convinced Reagan that the plan needed to be overhauled and in all likelihood replaced. Speaking to the plan, Reagan on 3 May commented that “we have some concerns which need to be resolved” in the Arias plan. The president further disabused any notion that the plan would bring an end to U.S. support for the contras. “For as long as I am president,” Reagan vowed, “I have no intention of withdrawing our support for those efforts by the Nicaraguan people to gain their freedom.”²⁰ In a 17 June Oval Office meeting with Arias, Reagan and other irreconcilable officials sharply criticized the Costa Rican president’s efforts.²¹ Such opposition in Washington in turn engendered qualms and apprehension among Arias’s Central American neighbors, most prominently Salvadoran

¹⁸Menges, *Inside the National Security Council*, 320.

¹⁹Ibid., 322.

²⁰Ronald Reagan, “Remarks at the 100th Annual Convention of American Newspaper Publishers Association,” Weekly Compilation of Presidential Documents 23, no. 18 (11 May 1987): 473, 474.

²¹See Elaine Sciolino, “Reagan Meets Costa Rican to Fault Peace Plan,” New York Times, 18 June 1987, A13.

president José Napoleon Duarte, who had his own insurgent civil war to resolve. Faced with such growing opposition, Arias agreed to postpone the planned June summit meeting until the first week of August.

In Washington, meanwhile, testimony from the Iran-contra congressional hearings had rekindled the contra aid debate. Opponents of the aid were appalled by revelations of secret dealings and duplicitous testimony, and vowed to bury the program once and for all. Supporters, on the other hand, were buoyed by the riveting performance of Oliver North, and they fiercely believed that a restoration of the contra program was possible. Patrick Buchanan, for one, argued “the time to launch the campaign for contra aid is now, when the iron is hot.” The president, he maintained, “should demand, not request, \$500 million for the contras,” and if denied, he should defy the Congress and provide the funds anyway.²²

New White House Chief of Staff Howard Baker, along with Treasury Secretary Jim Baker, however, wanted no part of yet another debilitating and distracting confrontation with the Congress over contra aid. Such a clash would mitigate the administration’s successes in other areas of foreign and domestic policy, imperil the successful passage of other areas of legislative concern, drain its political capital and resources, and perpetuate the fallout of the Iran-contra scandal.

The Baker team, therefore, devised an alternative legislative strategy that would seek compromise and cooperation from the Congress, not pugilism and confrontation. One important step was taken on 7 July, when Howard Baker retained former

²²Patrick J. Buchanan, “You’ve Won, Mr. President,” Washington Post, 19 July 1987, C1. See also Janet Hook, “Democrats Sidestep Debate Over Contra Aid,” Congressional Quarterly Weekly Report 45, no. 29 (18 July 1987): 1569.

Republican congressman Tom Loeffler as the administration's special lobbyist for contra aid. In hiring Loeffler, Baker eschewed the radioactive Elliott Abrams, who had previously led the contra effort on Capitol Hill, but who was believed to be irretrievably damaged by the Iran-contra fall-out.²³

Loeffler in turn reached out to his friend and former Texas colleague, Speaker Jim Wright, to assess the possibility of a contra accommodation. At the start of the summer, Wright had not been sanguine over such an outcome, telling Howard Baker that "in my opinion, any further military aid to the contras is doomed. The people are disillusioned and Congress won't vote for it."²⁴ Loeffler had in fact done his own testing of the waters, and had reached a similar conclusion. "After looking at the votes and listening to a whole host of people, Democrats and Republicans, it was obvious that the likelihood would be a defeat," he determined.²⁵

Undeterred, Loeffler in a 22 July meeting pitched his plan to the House Speaker. The administration, Loeffler said, was "really serious now about a diplomatic solution" to the Nicaraguan conflict, and wondered if Wright would "make a joint statement with

²³See Linda Greenhouse, "Latin Peace Plan Is Put Forward By Administration," *New York Times*, 5 August 1987, A1.

²⁴Wright, *Worth It All*, 90. "Following the sensational revelations of the administration's bizarre schemes to fund them, it seemed quite unlikely to me that Congress would renew the flow of arms," Wright later wrote. See Wright, *Balance of Power*, 458.

²⁵Quoted in Wayne King, "The Latin Peace Plan According to Wright," *New York Times*, 11 August 1987, A16. See also Barry, *The Ambition and the Power*, 310; and Gutman, *Banana Diplomacy*, 345.

the president in pursuit of a diplomatic settlement.”²⁶ “They need support,” he told Wright of the White House, and he wondered “if you would be willing to join Ronald Reagan in a bipartisan initiative aimed at settling the whole thing once and for all?”²⁷

Though the administration could issue a peace proposal on its own, Loeffler said, he conceded that it “does not have the credibility with Congress or in the region to do this. The only way they can is if Jim Wright is involved.”²⁸ “You’re the only one who can make this happen.”²⁹ The move would, Loeffler argued, be “precedent-setting, enormously important – it would involve the Speaker of the House in foreign policy in a new way.”³⁰

Wright proved intrigued but wary, and he questioned Loeffler at length as to the administration’s sincerity. The Speaker was most concerned that “the president’s pro-contra advisers [were] cynical enough to float a phony peace initiative with the expectation of its failing, and then use the preordained failure as an excuse for renewing the war.”³¹ Consequently, Wright told Loeffler, “I don’t want any part in setting up a

²⁶Quoted in Barry, *The Ambition and the Power*, 312-3. See also Wright, *Balance of Power*, 458-9.

²⁷Barry, *The Ambition and the Power*, 311; and Wright, *Worth It All*, 90.

²⁸Quoted in Gutman, *Banana Diplomacy*, 345. In a subsequent meeting with Wright, Loeffler had reiterated the necessity of Wright’s participation. “The president doesn’t have any credibility” on the issue. “If the president made the proposal it would be dismissed as empty rhetoric.” Quoted in Barry, *The Ambition and the Power*, 328.

²⁹Wright, *Worth It All*, 91.

³⁰Quoted in Barry, *The Ambition and the Power*, 312.

³¹Wright, *Worth It All*, 91. See also Barry, *The Ambition and the Power*, 312. Wright’s suspicions were not entirely unwarranted. “If the White House had thought
(continued...)

halfhearted effort doomed as a prelude to a greater military push. But tell them that if they are absolutely sincere in wanting to negotiate a peaceful settlement, I'll do everything in my power to help."³²

House colleagues of Speaker Wright were suspicious of the administration's motives and apprehensive over the Speaker's involvement.³³ "If the Sandinistas turn the plan down," Congressman Tony Coelho (D-Calif.) warned, "then Reagan's on TV pushing contra aid and we're trapped."³⁴ Congressman David Bonior (D-Mich.) likewise thought that "this is a setup....I think the initiative will fail, and they'll be able to say, 'Look, we tried the Speaker's plan, it went nowhere, now give us the aid', and they'll have the votes."³⁵

The assumptive contradictions of the Wright-Reagan plan became clear when Wright met with George Shultz on 30 July and again on 3 August to finalize the wording of the proposal. For Wright and the House leadership, the proposal would supplant the contras as the fundamental policy of the United States toward Nicaragua. Wright argued that the price of his participation was that the peace plan had to stand "on

³¹(...continued)

the plan was acceptable [to Nicaragua]," commented one official who worked closely on Central America, "they [sic] would have changed it." Quoted in Joel Brinkley, "Reagan Offer: A Way to Help Contras," *New York Times*, 6 August 1987, A14.

³²Wright, *Worth It All*, 92. Wright warned Loeffler that "if the president is just going to go through the motions, with the idea of being rejected and using that as a justification to ask for more money to continue the war, count me out." Quoted in King, "The Latin Peace Plan According to Wright," A16.

³³See Wright, *Worth It All*, 96, 99-100; and Wright, *Balance of Power*, 461-2.

³⁴Quoted in Barry, *The Ambition and the Power*, 322.

³⁵Quoted in *ibid.*, 315, 330.

its own, without a club in the closet.”³⁶ There could be no “two-track policy of subsidizing war while talking peace,” he insisted.

The White House wants us to join in a bipartisan initiative. I would like to. If I do, it’s not two tracks. Not diplomacy and military pressure. It’s one track. Diplomacy.³⁷

As far as Wright was concerned, so long as the peace process continued, there would be no need for the contras. House Majority Leader Tom Foley (D-Wash.) insisted to Shultz that “there is no linkage between this initiative and contra aid. Absolutely none. Failure of the initiative does not imply our support for contra aid....No implication that if this fails, the Speaker is expected to support contra aid.”³⁸

Despite common ground on the desirability of a negotiated settlement in Nicaragua – and the concurrent belief that continued Sandinista rule there was not unacceptably inimical to U.S. interests – Secretary Shultz broke with Wright and the House leadership on the issue of contra aid. To Shultz, it was clear that if Sandinistas rejected plan, contra aid was back on: “importantly, the wording of our prospective agreement made clear that if the Ortega regime refused to move toward democracy, we would provide further military aid to the contras,” he wrote.³⁹ In his memoirs, Shultz claimed that in the 3 August meeting Wright understood the political dynamics of the equation. “‘I’m taking a big risk with this,’ Wright confided”, according to Shultz. “‘If

³⁶Quoted in *ibid.*, 327.

³⁷Quoted in *ibid.*, 324.

³⁸Quoted in *ibid.*, 327, 320.

³⁹Shultz, *Turmoil and Triumph*, 957.

the Nicaraguans spurn this, I'm on the hook to support contra aid.' 'That's right,' I responded."⁴⁰

The negotiators' view that a Sandinista rebuff of the proposal would engender House support for contra aid was widely held within the administration.⁴¹ White House spokesman Marlin Fitzwater told the media that the peace plan "is tied to the [contra aid] request. Peace and funding are all tied together."⁴² House leaders quickly attempted to disabuse the White House from such notions. The administration is "on the verge of a very dangerous misunderstanding," Tom Foley warned. "If the assumption is, in the absence of Nicaragua's agreement, the Democrats will support aid, that's a mistake. We must reiterate as we have from the start: this is a peace plan. It has nothing to do with whether contra aid passes or not. The separation is absolute and antiseptic."⁴³

Of course, on the point of renewing contra aid in the anticipated event of a Sandinista rejection of Wright-Reagan, the irreconcilables and the negotiators resurrected their unholy alliance of 1984, when both factions joined forces to oppose the Boland II amendment. As was the case previously, the apostate objectives of contra aid

⁴⁰Quoted in *ibid.* Shultz bitterly complained that afterwards Wright backed away from the implicit agreement. See *ibid.*, 958. *Worth It All*, Wright's memoirs, does not contain this particular exchange, and neither does the virtually authorized biography of Speaker Wright by Barry, *The Ambition and the Power*, 336-7.

⁴¹See Greenhouse, "Latin Peace Plan Is Put Forward By Administration," A1.

⁴²Quoted in Barry, *The Ambition and the Power*, 340-1.

⁴³Quoted in *ibid.*, 336.

between the two sides remained manifest and unresolved, but their divergent purposes were each attainable only with the reality of a continued contra aid program.

Announced on 5 August, the Wright-Reagan plan called for cease-fire negotiations between the Sandinistas and the contras to begin immediately and to have been concluded by 30 September. While military aid to the contras would cease, the U.S. could continue to provide humanitarian assistance. The Sandinista government would be required to cut its military ties to the Soviet Union and Cuba and to hold democratic elections.⁴⁴

But both sides misunderstood the dynamics of what had been set in motion, and each underestimated its ability to manipulate the course of events. For Wright and the House, this was neither an unattractive situation nor an unsettling dilemma, insofar as sustained momentum toward a peaceful settlement in the absence of the paramilitary contra program was precisely their desired objective.

Furthermore, the situation was largely suitable to Shultz and the negotiators. As long as the contras were not disbanded, the negotiators could perpetuate the threat that sufficient Sandinista intransigence could be used to restart the contra war. As Shultz wrote, the contras were “a way to provide continuing pressure and an insurance policy in the event of a breakdown in negotiations.”⁴⁵

Thus, the contras could continue to serve as an impelling ‘stick’ toward a diplomatic solution to the issue, thus preserving the essence of the negotiators’ ‘two-track’ approach. “Wright was working with us to achieve a bipartisan executive-

⁴⁴See Wright, *Balance of Power*, 464.

⁴⁵Shultz, *Turmoil and Triumph*, 961-2.

legislative branch approach that could move us forward,” Shultz wrote. “I felt that the plan had the potential to take us to a new level on Central America, where bipartisan support could allow a realistic appraisal of the situation and create a readiness to be forthcoming.”⁴⁶

For the irreconcilables, however, the peace plan was categorically unacceptable. In short, the Wright-Reagan plan committed the United States to accepting Sandinista rule in Nicaragua so long as the FSLN regime abided by the terms of the treaty. The plan, according to Constantine Menges, represented a decision “to give up on the Nicaraguan freedom fighters” and thus was “abandoning the Nicaraguan armed resistance.”⁴⁷ To NSC staff official Peter Rodman, “the Wright-Reagan plan left the fate of Reagan’s policy too much in Daniel Ortega’s hands.”⁴⁸ Consequently, the irreconcilables immediately set out to derail the process before it could formally begin. “We fought and fought and fought and fought and we lost to [negotiator] Howard Baker, I think wrongly,” Elliott Abrams recalled. “It was a big mistake.”⁴⁹ Secretary of Defense Caspar Weinberger demanded a 4 August Oval Office meeting with Reagan prior to the president’s meeting with Speaker Wright to formalize the deal. The Wright meeting was subsequently postponed until the following day.

At the Wright meeting, Reagan handed to the Speaker a twenty-one point memorandum that Weinberger had insisted on the previous day. Drawn up by Abrams

⁴⁶Ibid., 957.

⁴⁷Menges, *Inside the National Security Council*, 325, 327.

⁴⁸Rodman, *More Precious Than Peace*, 432.

⁴⁹Quoted in Gutman, *Banana Diplomacy*, 347.

and NSC staff official José Sorzano, bitter opponents of the plan, the memorandum was “generally designed to help interpret that document,” as Weinberger explained, and talked of renewing military aid to the contras.⁵⁰ “This memorandum outlines my understanding of what we’re proposing,” Reagan told Wright as he handed it to him. “This is our interpretation of what the agreement means.”⁵¹

“It doesn’t need interpretation,” Wright responded without looking at the document. “It speaks for itself.”⁵² Following the meeting, Wright read the memorandum carefully and “was taken aback,” he later wrote. The document “seemed written with the anticipation that our effort would fail.... Obviously this would not do.”⁵³ The memorandum equated a Sandinista government as a “communist” one and insisted that Nicaraguan President Daniel Ortega not be allowed to finish his term. Angered, Wright simply ignored the document and proceeded as if the president had never given it to him.⁵⁴

ESQUÍPULAS II

⁵⁰Caspar Weinberger, “Statement by the Secretary of Defense,” in *American Foreign Policy: Current Documents 1987* (Washington, D.C.: USGPO, 1988), 754. “Abrams’s people at State and the NSC people [are] trying to kill the peace plan, particularly José Sorzano,” one senior White House official observed. Quoted in Barry, *The Ambition and the Power*, 351.

⁵¹Quoted in Wright, *Worth It All*, 108; and in Barry, *The Ambition and the Power*, 343.

⁵²Quoted in Barry, *The Ambition and the Power*, 343.

⁵³Wright, *Worth It All*, 108.

⁵⁴Barry, *The Ambition and the Power*, 344.

The Wright-Reagan plan had been announced on the eve of the postponed summit meeting of the five Central American presidents in Guatemala and thus threatened to dominate it. Costa Rican President Ariás knew that the Sandinistas would walk out on the conference if the Wright-Reagan plan was introduced as a formal document for discussion, and he insisted that only his draft plan from the first Esquípuas meeting be on the agenda.

Before doing so, however, Costa Rican officials first checked with Speaker Wright to feel him out on the matter. Costa Rican Ambassador to the U.S. Minister Guido Fernández called Wright to ask if the Central American leaders had to accept the entire Wright-Reagan plan. “Certainly not,” Wright responded, and he encouraged the leaders to generate a peace plan of their own. “We wouldn’t presume to dictate the terms of a settlement between your countries. Those judgements are yours to make. I don’t care whose plan it’s called. In fact, it’s preferable if it’s President Ariás’s plan.”⁵⁵ To reinforce the point, Wright dispatched an aide to the meeting instructing him to tell the parties “that we are not dictating anything to them” with the Wright-Reagan proposal. “Tell them I will abide by any outcome they reach.”⁵⁶

In unilaterally issuing such latitude, Speaker Wright effectively spiked the Wright-Reagan plan before it ever took effect. The controversial effort at forming a bipartisan approach to Nicaragua was stillborn, to be supplanted by whatever agreement

⁵⁵Quoted in *ibid.*, 347. “No, you can modify it,” Wright told Fernández. “The plan is meant to complement, not substitute [for Ariás].” Quoted in Gutman, *Banana Diplomacy*, 347.

⁵⁶Quoted in Barry, *The Ambition and the Power*, 348.

came out of Esquípuas II, and with the Speaker of the House of Representatives fully committing the United States to support it.

The news of the Wright-Reagan plan impelled the Central American presidents to adopt their own version of a regional peace accord. On Friday, 7 August, the Central American presidents announced that they had reached agreement on a comprehensive peace plan. The plan differed from the tougher Wright-Reagan proposal in that it called for an immediate cessation of aid to the contras and an ultimate disbandment of the Nicaraguan resistance within ninety days. For its part, Nicaragua committed itself to amnesty and democratization but only after the cutoff of aid to the contras.

Costa Rican Ambassador Guido Fernández telephoned Speaker Wright to tell him that “President Arias wanted you to know that had it not been for the stimulus provided by your initiative there, he is not sure there would have been sufficient prodding and impetus to get all five to agree.”⁵⁷ Daniel Ortega understood that by summarily rejecting the Wright-Reagan plan, Nicaragua would be under significant pressure to reach a meaningful agreement at Esquípuas. Otherwise, the Sandinistas ran the considerable risk of prompting the Congress to vote renewed aid to the contras. Managua could not afford to be seen as rejecting two separate attempts at a diplomatic solution.

News of the agreement greatly pleased Speaker Wright, and, as promised, he unilaterally dropped the Wright-Reagan proposal in favor of Esquípuas II.⁵⁸ “It is

⁵⁷Quoted in King, “The Latin Peace Plan According to Wright,” A16.

⁵⁸Upon hearing the news, Wright wrote that “it was going to be a magnificent
(continued...) ”

absolutely inconceivable to me that our government could be anything but fully and enthusiastically supportive,” he announced.⁵⁹ Later, Wright explained that he had quickly embraced the Esquípuas accord because “ I didn’t want to give the administration time to react. That threw them into a position of ambivalence for a few days. When they finally said they still supported the Wright-Reagan plan [over Ariás] it had no standing.”⁶⁰

Unsurprisingly, the Esquípuas accord touched off yet another brawl between the negotiators and the irreconcilables over the control of U.S. policy. Despite the pact’s position on contra aid, Secretary of State Shultz favorably compared Esquípuas to the now-defunct Wright-Reagan plan.⁶¹ “Its thrust was similar in general terms to the Wright-Reagan plan,” Shultz wrote. “Esquípuas and the Wright-Reagan plan shared and emphasized a conceptual common ground of great importance: the essence of a peaceful solution in Central America hinged upon the emergence of democracy in Nicaragua.”⁶²

⁵⁸(...continued)

day....It was a great day, one of the finest in my life. That night I slept on a cloud of euphoria.” Wright, *Balance of Power*, 464-5.

⁵⁹Ibid., 465.

⁶⁰Quoted in *ibid.*, 370.

⁶¹Esquípuas II did call for end to contra aid, but it accomplished “much more than that,” Shultz believed — “it would bring democracy to Nicaragua and peace to Central America.” Shultz, *Turmoil and Triumph*, 963.

⁶²Ibid., 959.

As Shultz and Habib read over the pact, they declared it “a great agreement” and toasted each other on their success. “We’re home free,” Habib declared.⁶³ “A constructive process was under way, and I felt that we could work with Esquipulas II,” Shultz wrote. A diplomatic resolution now held “substantial momentum with real tailwind” and carried “a strong hand,” he believed.⁶⁴ “It’s got a good thrust to it,” he informed President Reagan. “It starts a process that will, with hard work, lead to democracy in Nicaragua. And to our relief and astonishment, its measures have simultaneity — so it’s a victory.”⁶⁵

The negotiators wanted to quickly seize upon the swelling momentum for peace by immediately dispatching Philip Habib to the region. “It’s time to go to Managua,” Habib told a concurring Shultz.⁶⁶ Habib: “I thought a real opportunity was there and should be taken,” Habib said.

I wanted to take advantage of it, really make it work. I would have taken what they did in Guatemala City, and gotten agreements that would meet our objectives....My idea was to go down immediately, improving, filling the gaps, strengthening the security aspects which were non-existent, and making sure the Central American democracies got it together. I considered it an opportunity to end the war on terms acceptable to us.⁶⁷

The irreconcilable camp did not share the negotiators’ enthusiasm for the Esquipulas accord. “The Arias Plan is a trap,” Constantine Menges warned. “This

⁶³Ibid; and Habib quoted in Gutman, *Banana Diplomacy*, 347.

⁶⁴Shultz, *Turmoil and Triumph*, 959, 960, 961.

⁶⁵Ibid., 960.

⁶⁶“He agreed with me 150 percent,” Habib said of Shultz. Quoted in Gutman, *Banana Diplomacy*, 349.

⁶⁷Quoted in *ibid.*, 351, 350.

was the eighth end run on Central America.”⁶⁸ Elliott Abrams, José Sorzano and Caspar Weinberger all shared Menges’s antipathy for the plan. “I think there are some problems with that plan, and I think everybody recognizes them,” Weinberger said. “I wouldn’t claim that it’s in final form or that in the form in which it now is that we could unequivocally endorse it.”⁶⁹ Abrams asserted that “I am very worried about this agreement. Communists win these kind of negotiations. This could be the end of our policy.”⁷⁰

On 10 August, Shultz met with President Reagan in an effort to convince him to dispatch Habib to Central America “immediately” to work on Esquipulas II. “Phil should leave now and go down there and meet not the four but the five,” he argued.⁷¹ Also attending the meeting were irreconcilables Caspar Weinberger, Frank Carlucci, and Elliott Abrams, who argued voraciously against sending Habib.⁷²

⁶⁸Menges, *Inside the National Security Council*, 325, 326. Emphasis in original. Menges attributed this turn of events to a depleted irreconcilable faction. “Once Kirkpatrick, Clark, Casey and I were gone, Shultz persuaded the president in August 1987 to sign the Reagan-Wright plan, which triggered the destructive Arias plan,” he charged. *Ibid.*, 374.

⁶⁹“Statement by the Secretary of Defense,” in *American Foreign Policy: Current Documents 1987*, 755. “Weinberger insisted that the United States should summarily repudiate the agreement and refuse to go along with its terms,” according to Speaker Wright. See Wright, *Worth It All*, 112; and also Wright, *Balance of Power*, 465.

⁷⁰Quoted in Shultz, *Turmoil and Triumph*, 960.

⁷¹*Ibid.*; and quoted in Gutman, *Banana Diplomacy*, 350.

⁷²In the meeting, Shultz wrote, “I met a storm of opposition as the hard-liners caught their breath and tried to reverse course. NSC adviser Frank Carlucci, his staff man José Sorzano, and my own assistant secretary, Elliott Abrams, were all putting roadblocks in the path that Phil Habib and I wanted to follow.” Shultz, *Turmoil and Triumph*, 961.

Weinberger told Reagan that he was “very much opposed to Phil’s traveling,” while Abrams likewise said he was “violently” opposed the idea. For Habib to travel “would have been extremely unfortunate and would have given very much the wrong signal” to the other Central American states, he argued.⁷³ To Abrams and the other irreconcilables, “Phil [Habib] symbolized a weaker policy; he symbolized an alternative to the hard-nosed pro-contra policy of Ronald Reagan.”⁷⁴

Reagan was sufficiently persuaded not to send Habib. He explained to Shultz that “he was afraid” that he would be “skinned” by the irreconcilables if he sided with the negotiators, according to Shultz.⁷⁵ “If he can’t travel, Mr. President, you’ve lost confidence in him,” Shultz argued. “And if you’ve lost confidence in him, I should tell him to leave . He should quit.” Reagan was unmoved. “I don’t want Phil traveling,” he insisted.⁷⁶

Shultz then broke the news to Habib that the irreconcilables had succeeded in grounding him. “They don’t buy it,” Shultz explained. “Fine,” replied Habib. “I won’t stay,” and he resigned on 14 August.⁷⁷ For Abrams and the irreconcilables, the problem with Habib – and by extension previous administration supporters of a diplomatic solution – was that he failed to “realize that he was just a symbol” and instead saw himself “as a negotiator.” Habib “wanted to get something negotiated,” Abrams said. “

⁷³Quoted in Gutman, *Banana Diplomacy*, 349, 350.

⁷⁴Quoted in *ibid.*, 350.

⁷⁵Quoted in Shultz, *Turmoil and Triumph*, 961.

⁷⁶Quoted in Gutman, *Banana Diplomacy*, 351.

⁷⁷Quoted in *ibid.*, 351.

That is what his supporters liked, and that is what his opponents feared.” Habib was “a really vigorous envoy who seemed to be pushing for a treaty [and who thus] elicited opposition.”⁷⁸ Shultz understood Abrams’s position, though he did not share it. “Habib had plenty of enemies because of his aggressive effort in trying to achieve a diplomatic solution,” he wrote. “Carlucci, I knew, wanted Habib out, and Elliott was constantly sniping at Habib.”⁷⁹

For Shultz and the negotiators, the resignation of Habib signaled the end of their efforts to achieve a diplomatic settlement in Nicaragua. “This was a real blow,” Shultz wrote. “Tom Enders, Tony Motley, Dick Stone, and Phil Habib had all been forced out for trying to seek a two-track policy in Central America involving diplomacy as well as military strength. I could see once again an obsessive preoccupation with the contras, a belief held by Elliott Abrams and by members of the NSC staff that the Wright-Reagan plan, let alone Esquipulas II, would undercut our base of support for contra funding....I disagreed strongly.”⁸⁰

The unrelenting struggle for policy control between the administration factions was observed by House Republican Dick Chaney (R-Wyo.) as “confusion over our objectives in Nicaragua. If the objective is to remove the government in Nicaragua, then you pursue a different policy than if you want a diplomatic solution.”⁸¹ Shultz more than anyone understood that fundamental breach. “Key players in high places in

⁷⁸Quoted in *ibid.*, 353.

⁷⁹Shultz, *Turmoil and Triumph*, 960.

⁸⁰*Ibid.*, 961.

⁸¹Quoted in Barry, *The Ambition and the Power*, 371.

the Reagan administration simply did not want a negotiating effort to succeed.” The irreconcilables

mistrusted me, Habib, or anyone else to negotiate effectively with Communists. We would, they thought, either be duped into an unsatisfactory agreement that benefitted the Communists more than us, or if a good agreement was reached, the Communists would never abide by its terms. Their real bottom line, however, was a fixation on the contras, whom they increasingly viewed as an end unto themselves. The right-wing ideologues did not want a negotiated settlement that would end contra aid. I supported the contras, but as a source of pressure to further our true objectives: democracy in Nicaragua and peace in Central America. The contras could then safely and effectively be able to take part in the political process.⁸²

Shultz’s interpretation of the nature of the dispute between the two factions was shared by leading irreconcilable Constantine Menges. Shultz and the State Department, Menges wrote, believed that “the Nicaraguan armed resistance should only be used as a bargaining lever to obtain a treaty with Nicaragua, under the terms of which Nicaragua could remain communist and forgo its pledge of democracy, provided only that it promised to halt its aggression against its neighbors.”⁸³

This “incompetent State Department diplomacy” contrasted starkly with “Reagan’s correct ‘middle policy’ of helping the people of Nicaragua liberate themselves from communism,” Menges believed. “These noble objectives, which Ronald Reagan ha[d] espoused throughout his political life, [bore] little resemblance

⁸²Shultz, *Turmoil and Triumph*, 961. On 21 August, the contra leadership accepted the Esquipulas II accord, “subject to assurances that they would be able to negotiate directly with the Nicaraguan regime. There was much hand-wringing over this by the hard-liners, who felt I had somehow forced the contras to surrender.” Ibid., 961-2.

⁸³Menges, *Inside the National Security Council*, 333.

to the policies being carried out by his State Department. Instead, his policies and goals often [were] betrayed by the foreign policy establishment.”⁸⁴

CLASH OF THE TITANS

Having succeeded in frustrating Shultz and disposing of Habib, the irreconcilables then set about attempting to derail the peace process stemming from Esquipulas. This would prove a far more arduous task, however, insofar as it required the exclusion of erstwhile recruit House Speaker Jim Wright from the scene. The blocking of the negotiators had been effective since both factions were agents of the executive branch and hence had a clearly delineated decision-making structure.

Speaker Wright’s objectives, however, would be more difficult to eclipse, given his independent — and formidable — base of power as head of the House of Representatives — a power base that Wright intended to maximally employ. Wright was unambiguous in his intention to make a difference, and he fully believed his position afforded him both the capacity and the prerogative to do so. “Maybe mine was an impossibly demanding conception of what a Speaker should be able to achieve for the country,” he wrote, “but my notion of the job’s blend of duty and opportunity went far beyond the ceremonial niceties of Washington social rank. If I couldn’t make a significant difference in public policy, there’d be no point in being Speaker.”⁸⁵ Viewing the Speakership as a co-presidency, Wright held in disdain the traditional Washington axiom that ‘the president proposes and the Congress disposes’.

⁸⁴Ibid., 349, 371. Emphasis in original.

⁸⁵Wright, *Balance of Power*, 439. “I don’t think he is inclined to have a small, cautious speakership,” House Majority Leader Tom Foley (D-Wash.) said of Wright. Quoted in Janet Hook, “Jim Wright: Big Risks to Amass Power,” Congressional Quarterly Weekly Report 46, no. 11 (12 March 1988): 623.

“I don’t think that’s true,” he insisted. “I think there’s a creative role for the legislature and a leadership role for the Speaker.”⁸⁶

In addition to Wright’s untraditional interpretation of the institutional relationship between the legislative and executive branches, his involvement had been openly solicited by the administration. Given his passionate desire for a peaceful settlement to the Nicaraguan conflict, he would be unlikely to withdraw passively or readily from the policy-making scene. “The pivotal role I played was more thrust upon me than sought,” Wright later wrote. “I was invited by President Reagan to join him in seeking a solution, and I took him at his word. Later, he wanted me to bug out and let the effort fail. I refused.”⁸⁷ The difference between the two men, Wright believed, was clear. “He and his advisers believed we should influence events by military action. I saw the problem from a different perspective.”⁸⁸

“The White House had invited Jim Wright into perhaps the one foreign policy area closest to Ronald Reagan’s heart,” a Wright biographer observed. “Wright would soon dominate it....He wanted to dominate. He intended to dominate. He wanted to reverse policy in the issue.”⁸⁹ The Speaker “intended to bring the White House to heel on foreign policy, and particularly in Central America. This continued an institutional

⁸⁶Quoted in Barry, *The Ambition and the Power*, 4.

⁸⁷Wright, *Balance of Power*, 457.

⁸⁸Wright, *Worth It All*, 258.

⁸⁹Barry, *The Ambition and the Power*, 4.

shift of power toward the House and away from both the Executive Branch and the Senate.”⁹⁰

Consequently, Wright adopted the cause of the negotiators, and the attainment of a peaceful settlement in Nicaragua based on the Esquipulas accord became a virtual crusade for him. Conversely, the scuttling of the Esquipulas pact remained an equally earnest crusade for the irreconcilables. Led by Elliott Abrams, the irreconcilables attempted to pressure U.S. allies Honduras and El Salvador to abandon the accord. “Either you work closely with us to protect your national security or your national security isn’t going to be protected,” Abrams warned. “You people have gone off here and done something which may result in a disaster for your national security and ours...And you’re going to have live with the results in a much more direct sense than we are. Think it through carefully because we would like to restore the closest possible level of cooperation.”⁹¹

Given administration animus toward the Esquipulas accord, Wright was warned by colleagues that he would have to seize the helm of Nicaragua policy-making if the process had any chance of success. “We have to make clear to the Central Americans they can talk to *you*,” Congressman George Miller (D-Calif.) emphasized to the Speaker. “You’re the counterpoint. The civilians have to know they can deal with you. You’ll be here long after this administration disappears.”⁹²

Persuaded, Wright then sought to counter the pressure from Abrams and the

⁹⁰Ibid., 124.

⁹¹Quoted in Gutman, *Banana Diplomacy*, 350.

⁹²Quoted in Barry, *The Ambition and the Power*, 361. Emphasis in original.

irreconcilables with some of his own. “Democrats have been in power since 1954,” he warned a potentially wavering Honduran President José Azcona. “The members of the Appropriations Committee are amenable to helping you. We would look with very great disfavor on anything that slowed the peace process.”⁹³

Unsurprisingly, it was not long before Wright came to the same conclusions – and frustrations – that had plagued the negotiators. Irreconcilable forces within the administration “don’t want a negotiated settlement” to the war in Nicaragua. “They want a military solution, and some have been hoping for a breakdown in these talks in order to provide justification for further military escalation.”⁹⁴ These officials, Wright concluded, “simply did not want a negotiated settlement. I did...I was determined to do what I could to help establish peace in our hemisphere.”⁹⁵

By the terms of the Esquipulas agreement, on 5 November the five Central American states were required to announce progress on compliance with the accord’s terms. As the initial 90-day deadline inched closer and closer to that date with stymied progress in Nicaragua, Wright grew concerned that the administration would declare the Sandinistas to be in noncompliance and demand a renewal of military aid to the contras. Such a development, Wright believed, would prompt Managua to abandon the

⁹³Quoted in *ibid.*, 494. House Majority Whip Tony Coelho (D-Calif.) likewise informed Honduran Ambassador to U.S. Roberto Martínez that “this is a golden opportunity to develop a long-lasting relationship between Central America and the United States. The Speaker wants to make this a focus of his speakership. The administration will be in office seventeen more months. The Speaker will serve ten years.” Quoted in *ibid.*, 373.

⁹⁴Quoted in John Felton, “Shultz, Wright: A Truce on Contra Diplomacy,” *Congressional Quarterly Weekly Report* 45, no. 47 (21 November 1987): 2868.

⁹⁵Wright, *Worth It All*, 124.

Esquipulas accord and thereby torpedo the entire peace process. "I was fully convinced that a renewal of belligerent threats backed by new weapons shipments could do nothing but shatter the peace effort," he wrote.⁹⁶

Accordingly, the Speaker unilaterally announced that as far as he was concerned, flexibility needed to be demonstrated regarding the deadline, and that a rigid insistence on meeting it was both unwarranted and destructive. The supposed deadline, Wright argued, was in reality "an arbitrary time limit." To bring peace to Nicaragua was exacting and complicated, he insisted. "It's not a football game."⁹⁷ Swayed by Wright's comments — and disinclined to scuttle the peace process — isthmian leaders agreed that the 5 November deadline would mark the beginning of a longer peace process that would conclude in early January, rather than a obdurate and unalterable date.⁹⁸

Increasingly, Speaker Wright used his power and position to assume greater control over U.S. policy toward Nicaragua. While President Reagan had in early September dismissed the Esquipulas accord as "fatally flawed"⁹⁹, Wright had begun committing greater energy and effort to seeing it take root. A fundamental element of such a strategy, the Speaker knew, would be to hold in check the administration's requests for lethal assistance to the contras while the peace process progressed. In so

⁹⁶Ibid., 160.

⁹⁷Quoted in Neil Lewis, "Wright Says Award for Arias Dooms Aid for Contras," New York Times, 14 October 1987, A14.

⁹⁸James LeMoyné, "Latin Officials Adopt Guidelines for Carrying Out Peace Accord," New York Times, 29 October 1987, A16.

⁹⁹See Neil Lewis, "Reagan Sees Fatal Flaws in Central America Pact," New York Times, 13 September 1987, A24.

doing, Wright was in effect carrying out the basic objectives of the administration's negotiator faction: use the threat of renewed contra aid in the event of FSLN intransigence to impel Sandinista concessions at the negotiating table and ultimately produce a diplomatic resolution. It was this approach that enraged the irreconcilable camp, whose ability to circumscribe the Speaker's efforts were constitutionally curtailed, and they heatedly criticized "Wright's determined effort to take control of Central America policy away from the president," as Peter Rodman wrote. "Through his frequent trips to Central America and meetings with regional leaders, Wright presented an alternative U.S. foreign policy opposed to contra aid and eager for a settlement with Managua."¹⁰⁰ It was now Jim Wright who was determining U.S. policy toward Nicaragua.

In September President Reagan set off on a barnstorming mission across the country, attempting to generate popular support for the contras and precipitate sufficient pressure on Wright and the Congress to provide it.

Let's be clear about one thing: we will not abandon our friends in Nicaragua....I can tell you aid to the freedom fighters must and will continue....justice demands it....there should be no uncertainty of our unswerving commitment to the contras....I have made a personal commitment to them, and I will not walk away....I make a solemn vow: as long as there is breath in this body, I will speak and work, strive and struggle, for the cause of the Nicaraguan freedom fighters.¹⁰¹

¹⁰⁰Rodman, *More Precious Than Peace*, 430.

¹⁰¹Ronald Reagan, "Remarks at a Meeting with Senior Presidential Appointees," Weekly Compilation of Presidential Documents 23, no.36, (14 September 1987): 988; Ronald Reagan, "Remarks at the Fourth Annual Convention of Concerned Women for America," Weekly Compilation of Presidential Documents 23, no. 38 (28 September 1987): 1072; and Ronald Reagan, "Address before the Permanent Council of the Organization of American States," Weekly Compilation of Presidential Documents 23, no. 40 (12 October 1987): 1138.

In a private meeting, NSC advisor Frank Carlucci informed Wright that the administration would on 1 October call for a staggering \$270 million in assistance for the contras — a figure so high that, if passed, would unquestionably derail the peace process. “Frankly, I am disappointed,” an angry Wright replied. “My understanding was you would pursue peace.” Carlucci insisted that Wright’s approach was “destroying the contras”. “What you told them in Texas, that they wouldn’t get more money, demoralized them. They’re deserting.” The Speaker was undisturbed by the prospect of a dismantled contra army and a remaining FSLN government, the nightmare of the irreconcilables. “When there’s peace,” he said, “people leave the army.”¹⁰²

When Carlucci insisted that the administration wanted a vote on its aid request sometime before Thanksgiving, Wright quickly sought to disabuse him of any hopes of success. “The request will be voted down,” he said.¹⁰³ With little alternative, the White House on 28 October backed off its demand and said it would delay any aid request until January 1988.¹⁰⁴ Wright had carved out the conducive political space needed for a diplomatic solution to be reached against the formidable opposition of the Reagan administration.

¹⁰²Quoted in Barry, *The Ambition and the Power*, 375.

¹⁰³Quoted in John Felton, “New Contra Politics: Wright the Dominant Force,” *Congressional Quarterly Weekly Report* 45, no. 44 (31 October 1987): 2665. House Majority Leader Tom Foley likewise told Carlucci that “if you’d like a vote in early October, we can give you one. You’ll certainly lose.” Quoted in Barry, *The Ambition and the Power*, 375.

¹⁰⁴See Elaine Sciolino, “Reagan Delay Expected on Contra Aid Request,” *New York Times*, 29 October 1988, A16.

Having informed Carlucci that the administration's aid request stood little chance of passage, Wright then quietly tucked into a continuing resolution \$3.5 million in humanitarian assistance to the contras past the end of the fiscal year on 30 September and through 10 November, five days after the erstwhile deadline of 5 November. The implicit message was clear: as long as the Sandinistas negotiated in good faith and the peace process continued, Wright would block any military assistance to the contras, thereby forestalling a renewal of the war. While Managua was pleased with this aspect of Wright's efforts, the Sandinistas also found themselves under enormous pressure to make significant concessions and eschew even the appearance of intransigence. "If they go along with what they have committed themselves to do and abide by the terms of the Guatemala accords as they have begun doing," Wright publicly commented of the Sandinistas, "then I feel it very likely that Congress will not want to send more good money after bad in an effort to overthrow their government by force."¹⁰⁵

By late October, however, peace talks in Nicaragua remained stalemated. "The question that plagued peacemakers," Wright later wrote, "was just how to negotiate the end of the war in Nicaragua and reconcile the warring factions in a democratic social order. Who would negotiate with whom?"¹⁰⁶ This, Wright discovered, was "a major problem....Reagan refused to meet or talk with anyone in the Nicaraguan government;" instead insisting that the Sandinistas negotiate directly with the contras, a demand that Managua categorically rejected. The Sandinistas, for their part, insisted upon bilateral negotiations with the United States, a demand just as

¹⁰⁵Quoted in Felton, "New Contra Politics," 2665.

¹⁰⁶Wright, *Worth It All*, 126.

adamantly rejected by the Reagan administration.¹⁰⁷ Into this intractable impasse stepped Speaker Wright, determined to get negotiations started between the two sides. “How do you make peace if you don’t sit down and talk?” Wright had rhetorically asked.¹⁰⁸ “If the administration stood in the way of this peace process,” as one close observer noted, “then by God someone had to push it forward.”¹⁰⁹

Wright cut this Gordian knot by proposing indirect negotiations between the contras and the Sandinistas using Cardinal Miguel Obando y Bravo – the Catholic prelate of Nicaragua – as an intermediary. The irreconcilables within the administration were staunchly opposed; “the contras are entitled to meet directly with the Sandinistas,” President Reagan told Wright in mid-October. The House leader did not disagree, but instead argued that the peace process would remain frozen and progress frustrated unless a compromise could be reached. “Mr. President,” Wright replied, “we can go on all year with the contras saying they’ll only speak to the Sandinistas and the Sandinistas saying they’ll only speak to you. Obando seems acceptable. Why don’t we go for that?”¹¹⁰ With no means to prevent Wright’s efforts, the administration had little choice but to helplessly watch the Speaker unilaterally seize the reigns of Nicaragua policy-making for the United States.

Wright then took his proposal to the Sandinistas, who initially were firmly opposed both to the mediating role of Cardinal Obando as well as to the very notion of a

¹⁰⁷Wright, *Balance of Power*, 467.

¹⁰⁸Wright, *Worth It All*, 143.

¹⁰⁹Barry, *The Ambition and the Power*, 501.

¹¹⁰Quoted in *ibid.*, 494.

dialogue with the contras. “There is no possibility whatsoever that an encounter or dialogue of any kind will take place” between the FSLN government and the contras, Daniel Ortega had vowed.¹¹¹ The Speaker then turned up the pressure on Managua, broadly hinting that such defiance would likely trigger a renewal of lethal contra aid. “If you aren’t willing to engage a credible intermediary,” Wright warned Nicaraguan Ambassador to the U.S. Carlos Tünnerman,

a person of stature, someone who would be acceptable to the other side, then a lot of people in the hemisphere will conclude that you aren’t behaving in good faith. In addition to that, you will lose credibility here in Congress. People will think you are not serious about a real cease-fire and real restitution of political freedom.¹¹²

Nicaraguan compliance with Esquipulas had been unimpressive, Wright said, “far short of what I’d like to see.” He warned that such continued intransigence meant that the peace accord “could be torpedoed if [you] were to renege on [your] commitments.”¹¹³ Reluctantly, the Sandinista leadership agreed to hold indirect talks with the contras with Cardinal Obando serving as mediator.¹¹⁴ Speaker Wright was

¹¹¹Quoted in Associated Press, “Ortega rules out chance of talks with contras,” Boston Globe, 30 September 1987, 3.

¹¹²Wright, *Worth It All*, 129.

¹¹³Quoted in John Felton, “Reagan, Critics Face Off Over Nicaragua Plan,” Congressional Quarterly Weekly Report 45, no. 41 (10 October 1987): 2445.

¹¹⁴See Julia Preston, “Managua Offers Talks With Contras,” Washington Post, 6 November 1987, A1; and Stephen Kinzer, “Sandinistas Agree To Indirect Talks About Cease-Fire,” New York Times, 6 November 1987, A1.

elated; “this news was wonderfully hopeful,” he wrote. “The offer showed new flexibility on the part of Ortega. Apparently my entreaty had made an impact.”¹¹⁵

“The next step, obviously,” Wright later wrote, “was to persuade Obando to assume the mediator’s role,” and Wright prepared to meet in Washington with Nicaraguan President Ortega to go over a ten-point cease-fire proposal drafted by Managua that would convince the cardinal that the Sandinistas were serious about achieving peace. Ortega told Wright in the 12 November meeting that “he would offer this to the cardinal as a suggested starting point for discussions with the contra leaders,” Wright recalled, and he openly solicited the Speaker’s comments and views on it. “These emissaries were so unexpectedly accommodating it almost seemed they would let us change it in just about any way we chose to specify,” Wright wrote. “I was eager to do anything and everything I could, within proper bounds, to make it work.”¹¹⁶

Accordingly, while finding the proposal “mostly constructive,” the Speaker ventured a few suggested changes that he said would find favor in the House and elsewhere.

I suggested that everyone would be reassured by an unmistakable commitment to lift the state of emergency once the official verification commission certified that the mandates of Esquipulas were being complied with. To our mild surprise, the Sandinista leader agreed without argument or hesitation. ‘We will simply add another point — point number eleven — to incorporate the suggestions made by the Speaker’, announced Ortega.¹¹⁷

¹¹⁵Wright, *Worth It All*, 132.

¹¹⁶Ibid., 138.

¹¹⁷Ibid., 137.

The Nicaraguan leader expressed concern, however, that the Reagan administration would derail any diplomatic resolution of the contra war. "He was worried about President Reagan, fearful of what he called our chief executive's 'obsession' with Nicaragua," according to Wright. Ortega remained deeply "apprehensive that Reagan would not let the contra leadership agree to anything short of the physical removal of the country's public officials and their replacement by people of Reagan's personal choosing."¹¹⁸

The Speaker immediately sought to assuage the Sandinistas' concerns and assure them that he — not President Reagan — now controlled the direction and course of U.S. policy toward Nicaragua. "That isn't going to happen," he promised Ortega.

Things have changed. My country is committed to the Esquipulas plan. Stick with that. Get a cease-fire in place. Start sincere talks with the resistance. Make peace....Mr. Reagan isn't going to be president forever, Daniel....I honestly believe that President Reagan will have to respect whatever agreements you and the contras are able to reach, so long as the end result is a free and peaceful electoral process open to all Nicaraguans.¹¹⁹

Having aided the Sandinistas in constructing an equitable cease-fire proposal that would stand a reasonable chance of persuading Obando, Wright then prepared to meet the cardinal and Ortega on 13 November. Deeply upset with the Speaker's dogged activities, the Reagan administration attempted to derail the meeting. Elliott Abrams warned that if Wright were to meet with Obando and Ortega, then Secretary of State Shultz would refuse to meet the cardinal. Shultz himself was less aggressive but equally opposed to the meeting, albeit more so for reasons of turf than for

¹¹⁸Ibid., 135.

¹¹⁹Ibid., 135-6.

outright resistance to a diplomatic outcome.¹²⁰ Wright ignored them both and went ahead with the meeting as planned. I need to be there, Wright informed a skeptical Shultz, “to hear what is said and to try to keep things on track.”¹²¹

To a close biographer of Wright, the Speaker “had taken control” of Nicaragua policy-making. “If Wright withdrew, peace would be in the hands of those who seemed determined to sabotage it,” John Barry observed.

If he proceeded, it would be a great reach of power that violated the institutional integrity of the State Department and the White House. Yet if he did not proceed, he would be leaving peace in the hands of those whom, he was certain, did not want peace. He did not trust the White House....He was going to see this thing through....He was indeed running Central American policy and he intended to force both the Sandinistas and the contras toward peace.¹²²

Before Wright met with the cardinal and Ortega, he scheduled a meeting with the contra leadership to likewise compel them to accept the indirect negotiating compromise he had crafted. The contra leaders balked, complaining as the Reagan administration did that the resistance was entitled to direct talks without limits with the Sandinista government. “I understand, Adolfo,” Wright replied to contra leader Adolfo Calero. “But you aren’t going to let that stand in the way of taking this first necessary step, are you?”¹²³ Wright then coldly informed the contra leaders that in reality they had little choice. “My opinion is there will not be support again for

¹²⁰Barry, *The Ambition and the Power*, 501; and Wright, *Worth It All*, 143-4.

¹²¹Wright, *Worth It All*, 143-4.

¹²²Barry, *The Ambition and the Power*, 500, 503.

¹²³Wright, *Worth It All*, 141.

military aid,” he said, no matter what the Sandinistas did. “Negotiate the best deal you can, because that is all you will get.”¹²⁴

The reluctant contra leaders bowed to Wright’s pressure and acquiesced to his commandeering of U.S. policy-making on the issue. “It seemed to me,” Wright later commented,

that these [men] were realists. They tacitly acknowledged that the time for military aid would be drawing to a close if fighting ended and the cease-fire held while negotiations made progress on the long-term solution — free elections in a democratic environment. The military solution Reagan’s right wing had sought, the physical overthrow of the Sandinista regime, would be foreclosed.¹²⁵

On 13 November the Speaker met with Cardinal Obando y Bravo and Daniel Ortega in Washington. The meeting began with Obando asking about the nature of his role — “whether he would be serving as an actual arbiter or simply a messenger,” according to Wright.¹²⁶ The Sandinistas, who deeply distrusted the cardinal given his long-standing opposition to the FSLN regime, sought to limit Obando’s role to that of mere courier, without compelling power over either side. “The role you would play,” Ortega proposed, “is as an intermediary, bringing proposals” back and forth.¹²⁷ Speaker Wright quickly interceded to reject Ortega’s suggestion.

I stepped in to suggest that for this to work the cardinal would have to be a mediator with the power of originating proposals, and not merely as a messenger boy carrying answers back and forth. He would have to be given the latitude to make creative suggestions and expect that those

¹²⁴Quoted in Barry, *The Ambition and the Power*, 501.

¹²⁵Wright, *Worth It All*, 141.

¹²⁶Ibid., 144.

¹²⁷Quoted in Barry, *The Ambition and the Power*, 505.

suggestions would be respected, if not always embraced, by both sides. 'If I were the cardinal, I would insist on that,' I said.¹²⁸

The meeting then turned to a discussion of where the indirect talks should take place and who should be appointed to staff them. Ortega and the Sandinistas insisted that the talks be held in Washington and that they be staffed with U.S. personnel who could serve as a mitigating check on Obando should the cardinal prove overzealous in demanding FSLN concessions, as Managua feared. "This was the heart of the matter," Wright later wrote. Ortega was attempting "to surround the cardinal with people of his [Ortega's] or [another's] choosing."¹²⁹ The objectives of Obando and the FSLN hand-picked staff would likely clash, limiting the cardinal's ability to exert pressure on the Sandinista government.

Wright candidly swept aside the Sandinista demands. "It seems to me," Wright told the Sandinista delegation,

that if the cardinal is asked to take on this enormously important job, he must be invested with all the moral authority he needs to carry it out. He should be the one to select the site for meetings and issue invitations. He surely should be accorded the right to choose whomever he wishes to assist him in the endeavor.¹³⁰

"After only brief discussion," Wright wrote, "Ortega agreed."¹³¹ The Sandinistas had no choice but to accept the terms as dictated by Wright. To do otherwise ran the risk of seeming intransigent, and such a posture could well trigger

¹²⁸Wright, *Worth It All*, 144.

¹²⁹Ibid., 145.

¹³⁰Ibid. See also Barry, *The Ambition and the Power*, 505.

¹³¹Wright, *Worth It All*, 145.

renewed military aid to the contras. "That was about all I could do," the Speaker later recalled. "I had helped direct the conversation in such a way that Cardinal Obando's principal concerns were resolved in his favor....There [was] movement in the right direction."¹³²

When news of Speaker Wright's diplomatic efforts reached the White House, the irreconcilables exploded in fury. White House spokesman Marlin Fitzwater observed that "the Speaker has always been more than eager to take the position of the Ortega government."¹³³ Elliott Abrams lashed out at what he called Wright's "guerrilla theater" and "unbelievable melodrama" that dealt "a serious setback" to "what had looked like the start of a serious negotiating process." Deriding Wright's efforts as "the Friday media event," Abrams insisted that "this was not forward movement; this was screwing up the process."¹³⁴

The notion that serious negotiations will be advanced if prominent Americans [like Wright] are dragged into it is ridiculous on its face. That would only slow up and screw up the process by providing temptations to use the American participation for propaganda purposes.¹³⁵

Unsurprisingly, Speaker Wright reacted angrily to such administration sniping. The White House, Wright believed, had invited him into Nicaragua policy-making in order to achieve a diplomatic resolution, and just as he was making significant progress

¹³²Ibid.

¹³³Quoted in John Felton, "Wright at Center of Nicaragua Policy Storm," Congressional Quarterly Weekly Report 46, no. 39 (24 September 1988): 2633.

¹³⁴Quoted in John Goshko, "Diplomacy By Wright, Ortega Hit," Washington Post, 15 November 1987, A1.

¹³⁵Quoted in *ibid.*

on that score, the administration abruptly sought to undercut him. “Did I need *permission* [to hold talks with the Nicaraguans],?” he replied in response to a question as to the legitimacy of his involvement. “The suggestion was downright demeaning. I said the lawmaking branch was not ‘subservient’ to the executive and that I didn’t need ‘permission’ to talk with anyone.”¹³⁶ “I don’t need the permission of the administration,” he insisted. “I represent the American people, too.”¹³⁷ Later in another interview, Wright insisted that as Speaker of the House of Representatives, he had just as much right as the president to engage in foreign policy. “I must uphold the legislative branch as coequal with the executive....The people who wrote the Constitution never intended Congress to be subservient.”¹³⁸

“Quite obviously,” Wright later reflected, “key elements inside the administration were deeply angered by what was happening in the peace talks.”¹³⁹ Wright asked for an Oval Office meeting with President Reagan to try to clear the air. In the meeting “Reagan was angrier than I had ever seen him, stiff and unbending,” according to Wright. “Reagan was implacable that day.”¹⁴⁰ The president had repeatedly expressed his conviction that diplomatic entreaties with Managua were feckless because the Sandinistas could never be trusted, and he conveyed the same

¹³⁶Wright, *Worth It All*, 147. Emphasis in original.

¹³⁷Quoted in Barry, *The Ambition and the Power*, 509.

¹³⁸Quoted in *ibid.*, 513. “We had different views of the Constitution, the balance of powers,” Wright observed of himself and the White House. Wright, *Balance Of Power*, 472.

¹³⁹Wright, *Worth It All*, 149.

¹⁴⁰*Ibid.*, 150-1.

message to Wright.¹⁴¹ “Ortega’s a liar,” Reagan insisted. “You can’t believe anything he says. We started with the Wright-Reagan plan. Now we’ve got the Wright-Ortega plan.”¹⁴² The Speaker defended his actions by arguing that “they [the Sandinistas] asked [me] to talk. My instinct is I’m doing the right thing. I believe Ortega is ready to deal.”¹⁴³ “We say we want peace, and I believe that I have moved events one small step in that direction,” he insisted.¹⁴⁴

The meeting was inclusive, and each side left determined to continue on its current course. “It was now evident,” Wright later wrote,

that those calling the shots in the White House had abandoned the peace effort. They wanted me to do the same and I would not. Those to whom Reagan was listening would not be happy unless they could renew the war. They had never expected the peace process to work. They’d seen it as a tactical ruse, doomed to fail, an excuse to say ‘we tried’, and promptly revive the fighting when it fizzled out. Now it was working, and they were angry.¹⁴⁵

Although the Speaker was determined not to allow such a scenario to take place, events beyond his control threatened to wrest political custody over Nicaragua policy-making away from him. The first was the startling emergence of a prominent Sandinista defector — Major Róger Miranda Bengoechea — a former top aide to

¹⁴¹“We must remain clear-eyed and realistic about who and what the Sandinistas are,” Reagan had admonished in October, citing “a long record of Sandinista deceit and broken promises.” Ronald Reagan, “Address before the Permanent Council of the Organization of American States,” 1135.

¹⁴²Quoted in Barry, *The Ambition and the Power*, 512.

¹⁴³Quoted in *ibid.*, 501. See also Wright, *Worth It All*, 143–4.

¹⁴⁴Wright, *Worth It All*, 151.

¹⁴⁵Wright, *Balance of Power*, 471.

Nicaraguan Minister of Defense Humberto Ortega Saaverda.¹⁴⁶ Miranda, who had been in the U.S. since October, had brought with him draft copies of a secret military assistance pact between Nicaragua, Cuba and the Soviet Union that called for massive increases in Soviet bloc military aid to Managua.¹⁴⁷ In November Wright and Congress had quietly passed another continuing resolution that contained \$3.2 million in humanitarian aid for the contras that would last until 16 December. On the eve of that date, the Reagan administration made Miranda available to the national media in an effort to engender support on Capitol Hill for a renewal of military aid to the contras.¹⁴⁸ The following day, Humberto Ortega largely confirmed Miranda's allegations.¹⁴⁹

At roughly the same time, moreover, the indirect peace negotiations between the Sandinistas and the contras were breaking down. Cardinal Obando had proposed direct negotiations between the two warring factions, a suggestion immediately

¹⁴⁶Stephen Kinzer, "Aide to Nicaraguan Defense Chief Is Reported to Defect to the U.S.," *New York Times*, 3 November 1987, A1. See Miranda's memoirs, *The Civil War in Nicaragua: Inside the Sandinistas* (New Brunswick, NJ: Transaction Books, 1993).

¹⁴⁷See Joe Pichirallo and Terri Shaw, "Top Defector Disillusioned By Marxism," *Washington Post*, 13 December 1987, A1; Gary Thatcher, "Sandinista plan for Soviet arms jolts contra aid," *Christian Science Monitor*, 15 December 1987, 1; and Stephen Kinzer, "Soviet Is Aiding Nicaragua In Buildup, Defector Says," *New York Times*, 14 December 1987, A1.

¹⁴⁸Although at the time of Miranda's public statements President Reagan was hosting Soviet leader Mikhail Gorbachev in a Washington summit meeting, the president and other officials never confronted Gorbachev with Miranda's information. One prominent administration official explained that "Miranda was for the press and Congress, not for Gorbachev." Quoted in R.W. Apple, "Contra Issue and Summit," *New York Times*, 17 December 1987, A11.

¹⁴⁹William Branigin, "Nicaragua Describes Major Arms Buildup," *Washington Post*, 13 December 1987, A1.

rejected by Managua. Obando promptly castigated the Sandinistas for their intransigence and blamed them for the collapse of his mediation efforts.¹⁵⁰

Miranda's sensational revelations in addition to the erosive stalemate on the diplomatic front energized the issue and frightened skittish and wavering moderate Democrats into agitating for a re-opening of the military aid pipeline. "The Democrats are reeling from these disclosures," Elliott Abrams said. "They're having to do some serious thinking about their position [against lethal aid]."¹⁵¹ Although Speaker Wright dismissed Miranda's allegations as "wholly implausible" and "lack[ing] credibility" given Nicaragua's financial constraints, he understood the larger political impact. "The lurid threats reported by Major Miranda were enough to send tremors through moderate ranks in Congress," he observed, and he ruefully commented that "the Sandinistas have had a history of snatching defeat from the jaws of victory."¹⁵²

Doing the legislative math in his head, Wright discerned the political ramifications of Miranda's information. "In the middle of a polarized Congress were thirty-five or forty swing votes" on contra aid, he later wrote.

These members could go either way. In past votes, they had provided the margin of victory both for and against contra aid. Some of them

¹⁵⁰See Stephen Kinzer, "Nicaraguan Foes Urged by Cardinal to Renew Talks," *New York Times*, 7 December 1987, A8; William Branigin, "Nicaraguan Parties Quit Dialogue," *Washington Post*, 16 December 1987, A46; and James LeMoyne, "Sandinistas Warn Opposition Not to Push Too Far," *New York Times*, 17 December 1987, A10.

¹⁵¹Quoted in John Felton, "Wrangling Over Contra Aid Sets Stage for Battle in 1988," *Congressional Quarterly Weekly Report* 45, no. 51 (19 December 1987): 3120.

¹⁵²Wright, *Worth It All*, 158; and quoted in Neil Lewis, "U.S. to Challenge Soviet over Help for Nicaraguans," *New York Times*, 15 December 1987, A1.

were troubled by the Miranda statements. Even if they didn't believe them, they guessed that their constituents might. To oppose a renewed installment of military aid for the contras in light of the highly publicized Miranda charge could subject them to bitter criticism at home, quite possibly to active opposition at the polls.¹⁵³

But Wright remained steadfast in his opposition to a renewal of military assistance to the contras, convinced that such an event would wreck the fragile peace process. "White House insistence on another military aid vote," Wright would write later,

told me that, for all the official platitudes endorsing the peace process, there were some high-ranking people in this administration who really did not want it to work. They had no faith in democratization, reconciliation, elections. They wanted whatever excuse they might seize upon to reignite the war in hopes of physically overthrowing the Sandinista regime.¹⁵⁴

In the end, however, Wright was forced to compromise on the issue out of fears that he and aid opponents might well lose an up-or-down vote on lethal assistance. The final compromise legislation — in the form of another government-wide continuing resolution so as to avoid an open vote — was complicated and controversial, narrowly passing on 23 December by a 209-208 margin. It provided \$14 million in non-lethal aid to the contras through 29 February, and authorized transport and delivery to the contras of weapons and ammunition previously purchased but currently stockpiled in Honduran warehouses. Deliveries of military aid could continue until 12 January, three days before the Central American presidents gathered in San José, Costa Rica to assess compliance with Esquipulas.

¹⁵³Wright, *Worth It All*, 158-9.

¹⁵⁴*Ibid.*, 157.

Transport could then resume on 19 January and continue until 3 February if President Reagan certified that a cease-fire between the Sandinistas and the contras had not been reached due to FSLN intransigence. On 3 February, the House would vote on a new administration contra aid proposal, with the Senate voting the following day. The legislation would be killed if either chamber voted it down. "This was the price now being demanded by the administration," Wright recalled. "It was a stopgap measure that in effect postponed the critical decision....The stage was set for the major confrontation on military aid for the contras."¹⁵⁵

END GAME

In the time between the adoption of the contra aid compromise legislation and the 3 February House vote, both factions sought to manipulate the course of events in ways suitable to and supportive of their competing objectives regarding a renewal of lethal contra aid. Administration irreconcilables led by Elliott Abrams and National Security Adviser Colin Powell toured Central America in the first week of January, visiting every country except Nicaragua. The message was blunt and clear: Guatemala, Honduras, Costa Rica and El Salvador should condemn Nicaragua at the upcoming 15 January summit in San José for noncompliance with the Esquipulas accord. If not, these officials warned, the Reagan administration would have little interest in providing additional economic assistance to these states.¹⁵⁶

The objective of the irreconcilables was to ensure an indeterminate summit that would dissolve into rancor and recrimination between Nicaragua and its

¹⁵⁵Ibid., 156-7.

¹⁵⁶Barry, *The Ambition and the Power*, 586. See also Wright, *Worth It All*, 192.

neighbors. In such a scenario, the administration could persuasively argue that additional military pressure on Managua was necessary to ensure Nicaraguan compliance. Aware of the irreconcilables' strategy, House opponents of contra aid impressed upon the Sandinistas the political delicacy of the moment and the concurrent necessity to show progress and conciliation before the 3 February House vote. The situation provided "a window to be responsible, if they want to," Congressman David Obey (D-Wis.) observed. If they don't, they damn well better duck."¹⁵⁷

In the days leading up to the 15 January summit meeting of the five Central American presidents, Managua was warned to make further concessions regardless of the degree of compliance with Esquipulas by the other states. Nicaragua had to adopt "substantive, irreversible" progress toward peace and democracy if it wanted to stave off lethal contra aid, House members admonished.¹⁵⁸ An inconclusive summit, they explained, would serve to greatly strengthen the irreconcilables' demand for renewed military aid to the contras.

On 14 January, Tom Foley and Tony Coelho hosted a lunch with the Central American ambassadors. Foley warned them that something much more substantive than merely setting a new deadline for compliance had to come from the meeting, while Coelho defanged the aid threats from Abrams by reminding the ambassadors that it was the Congress, not the White House, that appropriated funds and decided who got aid.

¹⁵⁷Quoted in John Felton, "Hill, Reagan Compromise on Aid to Contras," Congressional Quarterly Weekly Report 45, no. 52 (26 December 1987): 3195.

¹⁵⁸See William Branigin, "Arias Acknowledges Peace Process Is Stalled," Washington Post, 15 January 1988, A23; John Goshko, "Concession to Affect Contra-Aid Vote," Washington Post, 18 January 1988, A1; and Barry, *The Ambition and the Power*, 586.

Moreover, David Bonior traveled to San José to warn Daniel Ortega directly to make significant concessions or all but insure the passage of lethal contra aid.¹⁵⁹

Heeding such advice, the Sandinistas on 16 January shocked observers by agreeing to hold direct cease-fire talks with the contras.¹⁶⁰ The decision to recognize the contras as a legitimate and viable force within the domestic context was a remarkable reversal following years of Sandinista derision and vitriol over the so-called 'mercenaries'. Interior Minister Tomás Borge Martínez, for one, had vowed that rivers would flow backward before the contras were even allowed to return to Managua, much less recognized as a legitimate political force that would take part in an official dialogue.¹⁶¹ The Sandinistas further agreed to lift the state of emergency, which had suspended civil liberties for nearly six years. It was a dramatic series of internal concessions designed to demonstrate Managua's commitment to peace and thus to undercut arguments for renewed lethal aid to the contras.

Unswayed by the Sandinista concessions, the Reagan administration proceeded with its contra aid request. Bowing to the political realities induced by the Esquipulas accord, however, the White House on 27 January requested a \$36.25 million aid package covering four months, including a token yet highly symbolic and controversial

¹⁵⁹Barry, *The Ambition and the Power*, 586. Speaker Wright reinforced Coelho's message, insisting that "Abrams and Powell couldn't deliver on that kind of threat even if they tried." Wright, *Worth It All*, 192.

¹⁶⁰See James LeMoyné, "Nicaragua Agrees To Talk Directly With The Contras," *New York Times*, 17 January 1988, A1.

¹⁶¹See Stephen Kinzer, "Motives for Truce: For Managua, Economic Woe," *New York Times*, 26 March 1988, A1.

\$3.6 million in lethal aid – a significantly more modest appeal from its initial plan to seek \$270 million over eighteen months announced in September 1987.¹⁶² Additionally, however, the administration sought a further \$20 million for indemnification of leased contra aircraft and air defense. A clearer tally of total aid requested, therefore, showed at least \$56.25 million – and possibly even more.¹⁶³

On the eve of the House vote, President Reagan delivered a prime-time, nationally-televised address designed to directly challenged Speaker Wright’s policy approach.¹⁶⁴ “I do not know whether you can trust that or not,” Wright had said of the Sandinista concessions. “I am not telling you that you can. But I think you have to test that. And surely the way to test [them] is by sitting down at the negotiating table and following the process of peace.”¹⁶⁵

In discussing the recent concessions by “the communist regime in Nicaragua called the Sandinistas”, however, Reagan expressed deep mistrust and urged others to do likewise. “Forgive my skepticism,” the president explained,

¹⁶²See Elaine Sciolino, “Reagan Will Seek More Contra Aid Despite New Move,” *New York Times*, 18 January 1988, A1; Joel Brinkley, “White House Seeks \$36 Million In Aid For The Contras,” *New York Times*, 27 January 1988, A1; and Steven V. Roberts, “Reagan Presses Case for Aid to Nicaragua Rebels,” *New York Times*, 31 January 1988, A16.

¹⁶³Neil Lewis, “Contra Aid Bill: The Hidden Costs,” *New York Times*, 1 February 1988, A3. In fact, extrapolated to cover an annual basis, the \$36.25 million for four months represented more money than the contras had ever received previously.

¹⁶⁴In a likely premonition of the speech’s effectiveness, all three major television networks refused to broadcast the speech, concluding that it was not sufficiently newsworthy. Only CNN carried the speech live.

¹⁶⁵Wright, *Worth It All*, 151, 164.

but I kind of feel that every time they start making promises, there should be subtitles under them telling the truth. One may hope they're sincere this time, but it hardly seems wise to stake the future of Central America and the national security of the United States on it.¹⁶⁶

Additionally, the president assailed Speaker Wright's view that the United States and Sandinista Nicaragua could peacefully co-exist. "If we are asking them to leave their neighbors alone," Wright said of the Sandinistas, "then perhaps we ought to expect to leave them alone and not pose any threat to them as part of the bargain."¹⁶⁷ The president conversely rejected this policy approach that he termed 'containment'.

Some talk of containment, but we must not repeat the mistake we made in Cuba. If containment didn't work for that island nation, how much less effective will it be for an expansionist Soviet ally on the American mainland? I did not come to Washington to preside over the communization of Central America.¹⁶⁸

The diplomatic momentum generated by Esquipulas and by the dramatic Sandinista concession to accept direct negotiations with the contras, however, proved too much for President Reagan and the irreconcilables to overcome. With Speaker Wright assuring House moderates of an alternative humanitarian aid package, the House defeated the administration's aid request by a 219-211 count. Although the Senate the following day voted to approve the bill by a 51-49 vote, its approval was meaningless

¹⁶⁶Ronald Reagan, "Address to the Nation on Aid to the Nicaraguan Democratic Resistance," Weekly Compilation of Presidential Documents 24, no. 5 (8 February 1988): 163, 166-7.

¹⁶⁷Quoted in Felton, "New Contra Politics," 2665.

¹⁶⁸Reagan, "Address to the Nation on Aid to the Nicaraguan Democratic Resistance," 166-7.

since the White House and Congress had previously agreed that a defeat of the package in either chamber would kill the legislation.

With the 3 February loss, the irreconcilables lost control of the legislative calendar, and effective policy control had moved irretrievably to Speaker Wright and the Congress. “On two occasions – in December 1987 and February 1988 – the president’s forces tried to forsake the peace process altogether and revive the war by providing fresh military aid for the contras,” Wright later wrote. “On both occasions, a majority in Congress voted down the request.”¹⁶⁹ Accordingly, the entire CIA contra program was shut down on 29 February. “At midnight, February 28, 1988, all CIA paramilitary assistance to the contras ended,” irreconcilable Robert Gates recalled. “For us, the war in Nicaragua was over....At the end of February, when we left, we thought we had lost.”¹⁷⁰

Having effectively defeating White House policy toward Nicaragua, Speaker Wright then began putting forward his own version. First he proposed an alternative contra aid package that would provide humanitarian and relocation assistance to the contras. To squelch lingering hopes of military assistance, he pressured balking contra officials to go “back to the negotiating table” quickly or risk endangering the alternative humanitarian assistance.¹⁷¹

¹⁶⁹Wright, *Balance of Power*, 471.

¹⁷⁰Gates, *From the Shadows*, 435, 436.

¹⁷¹Contra intransigence “may slow us down” in getting humanitarian aid passed to the resistance, Wright warned. Quoted in John Felton, “Reagan, GOP Remain Aloof From New Contra-Aid Plan,” *Congressional Quarterly Weekly Report* 46, no. 7 (13 February 1988): 292. See also John Goshko and Lou Cannon, “Democrats Offer Reagan (continued...) ”

Wright then maintained the pressure on the Sandinistas to negotiate in good faith by piecing together a \$16 million humanitarian aid package through 30 June for contra forces. Although the legislation was narrowly defeated in the House on 3 March by an unholy alliance of contra supporters and opponents, the Sandinistas could expect another effort to succeed if they appeared diplomatically intransigent. Accordingly, contra and Sandinista officials in late March meet face-to-face for the first time in the Nicaraguan town of Sapoá, near the Costa Rican border. On 23 March, the two bitter enemies announced that they had agreed to a two-stage peace process. The first phase featured a temporary cease-fire during which the contras would move into designated zones and receive only humanitarian assistance. In the second phase, negotiations for a definitive cease-fire and a comprehensive political settlement would begin.

Glum and dejected irreconcilables “thought the contras had made a terrible mistake [at Sapoá]”, according to Bob Gates. “We agreed that the long-term prospects for them were bleak.” A meeting with Frank Carlucci found the new secretary of defense “also downbeat, saying that the Sandinistas had won. Bill [Webster] and I acknowledged that this was likely.”¹⁷² Elliott Abrams insisted of the Sandinistas that “I don’t believe for one minute that they’ll carry this out”; while President Reagan likewise expressed concern over the pact, arguing that “there is

¹⁷¹(...continued)

Role in Contra Aid Plan,” *Washington Post*, 10 February 1988, A30; and Don Phillips and Joe Pichirallo, “Democrats Near Contra Aid Package,” *Washington Post*, 18 February 1988, A4.

¹⁷²Gates, *From the Shadows*, 435.

reason to have caution” regarding Sandinista promises.¹⁷³ But Secretary of State Shultz, who in effect through Wright’s efforts had had his two-track policy approach — long vilified by the irreconcilables — affirmed, was more sanguine about the Sapoá accord.

The history is such that you always have to be concerned that you get two steps forward and one step back, or maybe one step forward and two steps back. So we will have to keep our eye on behavior, and want to see it move forward.¹⁷⁴

Other administration officials grudgingly accepted the dynamics of the new political reality. “The administration has got now to implement a policy which is formulated by the Democratic leadership of the House,” a senior official complained. “That takes some doing, since it’s a policy we don’t think can work.”¹⁷⁵ House Speaker Wright agreed that Sandinista compliance “is subject to proof,” but expressed optimism and elation over the Sapoá pact. “I think it’s a time not for skepticism and pouring cold water” over the agreement, he said.¹⁷⁶

DENOUEMENT

As negotiations between the Sandinistas and the contras sputtered throughout the remainder of the year, irreconcilable forces within the administration grudgingly accepted that complete control of Nicaragua policy-making firmly rested in the hands of Speaker Wright and the House of Representatives. Intermittently, President

¹⁷³Quoted in John Felton, “Cease-Fire Pact Changes Political Equations,” Congressional Quarterly Weekly Report 46, no. 13 (26 March 1988): 804, 805.

¹⁷⁴Quoted in *ibid.*, 805.

¹⁷⁵Quoted in John Felton, “After Contra Battle, a New Set of Policy Issues,” Congressional Quarterly Weekly Report 46, no. 14 (2 April 1988): 835.

¹⁷⁶Quoted in Felton, “Cease-Fire Pact Changes Political Equations,” 808.

Reagan would express his desire for renewed military aid to the resistance, arguing on 15 June that such aid was “necessary” and that “it would be ridiculous for us to oppose it...we’ve got to restore the threat to the Sandinistas.”¹⁷⁷ Asked if a Congressional restoration of military was possible, the president optimistically responded “I think so.”¹⁷⁸

But other administration officials were less sanguine over such a course of events, recognizing that Speaker Wright would readily defeat any such attempt.¹⁷⁹ Secretary of State George Shultz told a Senate subcommittee that he opposed further efforts to seek lethal contra aid, explaining that “my own view is that just having a vote so people choose sides and not get anywhere is not what we’re looking for.”¹⁸⁰ Instead, Shultz urged contra leaders to negotiate an end to the war.¹⁸¹ Even leading irreconcilable Elliott Abrams advised the contra leadership that no additional military assistance would be forthcoming and therefore to cut the best deal with the Sandinistas that they could.¹⁸²

¹⁷⁷Ronald Reagan, “Excerpts from an Interview With Newspaper Journalists,” Weekly Compilation of Presidential Documents 24, no. 24 (20 June 1988): 802.

¹⁷⁸Ronald Reagan, “Informal Exchange With Reporters,” Weekly Compilation of Presidential Documents 24, no. 28 (18 July 1988): 919.

¹⁷⁹“The armistice of the past several weeks,” Wright had insisted, “is surely preferable to the bloodshed of the past several years.” Quoted in Felton, “Contras Find Little Enthusiasm for New Aid,” 1664.

¹⁸⁰Quoted in *ibid.*

¹⁸¹See John Felton, “Contra Talks May Revive As Aid Package Nears,” Congressional Quarterly Weekly Report 46, no. 38 (17 September 1988): 2573.

¹⁸²Barry, *The Ambition and the Power*, 628.

Following a series of partisan twists and turns, Congress did, however, ultimately vote to provide \$47.9 million in humanitarian assistance to the contras and Nicaraguan children through the end of the fiscal year in September 1988.¹⁸³ After years of U.S. support to the Nicaraguan resistance, many Congressmen felt a sense of obligation to sustain these fighters until they could disarm and return to civilian life.

When this aid ran out at the end of the fiscal year in October, Congress on 30 September approved an additional \$27.14 million in humanitarian funds to last the contras until 31 March 1989, well past the end of the Reagan term. At that time, Congress would take up the issue with the incoming Bush administration.¹⁸⁴ Two weeks later, President Reagan announced that he was abandoning efforts to free up \$16.5 million in lethal contra aid approved in 1985 but held in legislative escrow ever since.¹⁸⁵ The bitter and debilitating contra aid battles that had marked his eight years in office had finally ended, leaving Reagan and other irreconcilable officials blaming Congress for in effect allowing the Sandinistas to outlive his presidency after all.¹⁸⁶ “For eight years,” Reagan wrote in his memoirs,

¹⁸³Susan F. Rasky, “House Approves \$47 Million To Aid Nicaragua Rebels,” New York Times, 31 March 1988, A1.

¹⁸⁴Sara Fritz, “Congress Passes Federal Funding With Contra Aid,” Los Angeles Times, 1 October 1988, Part I, 1.

¹⁸⁵See Lou Cannon and John Goshko, “Reagan Ends Effort to Give Contras Arms,” Washington Post, 14 October 1988, A1; and John Goshko, “Reagan Halts Bid for More Contra Arms,” Washington Post, 15 October 1988, A22.

¹⁸⁶“Congress’s on-again, off-again indecisiveness on resisting Sandinista tyranny and aggression,” Reagan charged, “has left Central America a region of continuing danger.” Ronald Reagan, “Remarks at the University of Virginia,” Weekly Compilation of Presidential Documents 24, no. 50 (19 December 1988): 1633.

the press called me the 'Great Communicator'. Well, one of my greatest frustrations during those eight years was my inability to communicate to the American people and to Congress the seriousness of the threat we faced in Central America....I repeatedly expressed my frustration (and sometimes downright exasperation) over [this].¹⁸⁷

As Reagan's last year in office neared its conclusion, Nicaragua policy-making faded into the background, as the country and both parties grew increasingly distracted by the impending presidential election in November. But the fundamental issue remained unresolved, that being whether or not peaceful co-existence with a Sandinista Nicaragua was possible for the United States. For the Carter administration, such a scenario was not only conceivable, but in effect desirable, as Carter had no intention of attempting to bring down the FSLN regime in Managua.

The Reagan administration, however, faced a serious fissure in its ranks between those officials who theoretically accepted the logic of the Carter administration's approach and those officials who remained implacably opposed to the continued existence of the Sandinista government. Those latter irreconcilables were largely able to prompt policy discontinuity between the Carter and Reagan White Houses, insofar as they consistently checked diplomatic efforts by the negotiators while concurrently utilizing the armed contra resistance for a military ouster of the Nicaraguan government.

At the very end of Reagan's second term of office, however, political control of Nicaragua policy-making slipped from the White House's hands and gathered in the office of Speaker Jim Wright and the Democratic leadership of the House of Representatives. Wright and his allies followed the fundamental line of the negotiators, and by wielding the constitutional powers of the Congress, were able to prompt another

¹⁸⁷Reagan, *An American Life*, 471, 479.

discontinuity in U.S. policy toward Nicaragua by compelling the Reagan White House to allow a diplomatic solution that did not mandate the removal of the Sandinistas from power to move forward. It would be up to the incoming Bush administration to see if it could reverse the present course of events and generate additional discontinuity in the policy.

[We seek to] remove [it] in the sense of its present structure.... You can say we're trying to oust the Sandinistas by what we're saying.

President Ronald Reagan¹

We do not claim the right to order the politics of Nicaragua; that is for the Nicaraguan people to decide.

President George Bush²

SOLONS ASCENDANT: THE BUSH ADMINISTRATION AND NICARAGUA, 1989-90

The incoming administration of George Bush faced an unpalatable situation with regard to Nicaragua policy-making, left as it was with few realistic options and a seemingly bottomless reservoir of rancor and hostility on all sides that undercut what little maneuvering room remained. In effect, the new president had lost control of policy-making toward the Sandinistas before he had even taken office, and he remained operatively boxed-in by the aggressive House actions of the previous year. Having inherited a weak hand to play with regard to the issue, Bush and other top officials anxiously sought to move beyond the debilitating ideological jihads that had first rent

¹Ronald Reagan, "The President's News Conference of 21 February 1985," 212, 214. The president said that U.S. hostility against the Sandinistas would end "if the present government would turn around and say, all right, if they'd say 'Uncle'." Ibid., 213.

²George Bush, "Remarks Announcing the Bipartisan Accord on Central America," Weekly Compilation of Presidential Documents 25, no. 12 (27 March 1989): 419.

the Reagan administration and then moved on to fuel a poisonous institutional war between the executive and legislative branches, the political whirlwind of which Bush stood poised to reap.

It is important to note, however, that the Bush White House did not abandon the merits of the Reagan administration's approach, only its feasibility. Bush harbored a similar antipathy toward the Sandinistas with his predecessor, and sought maximally the same objective as Reagan: the physical removal of the FSLN from power. To that end, therefore, the Bush administration preserved and maintained several elements of the Reagan administration's policy, such as the trade embargo and diplomatic efforts to pressure U.S. allies to cease their economic assistance to Managua.

The conundrum that faced the incoming Bush administration, however, was that Reagan's preferred policy implement – military assistance to the contras – was no longer available, given Congress's adamant insistence on stopping the war. Without renewed American lethal aid to the contras, there could be no hope of militarily removing the Sandinistas by force, yet there remained equally no hope that Congress would approve any such assistance. Boxed in by the Congress, with his options sharply curtailed, the new president found diplomacy remained the only viable alternative policy approach toward Nicaragua.

But the acceptance of this political reality completed the fundamental policy discontinuity that had initially emerged in the last years of the Reagan administration. The Reagan policy toward Nicaragua, though marked by fratricidal division, had been fundamentally run by the irreconcilable faction, which saw the continued existence of an FSLN regime in Managua as incompatible with U.S. regional interests. Diplomacy

could not be considered either a viable or even desirable policy option, insofar as it did not necessitate the removal of the Sandinistas from power. Given that objective, only a military policy approach was acceptable, and the irreconcilables time and again checked the efforts of the negotiators to achieve a diplomatic solution to the crisis.

The political realities that faced the incoming administration, however, prompted Bush to fundamentally reorient U.S. policy toward Managua toward one that embraced the regional diplomatic efforts that Reagan had eschewed for fear of preserving if not legitimizing Sandinista rule.³ The discontinuity from Reagan to Bush was to be seen in the minimal objectives of the two approaches. Both shared the maximal goal of ousting the FSLN regime, but while Reagan would settle for no less – his refusal to consider diplomatic solutions meant his maximal and minimal goals were one and the same – Bush was forced to pare back his preferred solution and commit the United States to a policy that embraced – however grudgingly – the possibility of coexistence between Washington and Managua. In short, the Bush administration acceded to a policy of ‘containment’ *vis-à-vis* the Sandinistas provided the latter fulfilled the requirements of the Esquipulas accord to hold free elections and cease aiding regional insurgencies.⁴

³“The new administration has to move the debate away from military aid for the contras,” said one transition official. “Military aid has to be included as an option, but should not be seen as the sole goal.” Instead, Bush had to “give diplomacy a serious try.” Quoted in Robert Pear, “Bush Aides Speak of New Policy of Diplomacy in Central America,” New York Times, 20 November 1988, A20.

⁴See Robert Pear, “Baker Plan for Interim Contra Aid Evokes the Skepticism of Congress,” New York Times, 4 March 1989, A1.

Secretary of State Jim Baker in his memoirs explained the administration's new thinking on the nettlesome issue of Nicaragua, though he declined to use the term 'containment'. As the new administration began, he wrote,

the prevailing view within the foreign policy establishment was that democracy in Nicaragua was a lost cause. Even with military aid (which Congress would never approve anyway), the contras were no match for the Sandinista army. In this view, the best that might be managed was a policy of containment that kept the Sandinistas from exporting their Marxism to neighboring democracies. I disagreed with this judgement. Containment would never work without the deterrent of an armed contra force just across the border in Honduras. I also believed the Sandinistas would be less adventuresome in their own foreign policy if we tied them up internally with constant pressure for democratic reforms, including free and fair elections.⁵

This strategic discontinuity in term generated a tactical break with the Reagan administration as well. Reagan and other irreconcilable officials were greatly angered by what they viewed as Congressional intrusion and encroachment in foreign affairs, which they regarded as the sole prerogative of the presidency. The response of these officials to legislative efforts to inject the Congress into foreign policy was one of confrontation and contention. Following the 1988 termination of lethal assistance to the contras, the president bitterly complained that "this is the same old thing by Congress. Look at all the countries that went down the tube right after Vietnam because of congressional interference in foreign policy."⁶ So vexed was Reagan that at one point, according to John Poindexter, he contemplated a direct constitutional

⁵Baker, *The Politics of Diplomacy*, 48.

⁶Quoted in Fred Barnes, "Reagan's Last Stand," *The New Republic* 198, no. 15 (11 April 1988), 9. "You can't have 535 members of the House and Senate administer foreign policy," Reagan later protested in his memoirs. See Reagan, *An American Life*, 483.

challenge to Capitol Hill. Reagan “was taken with the examples of presidential actions in the past without Congressional approval....the fact remains that the president is ready to confront Congress on the constitutional question of who controls foreign policy.”⁷

The Bush administration, conversely, wanted no part of such political bloodletting, and it readily acceded to the change in power dynamics on Nicaragua policy-making. Instead of attempting to force the Congress out of policy-making, Bush and other top aides openly solicited a co-equal role for the legislative branch in foreign policy, and in particular on the issue of Nicaragua. Such a truce would free the new administration from the inherited rancor and division of the past and allow it to move on to other substantive policy issues.

DOMESTIC SUMMITRY

During the 1988 presidential campaign, George Bush largely avoided the issue of contra aid, fearing that perceived adamancy on the matter would frighten off moderate voters and, more importantly, poison Bush’s relationship with the new Congress should he win. Bush told the conservative newspaper the Washington Times that he “absolutely” supported aid to the contras, but refused to discuss any specific efforts he might make on that behalf as president. Campaign manager Jim Baker acknowledged that his candidate would have little to say on the subject because polling

⁷The White House, PROF Note from John Poindexter to Don Fortier, Subject: *Contra Project*, 2 May 1986, in *Iran-Contra Hearings*, Vol. 100-8, 568. Poindexter made it clear that he sided with Reagan on this issue. “I clearly recognize the constitutional authority of the Congress to appropriate monies,” he testified. “But I don’t think that the vehicle should be used to try to restrict what the president can do in foreign policy.” Testimony of John Poindexter, in *ibid.*, 372.

data showed the public largely opposed and that “it’s like some other issues in politics; it’s easily demagogued by the other side.”⁸

Following his electoral victory, President-elect George Bush and his top aides – chiefly Jim Baker – were anxious to avoid the rancorous partisan strife that had plagued the Reagan years and to begin the new administration with as clean a slate as possible. In conversations with Bush, Baker wrote, “the president made it clear that he wanted to move away from the politics of confrontation between the executive and legislative branches that had characterized much of the diplomatic debate in the previous eight years....It was clear to us both, however, that there was one huge stumbling block to any hope of restoring bipartisanship: the bleeding sore of Central America.”⁹

Simply avoiding the issue, however, was not only practically out of the question, but more importantly, the humanitarian aid legislation that Congress had approved in late September 1988 was set to expire on 31 March, ensuring that the new administration would be forced to confront the divisive issue only weeks into office. The Bush administration found itself wedded to a timetable not of its choosing but with little prospect of escape.¹⁰

As principal figures throughout the Reagan years, both had witnessed first-hand the polarizing and crippling effect that the debate on Nicaragua policy-making had had

⁸Quoted in John Felton, “Contras Must Go It Alone,” Congressional Quarterly Weekly Report 46, no. 45 (5 November 1988): 3191.

⁹Baker, *The Politics of Diplomacy*, 47.

¹⁰“This is an issue that won’t go away,” Senator John McCain ruefully commented. Quoted in John Felton, “Contra Aid: Support Fades, Dilemma Lingers,” Congressional Quarterly Weekly Report 46, no. 45 (5 November 1988): 3192.

on the Reagan White House, and both were eager to avoid any such repetition. “I had no desire to further the debilitating ideological warfare of that period, and neither did my boss,” Baker wrote. “We had also seen firsthand the costs of all the fratricide to a coherent and sustainable policy....the slugfests that were waged among George Shultz, Cap Weinberger, Bill Casey and Jeane Kirkpatrick for policy dominance.”¹¹

The Bush White House did not view the Sandinista government in a particularly different light than did the Reagan administration, and in that sense the new administration remained supportive of the merits and objectives of the Reagan approach. Secretary of State Baker testified that “we cannot and must not abandon the democratic resistance. We must stand by them until our mutual goals are achieved.” The essence of the Reagan approach had been to ensure that the people of Nicaragua could live in freedom, Baker explained, and that was “the ultimate goal of our present policy. And it should be the ultimate goal of our new policy.”¹²

But despite a shared maximal objective with the preceding White House, Bush and other officials recognized that they faced a significant disconnect between the ends of the Reagan approach and the circumscribed means available to Bush to achieve them. “In my courtesy calls with members of Congress during the winter of 1988,” Baker

¹¹Baker, *Politics of Diplomacy*, 50. NSC official Peter Rodman – who served in both administrations – observed that “the Bush administration offered many contrasts with its predecessor...[particularly] the downplaying of ideology and the remarkable frictionless cooperation within the government” on Nicaragua. Rodman, *More Precious Than Peace*, 435.

¹²Testimony of James Baker, Hearings before the Committee on Foreign Relations, Senate, 101st Congress, 1st Session, *Nomination of James A. Baker III, of Texas, to be Secretary of State* (Washington, D.C.: USGPO, 17-18 January 1989), 4, 53, 89.

recollected, “I was sobered by the unanimity of advice I received when the subject turned to Central America. To a member, they all told me that if George Bush followed through on his campaign pledge to ask for military aid for the contras, he would be voted down convincingly....[House Minority Leader] Bob Michel was even more emphatic, advising me that it was simply hopeless.”¹³

The new secretary of state remained firmly “convinced that Central America was first and foremost a domestic political issue. Any hopes for a diplomatic solution, much less achieving a bipartisan foreign policy, were doomed unless Central America was removed from its domestic political context.” In order to do so, however, the new administration would be required to dramatically shift course from the Reagan approach that abjured diplomacy in favor of a military solution to one that eschewed lethal assistance to the contras and thus forswore the physical removal of the Sandinistas from power as the unwavering objective of U.S. policy toward Nicaragua. “George Bush’s support for the contras – and mine – was a principled one,” Baker explained, “but we recognized that...we didn’t have the votes to restore military aid....I knew Congress would never approve funds to rearm them.”¹⁴

Accordingly, the new Bush team faced the nettlesome task of crafting a policy that served U.S. interests and placated two irreconcilable factions with little maneuvering room and virtually no feasible alternatives or options. The administration

¹³Baker, *The Politics of Diplomacy*, 49. Senate Majority Leader George Mitchell (D-ME) warned Bush and Baker “not to begin [his term] with a big fight over an initiative he can’t win.” Quoted in David Hoffman and Helen Dewar, “Baker Rules Out Early Bid to Aid Contras Militarily,” *Washington Post*, 21 December 1988, A1.

¹⁴Baker, *The Politics of Diplomacy*, 50.

wanted to keep aiding the contras in some fashion, while Congressional opponents wanted the program shut down for good. Contra aid supporters in Congress wanted a military aid vote to bring down the Sandinista regime if it passed, or use it as political capital against the Democratic party for strangling democracy in Nicaragua if it failed. Moreover, the Esquipulas accords also called for an end to contra aid. beyond relocation and disbandment assistance. To devise a policy approach suitable to all required first and foremost a fundamental reconsideration of what policy approach served U.S. interests. On this point Baker openly broke with the Reagan administration, testifying before the Senate that “the policy that we have pursued before has not worked because we have not had a unified United States behind it.” “We have got to get our act together up here,” he admonished. “We have got to get together on a policy that is bipartisan and that is equally embraced by the legislative and executive branches of government so that we can come up with something that works.”¹⁵

For his part, President Bush was fully supportive of Baker’s efforts. “He agreed that it was critical to our overall foreign policy goals and our ability to conduct a successful foreign policy to remove this issue from the domestic political context,” Baker wrote. Otherwise, “the acrimony of the last decade would continue, poisoning our hopes for a cooperative foreign policy.”¹⁶

Wanting to head off a paralyzing struggle over a no-win issue, Bush quickly strove to seize the initiative. Immediately following his election, the president-elect

¹⁵Testimony of James Baker, *Nomination to be Secretary of State*, 88.

¹⁶Baker, *Politics of Diplomacy*, 50.

asked for a private summit meeting with Speaker Wright. On 18 November 1988, Bush and Wright met for two hours in the latter's House office. "This has been the most implacable issue of the last eight years," Wright observed.

Also the most politically polarizing and personally divisive question on the agenda. In fact, it's our only major foreign policy disagreement....It would be good for all concerned if we could find some common ground.¹⁷

Bush readily concurred, and quickly sought the Speaker's assistance in crafting a new post-Reagan policy approach. "What do you think we might be able to agree upon?" he asked Wright. "The starting point," Wright replied, "is substituting diplomacy for military action....If we'd sit down and talk with them, we might make more progress than we have."¹⁸ The president-elect was amenable to Wright's suggestion that the administration forswear a military solution to the conflict, and enlisted the Speaker's support by inviting him to co-author the basis of a new policy approach with the White House. "Would you be willing to work with Jim Baker on trying to search out the ingredients of a common policy?," asked Bush, to which Wright quickly agreed.¹⁹

Sometime later, Secretary of State-designate Jim Baker and Wright encountered one another at a post-election dinner. "I told him that the president-elect wanted to get Central America off the domestic political agenda and that he wouldn't ask Congress

¹⁷Wright, *Worth It All*, 219.

¹⁸Ibid.

¹⁹Ibid.

for military aid to the contras,” Baker recalled. “In that case, Wright said, we had a real chance of forging a bipartisan solution.”²⁰

DIPLOMACY AND ESQUÍPULAS

The voluntary abandonment of a military solution to the issue of Nicaragua represented a radical departure from the Reagan administration’s approach, which had been fundamentally determined by the irreconcilable faction. But in eschewing the physical overthrow of the FSLN regime, the Bush administration required a new framework in which to adopt the containment of the Sandinistas as a minimal objective for meeting U.S. regional interests. Moreover, there remained the very real problem of precisely what to do about the contras themselves.

As Robert Zoellick, a close Bush adviser, explained, the “idea of arming the contras was a dead letter. There was no political support for it.”²¹ In lieu of the contras, however, the White House quickly embraced the Esquípuas accords that had been derided by the Reagan irreconcilables. The Sandinista commitment to hold free and fair elections, Zoellick argued, presented Bush the opening he needed. Elections gave the administration the opportunity to “reframe the debate, to seize the high ground.” A firm U.S. resolve to support the democratic process in Nicaragua could serve as a “rallying point” that might bridge the seemingly unbridgeable gulf between the branches bequeathed by the Reagan administration.²²

²⁰Baker, *The Politics of Diplomacy*, 50.

²¹Quoted in Kagan, *A Twilight Struggle*, 635.

²²Ibid. “The reality was that the military pressure of the contras was being
(continued...) ”

The shift from armed force to diplomacy – however necessitated by the refusal of Congress to provide lethal assistance – nonetheless marked a decisive policy discontinuity between the Reagan and Bush administrations. In so doing, Bush rejected the central tenet of Reagan and the irreconcilables, insofar as Bush committed the United States to a policy that did not necessitate the removal of the Sandinistas from power – a fact of which Bush administration officials were perfectly aware. “The administration,” Baker acknowledged, “tacitly agreed to abandon the previous policy of trying to overthrow the Sandinistas by force and instead to support a democratic election and accept the result.”²³ Moreover, the White House was firmly convinced of the results of any such election. “We always doubted [the elections] would be free and fair,” according to Zoellick, and therefore the White House knew that an FSLN electoral victory was “the most probable outcome.”²⁴

Without serious hope of a Sandinista electoral defeat, the administration had to lower its standards of what determined a successful policy. Instead of toppling the FSLN regime, the goal would be to generate “an opening” where a “viable opposition”

²²(...continued)

dropped as an instrument of U.S. policy,” NSC staff official Peter Rodman wrote. “It was, in fact, long dead in the Congress, and Bush and Baker surrendered nothing by conceding it. They were making the best possible bargain with Congress on a strategy to maximize all the available **nonmilitary** pressures that could be brought to bear.” Rodman, *More Precious Than Peace*, 437-8. Emphasis in original.

²³Baker, *The Politics of Diplomacy*, 58.

²⁴Quoted in Kagan, *A Twilight Struggle*, 637, 857n. A close adviser to Secretary Baker, Crescenio Arcos, said that “no one, not in the State Department, not in the CIA, not in the White House, believed the Sandinistas would let themselves lose the elections.” Quoted in *ibid.*, 637.

could emerge and expand, to implant a “virus of democracy” that over time could challenge Sandinista dominance, according to Zoellick. “We didn’t have to win the elections to have a success. We could contain and preoccupy the Sandinistas through the electoral process.”²⁵ As for the contras themselves, the Bush administration envisioned them “play[ing] their role” as “viable armed force” that would serve as an insurance policy of sorts to ensure Sandinista compliance with Esquipulas.²⁶

Such a new approach, however, required the administration to convince a reluctant Congress to continue to fund the contra program past the 31 March 1989 cut-off date, albeit on a humanitarian basis only. This request was suddenly jeopardized by the unexpected agreement reached among the five Central American presidents at their 15 February summit meeting in Tesoro Beach, El Salvador. At the meeting, Daniel Ortega announced that presidential and legislative elections in Nicaragua would be moved up to 25 February 1990. The Nicaraguan president also pledged to reform electoral and media laws to allow for a free and fair, multi-party campaign. Finally, Ortega specifically called for close international supervision throughout the entire electoral process.

In return for the concessions, the Sandinistas won agreement from the remaining presidents to accelerate the dismantling of the contra army. The five nations agreed to formulate a plan within ninety days that would demobilize and relocate the contra forces, and called for an end to all external assistance to the contras beyond the goals of

²⁵Ibid., 637.

²⁶Ibid., 636.

the agreement. In effect, the Central American leaders called on the United States to terminate its contra assistance program once and for all, both lethal and humanitarian.

The administration was caught off-guard by the unanticipated agreement, and struggled to respond. Vice-President Dan Quayle, one of the few irreconcilable officials in the administration²⁷, sharply criticized the pact as a “ruse” designed to perpetuate “a Marxist-Leninist dictatorship” in power. “The Sandinista dictatorship will make all sorts of attractive promises about pluralism and democracy – promises they have made time and again, and have betrayed time and again,” Quayle argued; and he insisted that the U.S. “will not support a paper agreement that sells out the Nicaraguan people’s right to be free.”²⁸ Former Assistant Secretary of State for Inter-American Affairs Elliott Abrams likewise weighed in against “this step backward.” “Does anybody really believe,” Abrams rhetorically queried,

that an election conducted with the full Sandinista military and police apparatus of repression intact would be truly free?...To abandon the contras in exchange for more Sandinista promises would be a disastrous error and would end any hope of real political change in Nicaragua.²⁹

Secretary of State Baker, on the other hand, saw considerable opportunity in Tesoro. While acknowledging that he was “skeptical that the government of Daniel Ortega would ever permit the sort of free elections envisioned by Ariás,” Baker argued

²⁷NSC staff official and irreconcilable Peter Rodman noted that “aside from Dan Quayle, the new administration had no ideologues in top positions – or even in key mid-level positions.” Rodman, *More Precious Than Peace*, 435.

²⁸Quoted in John Goshko, “Quayle Criticizes 5-Nation Pact on Contras’ Guerrillas,” *Washington Post* 25 February 1989, A17.

²⁹Elliott Abrams, “Ortega’s Empty Concessions,” *New York Times*, 2 March 1989, A27.

that “Esquipulas was nevertheless an opportune vehicle around which to fashion a new policy. Its call for democratic reforms, elections and an end to regional subversion was politically unassailable. The fact that the Sandinistas had agreed to it was at least symbolically significant.”³⁰

President Bush himself was more circumspect and diplomatic, though he also expressed concern over the FSLN promises and the fate of the contras. The president said that he saw “some positive elements” in the agreement and “also some troublesome elements.” Warning of the dangers of “some fluffy promises” on the part of Managua, Bush argued that

I think we have to be wary of supporting any positive elements like commitments to democracy and yet say, wait a minute, let’s be sure that we not leave the resistance standing alone, leave them twisting out there without fulfillment of the commitment to democracy on the part of the Sandinistas.³¹

To follow the spirit of the Tesoro accord remained politically, morally and tactically unacceptable to the Bush administration. Politically, an already ideologically-suspect George Bush dared not run the risk of appearing within the Republican party to sacrifice the contras for the sake of compromise with Capitol Hill Democrats. Moreover, not only did the president and other aides believe that after years of support, the United States owed a moral obligation to support the resistance, but in a larger sense the dismantlement of the contra army so far in advance of the February 1990 elections would improperly relieve one of the few remaining levers of pressure on the Sandinistas

³⁰Baker, *The Politics of Diplomacy*, 52-3.

³¹George Bush, “Question-and-Answer Session With Reporters,” *Weekly Compilation of Presidential Documents* 25, no. 7 (20 February 1989): 205.

that served to ensure compliance.³² Without the threat of a renewed contra war hovering over their heads, the Sandinistas, Washington believed, would be unlikely to fulfill the promises made at Esquípuilas and Tesoro Beach.³³

The immediate problem facing the administration, therefore, was how to convince the Congress to accomplish the White House's goal of sustaining contra viability, since under Tesoro all future American assistance was to be limited to disarmament and resettlement – aid incompatible with preserving the contras as an integral armed force. The conundrum emerged promptly at a 2 March meeting between Speaker Wright and Jim Baker. The secretary of state, Wright recalled, had come “to explore prospects for a bipartisan approach to Central America....Baker's basic idea was a one-year humanitarian aid plan for the contras.”³⁴

“We want to wind this thing down,” Baker assured Wright. “We're willing to substitute negotiations for military action.”³⁵ Baker needed Wright's assistance in

³²“We simply cannot, and I will not, leave the contras out there with no humanitarian aid at all,” President Bush had vowed. “These people must not be left without humanitarian aid.” George Bush, “The President's News Conference,” *Weekly Compilation of Presidential Documents* 25, no. 10 (13 March 1989): 295. “Abandoning the contras was morally and politically unconscionable to me,” Baker likewise wrote. Baker, *The Politics of Diplomacy*, 53.

³³Secretary Baker argued before a Senate committee for the need to “keep the resistance intact and in existence for possible use down the line....keeping the resistance in force is indeed some incentive for better performance [from the Sandinistas].” Quoted in John Goshko, “Baker Urges Contra Aid, Sees Testing of Moscow,” *Washington Post*, 13 April 1989, A10.

³⁴Wright, *Worth It All*, 223.

³⁵Ibid. Baker “quickly took charge of Central America policy, with the principal aim of rendering it politically harmless to his boss,” according to Peter Rodman.

(continued...)

crafting a bipartisan humanitarian aid package that would preserve the contra forces. “If we’ll drop every reference to a military escrow fund or any money of any kind for arms, can you agree to go along with a one-year guarantee of continued humanitarian aid – food, clothing and shelter – for the contras and their families?”³⁶

The fulcrum of U.S. policy-making toward Nicaragua again rested in the hands of Speaker Wright and the House leadership. As in August 1987 when approached for similar assistance in delivering the votes for an otherwise unwinnable White House policy, Wright was interested but skeptical. “If we believe the peace process is going to work, Mr. Secretary, it won’t be necessary to keep them in their camps in Honduras for a whole year,” he told Baker. “In fact, proposing to do so could fly in the face of the agreements which are being worked out right now between the five presidents...What I’m suggesting is that it might run afoul of an agreement that seems to be in the making among all the presidents.”³⁷

Baker assured Wright that the administration could win the support of the four regional allies – most critically Costa Rica and Honduras – for a continuation of non-lethal assistance beyond the Tesoro accord’s timetable. The administration won the critical support of Costa Rican President Oscar Arias by convincing him that, unlike his

³⁵(...continued)

Rodman, *More Precious Than Peace*, 436.

³⁶Wright, *Worth It All*, 224.

³⁷Ibid.

predecessor, Bush truly sought a diplomatic, not a military, solution to the crisis.³⁸ As for Tegucigalpa, which for different reasons shared the Sandinistas' urgent desire to disband the contra army and remove it from Honduran soil, the White House simply put over to the Hondurans that the alternative was to have an angry and abandoned contra army cut off from American assistance and looking for ways to feed itself on Honduran territory.³⁹

For Bush and Baker, the contras were a decidedly mixed bag. On the one hand, the administration viewed the armed resistance as an inherited albatross, the continued existence of which threatened to imperil the administration's successful pursuit of other critical issues. A definitive resolution of the contras' fate was therefore paramount for the Bush presidency. In addition, with the administration committed to a diplomatic solution to the issue – and the Congress committed to no more lethal aid – the purpose of the contras as a policy implement necessarily shifted from that of the previous administration. While Reagan and other irreconcilable officials had viewed the contras as the tool that would drive the Sandinistas from power, the political realities facing the Bush administration precluded that as a realistic option.

³⁸According to Arias, Bush wanted “to give diplomacy a chance, which is precisely what I asked the Reagan administration to do two years ago. What the Americans are now saying to me is: ‘Our policy didn’t work. Your approach was right’.” Quoted in *Madrid EFE*, 5 April 1989, in *FBIS-LAM*, 6 April 1989, 24.

³⁹See Don Oberdorfer, “Bush to Seek \$40 Million in Humanitarian Aid for Contras,” *Washington Post*, 14 March 1989, A23; and Robert Pear, “U.S. Envoy Urges Hondurans to Let the Contras Stay,” *New York Times*, 14 March 1989, A1. “I’ve talked with President Azcona,” Baker explained to Wright, “and I feel sure if we pressed him he would agree to letting the contras remain in Honduras for another year.” Wright, *Worth It All*, 224.

In effect, therefore, the Bush administration opted to pursue the strategy of the negotiator faction within the Reagan White House: to use the contras as an insurance policy to ensure Sandinista compliance with the promises made at Esquipulas and Tesoro Beach. The contras were to serve as the enforcement mechanism for compliance that the administration believed disturbingly lacking in the Esquipulas and Tesoro accords. “We would ask for humanitarian aid only to keep them intact as a credible deterrent in the event of diplomatic stalemate,” the secretary of state explained of the contras. “I thought it necessary to maintain the contras in Honduras in a state of military readiness for at least a year to keep the pressure on Managua... Without humanitarian aid and a prompt resolution of the matter, their survival as a credible counterweight to the Sandinistas was unlikely.”⁴⁰ Once the White House was convinced that the FSLN had in fact complied with the accords, the contras would be demobilized and disbanded – without requiring a change in the Nicaraguan government.

The contrast between the Reagan and Bush administrations’ positions on the contras was bold and stark. Reagan, Casey and other irreconcilables were fervent in their commitment to the contra forces.⁴¹ “I make a solemn vow,” President Reagan had forcefully stated just a little over a year earlier, that “as long as there is breath in this body, I will speak and work, strive and struggle, for the cause of the Nicaraguan

⁴⁰Baker, *The Politics of Diplomacy*, 53, 50, 56.

⁴¹Robert Gates described Casey as “a leader whose zealotry for the contra cause was legendary.” Gates, *From the Shadows*, 395. Duane Clarridge likewise observed of Reagan that “over time, our guerrillas really became his boys. They were never the contras to him; they were always his freedom fighters.” Clarridge, *A Spy for All Seasons*, 230.

freedom fighters.”⁴² Irreconcilable NSC staff official Peter Rodman – who had stayed on in the same capacity – observed “the Bush team’s lack of emotional commitment to the Reagan Doctrine and the cause of the ‘freedom fighters’ that so animated Reagan personally.”⁴³

While Reagan had wanted the contras to return to Managua only in triumph, Bush and Baker preferred the contras to simply return. “I wanted funds to help the contras return to their homes in Nicaragua if conditions actually improved, as the Sandinistas had promised,” Baker wrote – a position that did not escape harsh criticism from remaining irreconcilables on Capitol Hill. “The president is getting some flak from the right wing,” Baker explained to Speaker Wright. “They’re accusing him of *abandoning* the contras. That’s the one thing he promised in the campaign never to do.”⁴⁴

The Speaker, however, had been burned once before in agreeing to assist an administration policy on Nicaragua unlikely to win on its own accord, and he and fellow House leaders made it clear to Baker that, while interested, they needed to be further persuaded of the administration’s good faith. “The collective Democratic reactions made it clear they were amenable to compromise, but still suspicious of my motives,”

⁴²Reagan, “Address before the Permanent Council of the Organization of American States,” 1138.

⁴³Rodman, *More Precious Than Peace*, 435.

⁴⁴Wright, *Worth It All*, 223. Emphasis in original. “One of the first things I noticed,” Wright later wrote, “was that the new secretary, at least in our private discussion, was using the same vocabulary the media and most of the public used. Emissaries in the Reagan administration had religiously referred to the contras as the freedom fighters and the democratic resistance.” *Ibid.*, 223-4.

Baker recalled. “‘The issue is not just a diplomatic approach, but whether it’s pursued in good faith’,” as Senator Christopher Dodd (D-CT) explained to the secretary.⁴⁵ “‘This is not a scheme or trick,’” Baker insisted in reply. “‘We want to try diplomacy.’”⁴⁶

Given the Congress’s fundamental hammerlock on Nicaragua policy-making, however, the secretary of state understood the formidable task that lay before him. “No other foreign policy was so visceral or polarizing,” he later wrote. “For much of the decade, it had been the Holy Grail of both the political left and the right.”⁴⁷ To overcome such division and convince Capitol Hill of the administration’s sincerity, Baker elected to fill the critical position of Assistant Secretary of State for Inter-American Affairs with a moderate Democrat, Bernard Aronson. As Baker explained, the appointment of Aronson “was designed to reinforce our commitment to bipartisanship in fairly dramatic fashion.” The new ARA secretary was a “centrist more interested in results than ideology. In style and temperament, he was in stark contrast to Elliott Abrams, his equally bright but pugnacious predecessor who had become a *bête noire* to congressional Democrats.” The president, Baker added, “was enthusiastic on the merits as well as the symbolism.”⁴⁸

In addition to Aronson – who would symbolize to the Congress the administration’s desire for a “bipartisan approach grounded in a commitment to

⁴⁵Baker, *The Politics of Diplomacy*, 56.

⁴⁶*Ibid.*

⁴⁷*Ibid.*, 48.

⁴⁸*Ibid.*, 51.

promoting democratic elections in Nicaragua, not simply ousting the Sandinistas”⁴⁹ – the White House would fundamentally reorient its approach to the Esquipulas accord. The U.S. would push for giving “diplomacy a chance by supporting existing regional agreements.”⁵⁰ In contrast to efforts to scuttle the pact by the irreconcilable wing in the Reagan administration, the Bush White House argued that it intended to work “through diplomacy and negotiation in the context of the Esquipulas accords. That is the direction in which I would like to proceed,” Baker testified. “The Esquipulas II accords could well be seen, as far as I am concerned, to be goals to be attained in Nicaragua....I think they contain the elements of what it is we would like to see accomplished.”⁵¹ In short, Baker affirmed, “I believed a diplomatic solution to the Central American quagmire might be possible.”⁵²

CARROTS AND STICKS

Just as Bush and Baker had effectively adopted the policy approach of the stymied negotiator camp within the Reagan administration, they also resurrected the essence of the previously-discredited Carter approach of providing positive inducements to Managua for Sandinista moderation. In short, given the infeasibility of restoring military aid to the contras, Bush and Baker used both policy approaches concurrently as

⁴⁹Ibid. Baker noted “occasional efforts to poison the well against him by some members of the Vice President’s staff and the National Security Council, who privately whispered that he was a double agent.” Ibid., 52.

⁵⁰Ibid., 51.

⁵¹Testimony of James Baker, *Nomination to be Secretary of State*, 88, 54, 77.

⁵²Baker, *The Politics of Diplomacy*, 48.

an enforcement mechanism of sorts. While the ‘negotiator’ practice of maintaining the contras provided the lever to prompt Sandinista concessions at the negotiating table, the Bush White House practiced the Carter administration’s policy approach to Nicaragua, seeking to provide positive and negative incentives to induce broader domestic liberalization and an end to regional subversion from the Sandinistas, all working toward the promise of a détente with the United States and Sandinista Nicaragua.

It was Speaker Wright who first proposed reviving the Carter approach to Baker at their 2 March meeting. Noting that Nicaraguan President Daniel Ortega seemed likely to release several hundred political prisoners as a gesture of good faith, Wright wondered if the administration was prepared to repond. “If he does, it ought to trigger a positive response on our side,” he advised. “Don’t we have to hold out some carrots, as well as sticks?”⁵³ Baker was receptive to the suggestion. “You’ve given me an idea,” he said. “Carrots as well as sticks! Maybe we could have a selective menu of carrots. A careful balance of carrots and sticks. Maybe we can work that into draft. A carrot for each good-faith performance on the part of the Sandinistas.”⁵⁴ As Baker later explained, “we would embrace the Esquipulas accord and seek to give it teeth through a series of carrots and sticks aimed at the Sandinistas. Our policy would be more or less stringent, depending on the degree to which the Ortega government followed through on its pledges.”⁵⁵

⁵³Wright, *Worth It All*, 224.

⁵⁴Ibid., 224-5.

⁵⁵Baker, *The Politics of Diplomacy*, 53-4.

Following his meeting with Speaker Wright, Baker then set out on what he termed “shuttle diplomacy” to generate bipartisan support for the administration’s new approach – a task he quickly realized would be much more difficult than he had expected.⁵⁶ “The degree of mutual hostility and venom between the warring factions was extraordinary,” he wrote. “Both sides were populated with members who had enormous personal equity in the issue and absolutely no desire to work anything out.”⁵⁷

The die-hards on the right wanted to force a vote on military aid, calculating that its preordained failure would give them an excuse to blame the liberals for the death of democracy in Nicaragua. They viewed the very idea of a bipartisan approach as a secret plot by the president and me to appease the Sandinistas. Conversely, the liberals thought it was nothing less than a plot to save the contras through some semantic trickery.⁵⁸

For the new administration’s diplomatic approach to succeed, suspicious Democrats in the House would have to be convinced of the administration’s good faith. Congressman David Obey (D-Wisc.) remarked that “I’d very much like to go along and extend some trust to the administration, but we need some trust on the other side.”⁵⁹

⁵⁶“It struck me as ironic that my first major negotiation as secretary of state was not with a foreign power but with our own legislative branch. But the experience would prove just as arduous and delicate an exercise as anything I would later encounter in my dealings with other countries,” Baker recalled. “The twenty-two days of negotiations with congressional leaders were intense, partisan, and frequently acrimonious.” Baker, *The Politics of Diplomacy*, 54-5.

⁵⁷Ibid., 53. Speaker Wright concurred on the extreme partisan nature of the issue, writing that “the Nicaraguan war had become a litmus test for ideologues of both persuasions.” Wright, *Worth It All*, 155.

⁵⁸Baker, *The Politics of Diplomacy*, 53.

⁵⁹Quoted in John Felton, “Baker, Capitol Hill Near a Deal On New Dose of Contra Aid,” *Congressional Quarterly Weekly Report* 17, no. 11 (18 March 1989): 595.

Congressman David Bonior (D-Mich.) added that “we have had eight years of rancor and bitterness” and so “the distrust level is quite high.”⁶⁰

Accordingly, Baker met with House and Senate Democratic leaders to convince them to support the new policy approach. “I understood that the support of the Democrats who were the majority was more critical” than of the Republicans, Baker wrote. “If I could persuade the skeptical opposition to go along with this approach, the Republicans would have no choice but to follow, despite any reservations.”⁶¹ In those meetings, Baker recalled that he deliberately “emphasiz[ed] those elements, such as support for elections and democratization, that I knew would be more appealing than more contra aid.” The secretary of state wrote that he sensed a wary interest among the Democrats for compromise. “I knew that the only way to persuade them that the president and I had no ulterior motives was to level with them,” he recalled.

‘Look’, I told [them], ‘I’d actually prefer military aid to the contras. But we realize that’s not in the cards, so I’m not even going to ask for it. This is not a scheme or a trick We want to try diplomacy.’⁶²

Instead, Baker appropriated the fundamental framework of the Carter administration’s approach to Sandinista Nicaragua by presenting a list of twenty “rewards for positive performance” by the Sandinistas and parallel “negative incentives for non-compliance” with Esquipulas. “This policy was the only chance I saw to revive the moral high ground,” Baker later explained.

⁶⁰Quoted in *ibid.*, 596.

⁶¹Baker, *The Politics of Diplomacy*, 55.

⁶²*Ibid.*, 56.

With its emphasis on a military solution, the existing policy had in effect ceded the ground of 'peace' and 'negotiations' to the opposition....it was difficult to maintain public support for a rebel army's effort to overthrow a government, even one as anathema as the Sandinistas....At its tactical core, this approach had the appeal of abandoning the strategy of pure and simple confrontation which had previously characterized – and traumatized – the relationship between the Reagan administration and congressional critics.⁶³

Moreover, the reconstituted Carter approach now wielded by the Bush team was structured in such a way as to avoid Congressional sniping. "These incentives and parallel disincentives had another purpose: to provide a framework for congressional consensus. The list was carefully calibrated to include at least a few measures we believed could be embraced by every member of Congress. Only a menu of actions appealing to the broadest possible constituency had a chance to transcend the enmities of the issue on Capitol Hill."⁶⁴

The positive incentives represented in effect a detailed, incremental roadmap to an eventual U.S. acceptance of Sandinista rule in Nicaragua. As Speaker Wright recalled,

If the Sandinista government, for example, were to release the two thousand prisoners, Baker might show his pleasure by restoring recognition to the Nicaraguan ambassador in Washington and asking to return our official emissary to Managua. If Nicaragua should in fact revise its electoral laws in the way it had indicated, then our government might demonstrate approval by restoring the visa agreement and scheduling a courtesy meeting between our secretary of state and the Nicaraguan ambassador. Assuming Nicaragua permitted the effective political organization of its internal opposition and conducted an unbiased voter-registration program, then our government could tone down the clandestine radio broadcasts it had supported in an effort to

⁶³Ibid., 54.

⁶⁴Ibid., 53.

undermine the credibility of the Nicaraguan government, and simultaneously reduce the degree of military presence in Honduras.

The secretary suggested that, if equal political opportunity and free speech for all parties were being honored, as the election date of 25 February 1990 drew near, we might want to modify the trade embargo to permit a freer flow of commerce beneficial to the Nicaraguan economy. Finally, Baker suggested that if the election were conducted in a free and fair manner, regardless of the outcome, we would lift the trade embargo, restore the sugar quota, and allow International Monetary Fund, International Development Bank, and World Bank projects to be resumed in Nicaragua. And we would make Nicaragua eligible for the benefits enjoyed by other countries in the Caribbean Basin Initiative.⁶⁵

Restoration of normal ties between the United States and Nicaragua, therefore, was no longer predicated on a specific structure or nature of government, as it had remained throughout the Reagan administration, nor did it hinge on a particular electoral outcome. The implicit admission that the United States could live with Sandinista rule in Nicaragua rankled irreconcilable forces within the Congress, who steadfastly believed the continued existence of the FSLN regime incompatible with U.S. interests. These members were equally skeptical of a policy approach that did not contain a paramilitary element designed to oust the Sandinista government. “I support military aid to the contras,” Baker explained to these members. “There’s just one problem. You can’t get the votes for it and I can’t get the votes for it. Even Ronald Reagan couldn’t the votes for it’.”⁶⁶ “I agree with you we ought to have a tougher

⁶⁵Wright, *Worth It All*, 226-7. “If a free and fair election actually occurred in February of 1990,” Baker wrote in his memoirs, “the United States would cease efforts to persuade Japan and our European allies to cut off their aid to Nicaragua. On the other hand, if the election was fraudulent, we would consider asking Congress to renew military aid to the contras. The idea was to put the onus for opposing a democratic solution where it belonged – on the Sandinistas.” Baker, *The Politics of Diplomacy*, 55.

⁶⁶Baker, *The Politics of Diplomacy*, 55.

policy,” he told another opponent of the approach. “But where are you going to get the votes for it? We both know they aren’t there.”⁶⁷ In the end, opponents of the Bush-Baker approach had little choice but to go along with the administration.

The final hurdle to clear remained humanitarian assistance to the contras. The administration’s request for a full year of aid was a “major problem”, according to Speaker Wright.⁶⁸ The secretary of state tried to assuage Democratic fears of an administration ruse. “Despite my assurances that the administration had every intention of moving vigorously toward a negotiated settlement,” Baker wrote, “some of the Democrats still wanted to believe that they were being lured into a trap that would force them to renew military aid.”⁶⁹

The administration did not “expect actually to need it for a full year,” Baker argued. “But we don’t want to have to reopen the issue on the House floor every three or four months and crank up a new legislative battle every time we turn around, as we’ve been doing for the past two or three years.” The House Speaker acknowledged that this “made sense to a lot of people on both sides” of the issue⁷⁰, “but the idea of a full year of maintaining the contras in military units in Honduras rankled many. It ran counter to the accord reached among the five Central American presidents on 14

⁶⁷Ibid., 58.

⁶⁸Wright, *Worth It All*, 227.

⁶⁹Baker, *The Politics of Diplomacy*, 57.

⁷⁰“If this was to be an agreement,” Wright believed, “then we wanted to agree on a plan once and for all and not tempt fate with a series of recurring votes.” Wright, *Worth It All*, 227.

February at Tesoro Beach.”⁷¹ Furthermore, Wright knew that House Democrats, “suspicious of White House pledges, would not support a full year’s appropriation unless they kept some strings to pull. They wanted to be able to rein in the money if the contras misused it to start hostilities anew.”⁷²

Finally a compromise was brokered by Congressman David Obey (D-Wisc.) in which humanitarian assistance would continue at its current level of \$4.5 million per month through 28 February 1990 – three days after the scheduled general elections in Nicaragua – for a total of \$49.75 million. However, Congress could veto release of remaining monies anytime after 30 November 1989 if any one of the chairmen of four congressional committees or the four leaders in both chambers simply wrote a letter to the president making such a request.⁷³ Baker was initially unreceptive to the proposal, but in the end realized he had little option but to accede.⁷⁴ “In truth, I began the negotiations believing we’d be lucky to get six months of aid for the contras, much less the year Wright had promised me,” Baker later explained. “So an aid reauthorization after eight months was more than acceptable.”⁷⁵

⁷¹Ibid.

⁷²Ibid.

⁷³The committees were the Foreign Relations and Appropriations Subcommittee on Foreign Operations of both chambers.

⁷⁴“At first Baker did not want to agree to this,” Speaker Wright recalled. “I told him it was a cheap price to pay.” Wright, *Worth It All*, 227.

⁷⁵Baker, *The Politics of Diplomacy*, 57.

It was an extraordinary delegation of power from the White House to Capitol Hill, especially in the realm of foreign policy, which traditionally is zealously guarded by the executive branch. Moreover, it represented a stark contrast to the bloody war waged by the two branches over involvement in this very issue during the final days of the Reagan administration. Opponents argued that the deal diminished presidential powers and in any event was unconstitutional, based on a Supreme Court ruling striking down such 'legislative vetoes' in 1983.⁷⁶ Baker firmly brushed aside both charges. "Such an arrangement," he acknowledged,

might be construed by some as a de facto congressional veto. As practical matter, however, such a 'veto' already existed. The power of the purse is specifically reserved for Congress by the Constitution. Indeed, Congress had already banned all military aid to the contras. I concluded that agreeing to Obey's proposal gave away absolutely none of the president's prerogatives. At the same time, it would be seen as a powerful symbolic gesture of goodwill, testament to the president's desire to have a bipartisan foreign policy.⁷⁷

As to the charge of unconstitutionality, leveled by White House counsel Boyden Gray⁷⁸, Baker wrote that "this assessment was as erroneous as it was gratuitous. The agreement was, after all, a negotiated political document more than a routine piece of

⁷⁶See *Immigration and Naturalization Services v. Chadha* 462 U.S. 919 (1983).

⁷⁷Baker, *The Politics of Diplomacy*, 57. "Basically, it's a restoration of presidential power and not a diminution of it," he insisted. Quoted in Thomas Friedman, "Baker Says Accord on Contra Aid Enhances Powers of the President," New York Times, 27 March 1989, A10.

⁷⁸See Robert Pear, "Unease Is Voiced on Contra Accord," New York Times, 26 March 1989, A1.

legislation.”⁷⁹ As such, Baker argued, it carried no political precedent that would be binding on subsequent presidencies.

The bipartisan accord on Nicaragua was publicly unveiled with great fanfare and candidness on 24 March. “We all have to admit,” Secretary Baker said,

that the [Reagan] policy basically failed to some extent because we were not united. We had an executive branch going in one direction and a legislative branch going in another. Does it mean an end to the war? Let’s hope so.⁸⁰

Irreconcilable critics deplored the administration’s move, but were unable to prevent it. While Secretary of State Jim Baker heralded the bipartisan accord as Bush’s “first political and foreign policy victory”⁸¹, NSC staff official Peter Rodman criticized the administration’s “readiness to wash its hands of the whole Central America mess as an unwelcome inheritance from the Reagan era. The Reagan crusade would not be continued.”⁸² President Bush himself admitted that “I hear some voices out there hitting us” over the accord, but adamantly insisted that, given existing political realities, he had cut the best deal possible.

The problem we had is you go to recommend aid and you have a different foreign policy set on Capitol Hill....There was no way, not a snowball’s chance in hell, of getting a dime for lethal aid, military aid,

⁷⁹Baker, *The Politics of Diplomacy*, 58.

⁸⁰Quoted in Bernard Weinraub, “Bush and Congress Sign Policy Accord on Aid to Contras,” *New York Times*, 25 March 1989, A1.

⁸¹Baker, *The Politics of Diplomacy*, 57.

⁸²Rodman, *More Precious Than Peace*, 441.

from Congress. And I think that anybody that's familiar with Congress would acknowledge that.⁸³

On 13 April, the bipartisan accord was overwhelmingly approved by the House and Senate.⁸⁴ With its adoption, "a debilitating era of mutual antipathy was over," Baker wrote.⁸⁵ For Speaker Wright, "the centerpiece of the agreement was an unequivocal commitment to the peace process....For all practical purposes, the U.S.-financed war in Nicaragua was over."⁸⁶

ELECTIONS

With the United States was committing itself to a policy of supporting elections in Nicaragua, attention shifted to the presidential and legislative races that were shaping up for February 1990. The FSLN re-nominated incumbent Daniel Ortega as its presidential nominee, who enjoyed not only the potent powers of the incumbency but also the solid backing of a united and powerful political party. The Nicaraguan opposition to Sandinista rule had for much of the decade remained fractured and splintered along personal as well as ideological fissures. But at the end of June 1989, fourteen disparate political parties ranging across the entire political spectrum united

⁸³George Bush, "Remarks at a Luncheon with Regional Press," Weekly Compilation of Presidential Documents 25, no. 13 (3 April 1989): 457.

⁸⁴The final tally was 309-110 in the House and 70-28 in the Senate. See John Felton, "Hill Gives Contra Package Bipartisan Launching," Congressional Quarterly Weekly Report, 47, no. 15 (15 April 1989): 832.

⁸⁵Baker, *The Politics of Diplomacy*, 58.

⁸⁶Wright, *Worth It All*, 225, 228. "The negotiating process achieved what six years of U.S.-financed military intervention had failed to achieve," Wright believed. "It brought peace and restored democracy." *Ibid.*, 247.

into a single coalition called UNO (United Nicaraguan Opposition). By August UNO had selected Violeta Barrios de Chamorro – the widow of the slain martyr Pedro Joaquín Chamorro, whom most Nicaraguans believed had been assassinated on orders from Anastasio Somoza in January 1978.

Though the choice of Violeta Chamorro carried potent symbolic value – in addition to her widowed status she had also been an inaugural member of Nicaragua’s first post-revolutionary *junta* – few believed that she and her fractious coalition held any reasonable chance of defeating the powerful FSLN regime. “We would all be surprised” at an UNO victory, Bob Gates wrote.⁸⁷ “The Sandinistas are going to win,” National Security Adviser Brent Scowcroft said assuredly. “The only question is how brazen they will be.”⁸⁸

Such widely-shared convictions brought the administration face to face with the question of what it intended to do if – as most anticipated – the FSLN won. “What do we do if the Sandinistas really do win a free and fair election,?” asked one administration official rhetorically. “In a sense, it’s our worst-case scenario.”⁸⁹ Irreconcilable officials sought to discredit the election results long before the votes were actually cast. “The widespread expectation was that the Sandinistas were going to win, through fair means or foul,” NSC staff official Peter Rodman wrote, and he and other irreconcilables lobbied NSC adviser Brent Scowcroft to urge that Washington “takes

⁸⁷Gates, *From the Shadows*, 436.

⁸⁸Quoted in Kagan, *A Twilight Struggle*, 707.

⁸⁹Quoted in Doyle McManus, “U.S. Gets Ready for Likely Sandinista Election Victory,” *Los Angeles Times*, 24 February 1990, A1.

steps to 'delegitimize' the election results in advance."⁹⁰ Vice President Dan Quayle denounced the election as a "sham" and accused the Sandinistas of trying to "kill democracy" owing to their "Marxist-Leninist ideology."⁹¹

The prevailing view within the administration, however, was that there would be very little the U.S. could do in such an event. "As long as it [the election] is within the limits of civility, we will probably learn to live with it," one official acknowledged.⁹² Assistant Secretary of State for Inter-American Affairs Bernard Aronson assured a Senate committee that "we are not looking for this process to fail."⁹³

Such commentary clearly reflected the thinking of President Bush, who unlike his predecessor, remained prepared to accept Sandinista rule in Nicaragua as compatible with U.S. interests. Asked by a reporter whether "your administration [is] prepared to accept governments you dislike...such as the Sandinistas in Nicaragua," the president responded affirmatively. "I don't think we can dictate exactly what kind of system someone else has," Bush said. "It's not our business, particularly if they have free and

⁹⁰Rodman, *More Precious Than Peace*, 440-1.

⁹¹Quoted in Robert Pear, "Quayle Abroad: Cheers for the Right," *New York Times*, 15 June 1989, A3.

⁹²Quoted in McManus, "U.S. Gets Ready for Likely Sandinista Election Victory," A1.

⁹³Testimony of Bernard Aronson, Hearings before the Committee on Appropriations, Subcommittee on Foreign Operations, Senate, 101st Congress, 1st Session, *Foreign Operations, Export Financing, and Related Programs Appropriations for Fiscal Year 1990* (Washington, D.C.: USGPO, 23 June 1989), 1060.

certifiably fair elections.”⁹⁴ Secretary of State Baker echoed the president, testifying before the Senate Foreign Relations Committee that “we would be prepared to improve relations with any government that wins a certifiably free and fair election in Nicaragua.”⁹⁵

THE SOVIET ROLE

Despite its irreversible commitment to a political solution in Nicaragua, the Bush administration grew increasingly concerned that the Sandinistas lacked sufficient pressure to conduct truly free and fair elections. The White House was hardly sanguine about the prospects of Chamorro and the UNO coalition in open elections, but feared most of all a rigged electoral process in which the Sandinistas emerged victorious. Such an event would engender the one thing the Bush administration so desperately sought to avoid: the re-opening of the divisive contra aid issue that had crippled the Reagan presidency.⁹⁶

Humanitarian assistance to the contras certainly served as some leverage on the FSLN regime to comply with Esquipulas, but Bush and Baker wanted more. For that, they turned to a most unlikely source of pressure: Managua’s long-time patron, the

⁹⁴George Bush, “Remarks and a Question-and-Answer Session,” Weekly Compilation of Presidential Documents 26, no. 6 (12 February 1990): 200.

⁹⁵Testimony of James Baker, Hearings before the Committee on Foreign Relations, Subcommittee on European Affairs, Senate, 101st Congress, 2nd Session, *The Future of Europe* (Washington, D.C.: USGPO, 1 February 1990), 141.

⁹⁶Ironically, albeit for different reasons, the Soviet Union likewise concluded that in “possible future scenarios in Nicaragua...the least desirable turn of events would be the Sandinistas’ disruption of elections.” Yuri Pavlov, *Soviet-Cuban Alliance: 1959-1991* (London: Transaction Publishers, 1994), 153.

Soviet Union. “The bottom line is this,” a strategic memorandum prepared for Secretary of State Baker emphasized. “Soviet reduction of aid and Soviet pressure on its clients [in Managua] are necessary to make up for the leverage we lost in Central America when military aid to the contras was ended.”⁹⁷ To induce Moscow to help further U.S. interests in Nicaragua, the Bush administration employed the same ‘carrot-and-stick’ approach that it was using on Managua. The Soviets, Bernard Aronson wrote to Baker, must see “tangible signs that they will pay a high price in bilateral relations if they obstruct our Central American diplomacy, but also tangible benefits from cooperation.”⁹⁸

In May 1989 meetings with Soviet Foreign Minister Eduard Shevardnadze, Secretary Baker warned “that warmer relations were impossible” unless the USSR “lends its support through deeds as well as words to convince Nicaragua and Cuba – in whatever manner [you] choose – to halt all aid for subversion in Central America and to comply fully with Esquipulas. [If] these countries fail to comply, then we would ask that [you] reduce or end aid to those governments accordingly.”⁹⁹

The active solicitation of the USSR into the Central American peace process represented yet another stunning discontinuity from not only the Reagan administration, but in many respects every U.S. president since the Cold War – a fact that did not

⁹⁷Quoted in Michael Kramer, “Anger, Bluff – And Cooperation,” *Time* 135, no. 23 (4 June 1990): 39.

⁹⁸Ibid.

⁹⁹Baker, *The Politics of Diplomacy*, 59; and Kramer, “Anger, Bluff, and Cooperation,” 40.

escape the attention of Jim Baker. "We were now offering the Soviet Union something it had sought but never achieved in its history," Baker wrote, "the acceptance by the United States of a legitimate role in diplomacy in our hemisphere."¹⁰⁰

To further impel Soviet cooperation, Baker held American 'carrots' as well. "We would not expect you to take these steps unless there were benefits," Baker said. The United States would accept a Sandinista victory in free and fair elections, Baker pledged, and in time would restore U.S. economic ties and normalize relations with Managua.¹⁰¹ Not only would the Soviets "take credit for, in effect, the long-term survival of the Sandinistas," Baker suggested, but a normalization of U.S.-Nicaraguan relations would greatly alleviate Moscow's economic burden of supporting the Sandinistas.¹⁰²

The Soviets proved as interested as the Americans were in settling the Central American crisis and avoid disruption of other areas of superpower progress, as well as reducing their costly economic lifeline to Nicaragua, and they agreed to pressure the FSLN into abiding by the Esquipulas accord. According to Yuri Pavlov, ARA Secretary Aronson's equal in the Soviet Foreign Ministry, "our line was, 'Look, the Americans have made certain promises. It is our belief that it serves the purposes of

¹⁰⁰Baker, *The Politics of Diplomacy*, 59.

¹⁰¹Quoted in Kramer, "Anger, Bluff, and Cooperation," 40. Baker told Shevardnadze that "if the Soviet Union would support free and fair elections in Nicaragua, we would honor the results." Baker, *The Politics of Diplomacy*, 59.

¹⁰²Quoted in Michael Beschloss and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War* (Boston: Little, Brown, and Company, 1993), 57.

U.S. policy, as formulated by the Bush administration, to stop the war in Nicaragua and settle the Nicaraguan crisis by political means’.”¹⁰³ The Soviets believed “Baker’s personal assurances that the Bush administration would accept Ortega’s victory if the elections were ‘clean’,” Pavlov wrote, and decided to give “Washington the benefit of the doubt and accept[] the gentlemen’s agreement” that both governments “agree to respect the results of free and fair elections in Nicaragua, to recognize the elected government, and to support its respect for democratic pluralism and human rights.”¹⁰⁴

Soviet officials then conducted several meetings with Sandinista officials, “underscoring that further radicalization of the Sandinista revolution would be suicidal and that the only viable policy included completing the electoral process, achieving national reconciliation and normalizing relations with the United States,” according to Pavlov. The Soviets also informed Managua “that the Sandinista government had to look for other sources of supply and [to] make the necessary policy changes in order to find them.”¹⁰⁵

When the Bush administration expressed “serious misgivings” that Daniel Ortega would actually step down and turn over power should the opposition win, the

¹⁰³Quoted in Andres Oppenheimer, *Castro’s Final Hour* (New York: Simon and Schuster, 1992), 210. For their part, the Cubans were staunchly opposed to the idea of holding elections in the first place. “Elections are a risky business,” Castro warned Daniel Ortega. “If you get into the game, you should be prepared to lose.” When Ortega dismissed the possibility, Castro only replied “well, who knows.” Other Cuba officials likewise warned that “you can’t beat the gringos at their own game.” Quoted in *ibid.*, 207, 208.

¹⁰⁴Pavlov, *Soviet-Cuban Alliance, 1959-1991*, 149, 156.

¹⁰⁵*Ibid.*, 153.

Soviets assuaged U.S. concerns. Were Ortega to “cling[] to power if he were to lose,” Pavlov assured American officials, “he would not get any support from Moscow.”¹⁰⁶ In fact, the Soviets proved decidedly uninterested in boosting Ortega’s electoral chances prior to the vote by refusing an emergency request for a hard-currency loan from the Sandinistas late in the campaign. “They wanted money to put consumer goods in the stores,” Yuri Pavlov explained, “so they could portray the economic situation as improving and attract voter support. We didn’t think it was a good investment.”¹⁰⁷

25 FEBRUARY 1990

As the Nicaraguan presidential elections drew closer, the Bush administration began to face seriously the increasing likelihood that the result would be a legitimately-elected Sandinista regime in power in Managua. At that point, the Bush administration would largely find itself in an analogous situation to that of the Carter White House eleven years earlier. At that time, the Carter administration found itself facing the worst-case outcome of a revolutionary process and being forced to decide whether or not to accept the result. While in 1990 the vehicle of political change in Managua had shifted from bullets to ballots, the Bush administration prepared to face the same basic circumstance.

¹⁰⁶Ibid., 157. “To be on the safe side,” Pavlov wrote, “steps were taken to make it clear to both the Sandinistas and the Cubans that the Soviet Union was going to respect the results of the elections and would not condone any actions that would aggravate the situation in Nicaragua and lead to the resumption of hostilities.” Ibid., 158.

¹⁰⁷Quoted in Kramer, “Anger, Bluff, and Cooperation,” 45.

Addressing the conundrum two days before the critical vote, President Bush expressed his strong preference for an UNO victory: “our view is we’d be better off with those who have professed democracy as the route to go,” he said. But regardless of outcome, “if the elections are certifiably free and fair, whoever wins the election will find a better climate in which to improve relations with Nicaragua,” Bush pledged.

All I’ll say is that whoever wins the election, if it is certifiably free and fair, that’s good. That’s a positive thing, and we would certainly take that into strong consideration, the will of the people having been expressed, as we determine what steps next to take....Once all that is sorted out, why, I can guarantee you there will be better relations with Nicaragua.¹⁰⁸

Should the FSLN win as expected, Bush said, he would adopt a two-phased policy approach to a post-electoral Sandinista government in Nicaragua. The first phase would be evaluation of election itself to see if it met U.S. standards of free and fair. The second phase would insist Managua end its aid to the FMLN in El Salvador and commit “irreversible decisions” on democratization internally, as one administration official put it.¹⁰⁹ “There’s got to be a period of establishing...bona fides” to prove Managua’s good faith, as Bush explained. For normalization of relations with the United States, Bush said that Nicaragua need satisfy minimal conditions: “living peacefully within its own borders, not trying to subvert its neighbors, and giving its people a shot at

¹⁰⁸George Bush, “Joint News Conference,” Weekly Compilation of Presidential Documents 26, no. 9 (5 March 1990): 312. “A free and fair election that is certified as such...would be very, very helpful in this relationship,” Bush repeated. Ibid.

¹⁰⁹Quoted in Neil Lewis, “Bush Says Climate Will Warm if Fair Vote Is Seen,” New York Times, 26 February 1990, A6.

democracy.”¹¹⁰ It represented the essential conditions set by the Carter administration for Managua to retain U.S. economic assistance, as well as those of the negotiators in the Reagan administration for the contra war to end.

But while Carter could not avoid his predicament, Bush was spared from having to decide whether to accept Sandinista rule in Nicaragua once the stunning returns of the 25 February elections came in. Defying virtually all conventional wisdom, Violeta Chamorro and the UNO coalition decisively crushed Daniel Ortega and the FSLN in an electoral landslide. With over ninety percent voter turnout, Chamorro won 54.7% of the vote for president, to just 40.8% for Ortega; moreover, UNO won fifty-three seats in the Nicaragua’s ninety-two seat National Assembly to just thirty-nine for the Sandinistas.

A stunned but eminently relieved Bush administration quickly moved to ensure a smooth and peaceful transition in Managua, largely to remove any pretext the Sandinistas might be harboring for a refusal to honor the results and cede power. The day after the election, President Bush announced that “there is no reason at all for further military activity from any quarter”¹¹¹ -- a clear message that the contras were to disband and reintegrate into Nicaraguan life. The administration took additional steps to remove incentives for any disruption in the time before Chamorro’s 25 April inauguration. In March the administration called for urgent passage of a \$300 million aid package that would alleviate Nicaragua’s crashed economy and extend assistance for

¹¹⁰Ibid.

¹¹¹George Bush, “Statement on the Election of Violeta Chamorro as President of Nicaragua,” Weekly Compilation of Presidential Documents 26, no. 9 (5 March 1990): 402.

demobilization of the contras.¹¹² Bush then dispatched Vice-President Dan Quayle to offer Daniel Ortega a deal. “The linkage I was offering was simple,” according to Quayle. “If he allowed Mrs. Chamorro to take office and appoint her own ministers, then he would find Nicaragua eligible for the \$300 million in American aid he wanted.” Ortega acceded to the offer -- “I left with Ortega’s promise that President Chamorro would be permitted to govern as she wished,” Quayle wrote.¹¹³ Ortega then asked that in exchange the administration lift the crippling comprehensive trade embargo that had been in effect since May 1985. The administration agreed, and on 13 March Bush formally rescinded the embargo. “I, George Bush, president of the United States,” Bush wrote,

find that the February 25, 1990 democratic election in Nicaragua has ended the unusual and extraordinary threat to the national security and foreign policy of the United States previously imposed by the policies and actions of the Sandinista government in that country.¹¹⁴

Secretary of State Jim Baker was more succinct. “The war,” he told a Senate committee, “is over.”¹¹⁵

¹¹²George Bush, “White House Fact Sheet on Economic Assistance for Nicaragua,” *Weekly Compilation of Presidential Documents* 26, no. 11 (19 March 1990): 434.

¹¹³Dan Quayle, *Standing Firm: A Vice-Presidential Memoir* (New York: HarperCollins, 1994), 156.

¹¹⁴George Bush, “Executive Order 12707 -- Termination of Emergency With Respect to Nicaragua,” *Weekly Compilation of Presidential Documents* 26, no. 11 (19 March 1990): 432.

¹¹⁵Quoted in Robert Pear, “Bush Seeks Soviet Help in Nicaragua Transition,” *New York Times*, 1 March 1990, A1.

We had a policy. We arrived in office with a policy. Over time tactics changed, but the fundamental policy did not change. We had a theory about Soviet foreign policy, and a theory about Central America, and a theory about the Sandinistas.

Assistant Secretary of State Elliott Abrams¹

The United States did not win in Nicaragua. The Sandinistas just lost.
Director of Central Intelligence Bob Gates²

SOPHISTRY, SYLLOGISM, SOBRIETY: THE UNITED STATES AND NICARAGUA, 1979-90

In addition to its determination and pursuit of the national interest, foreign policy decision-making necessarily involves analytic questions that address the nature of adversaries that a state confronts, the characteristics and dynamics of the international system in which it operates, the intentions and behavioral mannerisms of external actors with which it engages, and the efficacy and utility of various policy strategies and instruments that it considers. "Such beliefs and images," Alexander George observes, "directly influence the policy-maker's perception of threats to the national interest and his evaluation of what is at stake in different situations and what actions are necessary to safeguard the national interest."³

¹Abrams, "Public Opinion and Reagan Policy," 106.

²Gates, *From the Shadows*, 436.

³George, *Presidential Decision-Making in Foreign Policy*, 218.

In short, foreign policy decision-making has an important cognitive framework within which it operates. This framework has been alternatively referred to as the operational code or, in a more refined sense, cognitive mapping. Both terms address the relationship between policy-makers' belief-system and the policy choices that they do and do not make, which in turn determine the policies that they pursue.

The dynamic of cognition, importantly, generates the requisite environment for the emergence of policy discontinuity from national actors as each evaluates and addresses foreign policy dilemmas. In this sense, then, one must expand George's use of images and beliefs to cover not only different situations that face policy-makers, but indeed similar if not the same policy situations that confront national leaders. If cognition as a dynamic force can create different perceptions of threats and thus engender different policy responses, then certainly it may do the same for a relatively static policy situation.

It is here where the conventional international relations theories break down in their utility to policy-makers and observers alike. Certainly in terms of confronting different situations, even the most structural conventional theories account for policy discontinuity due to the changed nature of the issue at hand. But in regards to static and unchanged issues, conventional theories simply do not and cannot account for policy inconstancy. In short, therefore, they remain inadequate guides in their evaluative, interpretative and predictive capacities.

The relationship of the Carter, Reagan and Bush administrations to Sandinista Nicaragua manifestly demonstrates this point. The conventional theories that emphasize either security or economic concerns as structural determinants of U.S.

policy choices for Latin America presume intrinsic continuity, insofar as both typically ignore internal state dynamics, characteristics and processes in favor of the larger structure of the international state system.

It is not to say that the use of conventional theories to explain Washington's policy actions and motivations is necessarily inaccurate; certainly all three presidential administrations felt impelled to seek to influence the nature of the post-revolutionary Sandinista government in Managua and to channel the course of Nicaraguan policy-making so as to avoid the emergence of a 'second Cuba'. At this high altitude, therefore, it may be said that the conventional theories approach retains a degree of heuristic usefulness.

The problem, however, much like Icarus, is that the conventional theories approach operates at too great a height. Like the view from an airplane in mid-flight, the landscape below looks largely unchanging and constant, leading one to assume geographic homogenization and indistinctiveness. A closer inspection, however, reveals considerable differences in topography; differences significant enough to prompt a reconsideration of previously-held assumptions of constancy and continuity.

The same dynamic is at work in foreign policy analysis. Theories positing that leaders act similarly in the national interest are illusive, insofar as by emphasizing broad continuity, they ignore the potential for policy discontinuity and discount such occasions as mere policy variances and tactics that are at once insignificant and trivial. Policy differences are, from this icarian view, indistinguishable and therefore unimportant. This dissertation has demonstrated, however, that state leaders and policy-makers across presidential administrations harbor interpretations of what meets the

national interest so incongruent as to transcend mere tactical diversity and engender fundamental policy discontinuity.

DISCONTINUITY BETWEEN CARTER AND REAGAN

Using the case-study method involving U.S. policy toward Sandinista Nicaragua, this work has demonstrated that in fact each presidential administration pursued a different policy approach so distinct as to demonstrate inconstancy with the previous administrations on the issue. The Carter administration did not define U.S. objectives for revolutionary Nicaragua any differently than the Reagan and Bush administrations did: each sought to promote democracy and private enterprise in the country, and mitigate (if not eliminate) the Soviet-Cuban presence in Managua. Each administration, however, held a fundamentally different interpretation as to whether the continuance of FSLN rule in Nicaragua was compatible with achieving those objectives. In short, the Carter administration decided it could live with the Sandinistas, the Reagan administration decided that it could not, and the Bush administration had no choice.

Moreover, in addition to demonstrating a policy discontinuity that traditional theories insist should not be present, the dissertation has discovered the sources of this inconstancy in the three presidential administrations under examination. For Carter and Reagan, the source for inconstancy was largely cognitive in nature, with the two presidents harboring distinctly different interpretations of the Sandinista regime and its relation to U.S. national interests – different interpretations that led Carter to accept the permanence of Sandinista rule in Nicaragua and embrace the possibility, if not desirability, of co-existence.

After having failed to prevent the Sandinista ascension to power, Ambassador Larry Pezzullo observed that the Carter administration chose “to accept the fact that this revolution had occurred whether we liked it or not, and try as best we could to be helpful and in the process maybe have some effect over the course of events.”⁴

According to NSC staffer Robert Pastor, “no one argued for either disassociation or hostility toward the new regime....these issues were not debated at any length because no one saw any other viable option other than to seek a good relationship with the new government.”⁵ In practical terms, therefore, the Carter administration’s approach not only meant an *acceptance* of Sandinista rule in Nicaragua, but — provided it respected certain parameters of behavior — the *permanence* of FSLN power as well. While certainly conditional in nature, the policy foundation was firmly rooted in a belief that a Sandinista-led regime in Nicaragua did not, *ipso facto*, threaten or pose unacceptable risks to American interests. The White House’s effort, in short, was “to show that the United States can accept revolutionary change within certain parameters” in the hemisphere, according to Pezzullo.⁶

The cognitive map with which Ronald Reagan and several of his advisers employed in interpreting Sandinista Nicaragua, however, was starkly different than that of Carter’s, and this led to fundamental policy discontinuity between the two administrations. Reagan’s cognitive mapping of the world was an uncomplicated one,

⁴Quoted in *Crisis in Central America: Revolution in Nicaragua*, WGBH-Public Television (Boston).

⁵Pastor, *Condemned to Repetition*, 193-4.

⁶Lawrence Pezzullo, interview by the author.

operating efficiently with syllogism and metaphor. Carter had been genuinely naïve in thinking that the Sandinista leopard could be induced to change its spots, Reagan believed. Communism, he wrote, “was a predatory system of absolute, authoritarian rule that had an insatiable appetite for expansion,” meaning that the FSLN could never be allowed to remain because it would perpetually pose unacceptable threats to U.S. security interests.⁷

Consequently, Reagan undertook several policy changes from the Carter approach. Reagan himself expressed disdain for the search for a diplomatic resolution of disputes between the two countries, the mantlepiece of the Carter policy. Reagan insisted that “if we are just talking about negotiations with Nicaragua, that is so far-fetched to imagine that a communist government like that would make any reasonable deal with us....I can’t imagine that Nicaragua would offer anything reasonable in a bilateral treaty.”⁸ Consequently, he supported a covert guerrilla war designed to overthrow the Sandinista regime. While Carter likewise had had a covert program operating in Nicaragua, its objectives were considerably less than seeking the removal of the regime.

In terms of analogizing, moreover, Reagan believed that the crucial lesson to be learned from Cuba was not that the United States had moved too harshly against Castro, but that it had not moved harshly enough. “I’ve always thought it was a tragic error for President Kennedy to abandon the Cuban freedom fighters during the

⁷Reagan, *An American Life*, 471.

⁸The White House, Minutes, National Security Planning Group, 25 June 1984, 75, 81. In his memoirs, Reagan wrote that “I didn’t have much faith in communists or put much stock in their word.” See Reagan, *An American Life*, 269.

1961 Bay of Pigs invasion,” Reagan wrote in his memoirs, “stranding those courageous men on the beach, letting them die or be captured.”⁹ Sandinista Nicaragua represented, for Reagan, a second Cuba. “Twenty years after Castro’s victory,” he said, “Marxism achieved its second triumph in the New World: the Sandinista takeover of Nicaragua....Now the Soviets had their second satellite in the Americas.”¹⁰

Additionally, Reagan abandoned the Carter administration’s financial assistance programs and instead embraced a policy of economic warfare designed to bring about the regime’s collapse. “I disagree with...the aid that we have provided for [Nicaragua],” Reagan had said, “because I think we did it under the illusion that somehow we were helping hold off a truly leftist government, that we had some kind of a moderate government there.”¹¹ In April 1981 the administration terminated the remainder of Carter’s \$75 million aid package, a signal that Reagan intended to take U.S. economic policy toward Nicaragua in a new direction. In February 1983 the White House slashed Nicaragua’s sugar quota — the amount the U.S. guaranteed to purchase at generously preferential rates — by 90 percent, and moved to deny Managua access to international sources of assistance.¹² Between 1979 and 1982, for

⁹Reagan, *An American Life*, 472.

¹⁰Ibid., 473.

¹¹Quoted in Philip Geyelin, “As Nicaragua Goes...,” *Washington Post*, 13 October 1980, A19.

¹²The White House, National Security Decision Directive 82, *U.S. Policy Initiatives to Improve Prospects for [Excised] El Salvador*, 24 February 1983, in *National Security Directives of the Reagan and Bush Administrations*, ed. Simpson, 276-7.

example, Nicaragua received 34% of its external financial aid from multilateral development banks (MDBs); by November 1982, however, the Reagan administration had forced the World Bank to freeze all loan applications from Managua. After September 1983, moreover, the Inter-American Development Bank (IDB) never approved another loan to Nicaragua while Reagan was president.¹³ And finally, in May 1985 President Reagan placed a categorical trade embargo on Nicaragua. While Carter had sought to utilize economic policy to induce moderation and develop stable if not good relations with the Sandinistas, Reagan used economic policy to cripple the Nicaraguan economy and accelerate its hoped-for demise.

Within the Reagan administration, however, there existed a small faction of ‘negotiators’ who might have provided some policy continuity from Carter to Reagan had they been able to seize and maintain control of Nicaragua policy. These negotiators were, like the Carter team, willing to live with a Sandinista Nicaragua and believed Managua capable of accommodating U.S. regional interests. Their efforts at reaching a diplomatic resolution between the two states engendered fierce opposition from the more skeptical ‘irreconcilable’ faction that believed the existence of FSLN rule in Nicaragua was incompatible with U.S. interests.

Accordingly, time and again the irreconcilables stymied efforts by the negotiators to reach an accommodation with Managua, believing that to do so would unacceptably place U.S. regional interests at risk. While the June 1981 Enders initiative, the 1984 talks at Manzanillo, the Contadora peace accord, the Arias plan, and the Esquipulas II treaty were all seen as positive steps by the negotiator faction, the

¹³Kornbluh, “Uncle Sam’s Money War Against the Sandinistas,” C1.

irreconcilables understood that the implementation of any one would serve to cement Sandinista rule in Nicaragua while simultaneously requiring the U.S. to desist in efforts to topple the FSLN from power.

The internecine war between these two factions stemming from cognitive factors was buttressed by the institutional forces and powers at the command of individual policy-makers operating their own cognitive maps. Secretary of State George Shultz – a negotiator by cognition – was able to use the institutional assets of the State Department to advance his objectives of a negotiated resolution of the issue. In opposition to Shultz were several irreconcilables – chiefly William Casey at CIA and William Clark and others on the NSC staff – who likewise used their institutional positions and powers to advance their own cognitive view that a Sandinista Nicaragua was incompatible with American regional interests.

As former DCI Bob Gates summarized the division, “there was a fundamental disagreement within the administration — mainly between Casey and Shultz — over the nature and purpose of our efforts.

Casey’s goal was simply to defeat the Soviets or their surrogates, or at least bleed them as painfully as possible. Shultz saw our covert paramilitary support as necessary leverage to end each conflict on terms satisfactory to us — but that meant a negotiating strategy was necessary as well as a military strategy. Casey was always leery of these negotiations, fearing that Shultz would sell out the ‘freedom fighters’, or at a minimum, undermine their morale. Thus, while there were no significant differences within the Reagan administration over pursuing these covert actions, there were important disagreements over their purpose.¹⁴

¹⁴Gates, *From the Shadows*, 428. “He [Casey] considered diplomacy on Central America, at best, nothing more than a necessary smokescreen to quiet opposition to the paramilitary program in Congress, among the American people, and

Cognitive psychology, therefore, created the conditions and the environment in which bureaucratic politics came into play. Cognition remained, however, the dominant factor in accounting for policy discontinuity for two reasons. First, without an issue around which to form cognitive interpretations, various bureaucratic actors could not have wielded their institutional powers in pursuit of their organizational interests or in opposition to the interests of others. Sandinista Nicaragua provided that requisite issue.

Secondly, the influence of bureaucratic politics on the scope and nature of the administration's Nicaragua policy was necessarily dependent on the cognitive maps of those who headed the relevant institutions. It just so happened that the administration breakdown of 'negotiators' and 'irreconcilables' neatly fit into traditional and stereotypical views of bureaucratic interests: that is to say, negotiators were at the State Department, while irreconcilables were found in the CIA, NSC and Department of Defense.

While that was certainly largely true of the Reagan administration's bureaucratic constellation, it was largely the product of staffing circumstance and should not be overplayed. Had Caspar Weinberger, William Casey or Jeane Kirkpatrick received the State Department's portfolio as each deeply coveted, the State Department would not have been at the forefront of seeking a diplomatic solution of the issue. Additionally, a strictly bureaucratic explanation could not account for the presence and influence of

in the region," as Bob Gates wrote. " He, along with Clark, Weinberger, and sometimes Kirkpatrick, adamantly resisted Shultz's initiatives to explore the possibilities of negotiation as a complement to the paramilitary program." Ibid., 302.

leading irreconcilables Elliott Abrams and Jeane Kirkpatrick at the State Department, nor negotiator Robert McFarlane at the NSC.

Moreover, along this point, there is no evidence that the institutional interests both for a negotiated solution (Department of State) and against any acceptance of the FSLN regime (CIA, NSC, Department of Defense) served to alter the cognitive maps of its leading officials. Abrams' long service in the State Department, for example, never influenced his cognitive view that the Sandinista regime was an unacceptable threat to U.S. interests and needed to be removed permanently. To the extent, therefore, that bureaucratic agents reflected institutional interests and desires, it was only because these officials already had cognitive maps in place that mirrored those of the departments that they headed. If anything, bureaucratic politics merely reinforced a cognitive mindset already firmly established in the actors involved.

DISCONTINUITY BETWEEN REAGAN AND BUSH

The policy shift from Reagan to Bush was likewise the result of cognition intermeshed with bureaucratic politics, as House Speaker Jim Wright adopted a fundamentally different view of the FSLN regime as well as the utility of a diplomatic solution to the issue. Speaker Wright then set about applying the formidable Constitutional powers of the U.S. Congress to force an end to the irreconcilables' policy of elimination and compel the Bush administration to seek a negotiated settlement with Managua.

The bureaucratic role is stronger in explaining the policy shift from Reagan to Bush, but again it is cognition that establishes the environment in which the shift occurs. Speaker Wright was able to generate policy inconstancy and impel Bush to

accept the possibility of co-existence with Sandinista Nicaragua primarily due to the institutional tools at his disposal, particularly the power of the purse, to curtail realistic policy options and channel the administration into Wright's preferred policy approach of diplomacy. But Wright wielded those tools and exercised that power in response to his cognitive interpretation of the correlation between an FSLN government in Nicaragua and U.S. regional interests. It was an interpretation not shared by Bush and his advisers, but Wright left the administration with no choice but to change policy approaches and embrace, however reluctantly, the possibility of co-existence between Washington and Managua.

The resulting policy discontinuity revealed four distinct and fundamental breaks between the Reagan and Bush approaches. The first was each administration's view of the contras themselves. Reagan had viewed the contras as a sword to smote the Sandinista regime, and he and other irreconcilables remained fervent in their commitment to the resistance. "I make a solemn vow," President Reagan had forcefully stated in October 1988, that "as long as there is breath in this body, I will speak and work, strive and struggle, for the cause of the Nicaraguan freedom fighters."¹⁵ Irreconcilable NSC staff official Peter Rodman – who had stayed on in the same capacity – observed "the Bush team's lack of emotional commitment to the Reagan Doctrine and the cause of the 'freedom fighters' that so animated Reagan personally."¹⁶

¹⁵Reagan, "Address before the Permanent Council of the Organization of American States," 1138.

¹⁶Rodman, *More Precious Than Peace*, 435.

Bush understood that an unswerving commitment to the contras would effectively cripple his presidency even before it began, as he had no realistic means of winning military aid from the Congress. “George Bush’s support for the contras – and mine – was a principled one,” Jim Baker explained, “but we recognized that...we didn’t have the votes to restore military aid....I knew Congress would never approve funds to rearm them.”¹⁷

The administration, therefore, forewent the Reagan approach of seeking a military solution to the conflict and instead reduced the contra role from that of liberator to that of insurance policy. “We would ask for humanitarian aid only to keep them intact as a credible deterrent in the event of diplomatic stalemate,” the secretary of state explained of the contras. “I thought it necessary to maintain the contras in Honduras in a state of military readiness for at least a year to keep the pressure on Managua...Without humanitarian aid and a prompt resolution of the matter, their survival as a credible counterweight to the Sandinistas was unlikely.”¹⁸ Once the White House was convinced that the FSLN had in fact complied with the accords, the contras would be demobilized and disbanded – without requiring a change in the Nicaraguan government.

Secondly, unlike Reagan, President Bush welcomed and eagerly solicited the involvement of the Congress in Nicaragua policy-making, even taking the extraordinary step of granting four committee chairmen full veto power over continued aid to the

¹⁷Baker, *The Politics of Diplomacy*, 50.

¹⁸*Ibid.*, 53, 50, 56.

contras after 30 November 1989. Reagan had bitterly complained that “the misguided actions of Congress” showed it “lacked a complete understanding of what is at stake there.”¹⁹ The Bush administration, conversely, wanted no part of such political bloodletting, and it readily acceded to the change in power dynamics on Nicaragua policy-making. Instead of attempting to force the Congress out of policy-making, Bush and other top aides openly solicited a co-equal role for the legislative branch in foreign policy, and in particular on the issue of Nicaragua. Such a truce would free the new administration from the inherited rancor and division of the past and allow it to move on to other substantive policy issues.

Thirdly, the two administrations clashed openly over the utility of the Esquipulas peace accord and its relation to U.S. regional interests. President Reagan had dismissed the pact as “fatally flawed,” while irreconcilable Constantine Menges warned that “the Ariás Plan is a trap.”²⁰ But Baker and Bush embraced the accord as a legitimate vehicle to serve American interests. This shift from armed force to diplomacy – however necessitated by the refusal of Congress to provide lethal assistance – nonetheless marked a decisive policy discontinuity between the two administrations. In so doing, Bush rejected the central tenet of Reagan and the irreconcilables, insofar as Bush committed the United States to a policy that did not necessitate the removal of the Sandinistas from power – a fact of which Bush

¹⁹Reagan, *An American Life*, 485; and Ronald Reagan, “The President’s News Conference of 21 February 1985,” *Weekly Compilation of Presidential Documents* 21, no. 8 (25 February 1985): 214.

²⁰See Lewis, “Reagan Sees Fatal Flaws in Central America Pact,” A24; and Menges, *Inside the National Security Council*, 325.

administration officials were perfectly aware. “The administration,” Baker acknowledged, “tacitly agreed to abandon the previous policy of trying to overthrow the Sandinistas by force and instead to support a democratic election and accept the result.”²¹

Without serious hope of a Sandinista electoral defeat, the administration had to lower its standards of what determined a successful policy. “We didn’t have to win the elections to have a success,” as one top Bush administration official explained. “We could contain and preoccupy the Sandinistas through the electoral process.”²²

Finally, the above fundamental differences between the Reagan and Bush approaches to Nicaragua were themselves part and parcel of the downgraded policy objective from the maximal goal of physically removing the Sandinistas from power to acquiescing to FSLN rule in Managua provided the regime kept its Esquipulas commitments. “We would be prepared to improve relations with any government that wins a certifiably free and fair election in Nicaragua,” as Secretary of State Jim Baker testified to a Senate committee. “If we determine that it is free and fair, and we determine that they have indeed stopped their support of subversion in neighboring countries or in other places of Latin America, then we would be prepared to normalize our relations with that government.”²³

IMPLICATIONS OF THE WORK

²¹Baker, *The Politics of Diplomacy*, 58.

²²Quoted in Kagan, *The Twilight Struggle*, 637.

²³Testimony of James Baker, *The Future of Europe*, 141-2.

The results of the research conducted for this dissertation afford several implications for the field of political science. First, the work fills a standing gap in the literature not only in international relations theory, but also in the fields of American foreign policy and U.S.-Latin American relations. In terms of international relations theory and its applicability to U.S. foreign policy, this dissertation had demonstrated that conventional theories that explain Washington's policy approaches to revolutionary regime change in Latin America are inadequate and misleading, given their inability to account for policy discontinuity.

Prevailing theories based either on security or economic motivations would have students and scholars alike believe that, faced with revolutionary regime change, consecutive presidential administrations will react and respond in predictable and unchanging fashions. As has been seen, however, this is emphatically not the case in the analysis of U.S. policy toward Sandinista Nicaragua from 1979 until 1990. The Carter, Reagan and Bush administrations each adopted distinct and very different policy approaches to essentially the same issue, with contrasting policy objectives. In this manner, the dissertation has illuminated a critical shortcoming in a reliance upon conventional theoretical explanations for U.S. policy behavior in Latin America.

The work has added a further dimension to studies and analyses of presidential decision-making in foreign policy by identifying the sources of policy discontinuity. In this case-study, cognition and bureaucratic politics played critical roles in the policy shifts that marked the Carter, Reagan and Bush administrations' approaches to Nicaragua. The research distinctly demonstrates that cognition plays the more important role, with the institutional powers at an actor's behest being wielded to

advance the actor's cognitive view of the issue at hand. This determination allows future scholars of presidential decision-making additional insights into the study of foreign policy-making by identifying the relevant concepts to be examined (cognition) and the bureaucratic forces at the disposal of the actors themselves.

Regarding American foreign policy, this work builds upon the bureaucratic politics approach (Model III) first enunciated by Graham Allison some three decades earlier, but which in recent years has weathered considerable criticism from critics who have chipped away at the model's logical, conceptual and historical edifice.²⁴ To a large degree, this work attempts to preserve the more compelling pillars of bureaucratic politics while incorporating the insightful contributions from cognitive psychological approaches to the study of foreign policy-making. Typically the individual-level concerns of cognition have been treated separately from the group-level phenomena of organizational culture and bureaucratic politics. Studies and analyses of American foreign policy do not, as this dissertation demonstrates, necessitate an 'either-or' research requirement, but can and should include both analytic approaches to afford heuristically useful insights into the nature of foreign policy decision-making conducted by individuals within groups, organizations and bureaucracies. Such a synthesis provides students and scholars alike an improved tool by which to examine processes of decision-making in foreign – and presumably domestic – policy.

²⁴See, for example, Jerel Rosati, "Developing a Systematic Decision-making Framework: Bureaucratic Politics in Perspective," *World Politics* 33 (1981): 234-52; Jonathan Bendor and Thomas Hammond, "Rethinking Allison's Models," *American Political Science Review* 86 (1992): 301-22; and David Welch, "The Organizational Process and Bureaucratic Paradigms: Retrospect and Prospect," *International Security* 17 (Fall 1992): 112-46.

While the bureaucratic model did not appear to influence President Carter's policy approaches toward Nicaragua, there was considerable evidence on the surface that the model may have more readily informed the Reagan approach. Certainly the internecine battles between the State Department on the one hand favoring negotiations, and the CIA, NSC, and Defense Department on the other seeking a harder line fit the stereotypical view of bureaucratic politics in foreign policy-making.

But the issue went deeper than merely who sat where in terms of portfolios. William Casey, who desperately wanted to be secretary of state, would have pulled Foggy Bottom in an entirely different direction had he been given the post. Likewise the same is true of Casper Weinberger, who also sought the position. It was the cognitive maps of these individuals that produced their irreconcilable stances on Nicaragua, which in turn were readily reinforced by the bureaucratic impulses of their respective portfolios.²⁵

Furthermore, bureaucratic politics in a larger institutional setting goes a long way in explaining the policy discontinuity between the Reagan and Bush administrations, but in and of itself is somewhat lacking without a further inquiry into the cognitive maps of Bush administration officials. The hard-nosed pragmatism of Bush and Baker and their willingness to accede to the changed political dynamics of the time – as well as their depreciated view of Sandinista Nicaragua as an unacceptable

²⁵Looked at conversely, bureaucratic politics alone would have a difficult time accounting for the irreconcilable position of Assistant Secretary of State for Inter-American Affairs Elliott Abrams or United Nations Ambassador Jeane Kirkpatrick.

threat to U.S. interests – stood in stark contrast to the cognitive views of Reagan and other irreconcilable officials of his administration.

Again, however, it remains clear that cognition played the decisive role in generating the policy shift from Reagan to Bush; specifically the belief of Speaker Jim Wright that a diplomatic solution to the issue was not only possible, but desirable, and that the continued presence of a Sandinista regime in Managua was not, *ipso facto*, unacceptable to U.S. interests. When Wright translated his belief system into action, he forced the Bush administration to abandon the irreconcilable policy of bringing down the FSLN regime and to accept the Carter approach of accommodation.

Moreover, this work opens new lines of inquiry into the broad applications of ‘mirror imaging’ to cover not just external actors such as states, but also internal actors such as individuals and institutions and bureaucracies in the decision-making process. Consider the mirror-imaging between the irreconcilables and the negotiators that masqueraded as the Reagan administration’s decision-making process on Nicaragua. The memoirs of negotiator George Shultz of the State Department and irreconcilable Constantine Menges of the NSC contain a remarkable number of mirror-image depictions of the other’s role in the policy-making process, with each repeatedly referring to the “machinations” of the other.²⁶ This has important contributions to make to the synthesized cognitive/bureaucratic approach discussed above through its examination of intrabranched bureaucratic interaction and struggle in the overall process

²⁶For Shultz, see *Turmoil and Triumph*, 317; for Menges, see *Inside the National Security Council*, 128. It was as if the factions lived in parallel universes, each battling visions of the other’s duplicity.

of policy-making. How the relevant bureaucratic agents, actors and institutions interpret the proper roles and responsibilities of themselves (and others) in the process of policy deliberation and formation exercises a tremendous impact on the nature and ultimate outcome of the policy itself.

Additionally, the dissertation builds upon the literature of legislative influence in foreign policy making by analyzing the extraordinary role played by the Congress in general and the U.S. House of Representatives in particular on Nicaragua policy-making in the latter years of the Reagan presidency and into the Bush administration. While other works have addressed Congressional involvement in the case of Nicaragua, this dissertation adds a theoretical dimension to the field by incorporating bureaucratic and institutional explanations for policy discontinuity. Along these lines, the work emphasizes the unique role of House Speaker Jim Wright as he emerged to become the dominant architect of Nicaragua policy – an extraordinary and unprecedented event in American history for a House speaker that probably deserves a separate examination unto its own.

Moreover, the dissertation contributes to the existing literature concerning the influence of public opinion on foreign policy issues. In a democratic system of government that appears increasingly dependent on polling data to inform if not indicate policy decisions, the case of U.S. policy toward Nicaragua remains a curious exception. The Reagan administration – despite the widespread unpopularity of the contra program among the informed general public and policy elite – nonetheless felt free to ignore popular sentiment and continue to aggressively pursue its preferred policy option. At the same time, despite not only the polling numbers showing most Americans favoring

disapproval of the contra program, but the complete lack of evidence depicting negative electoral consequences for opposing contra aid, members of Congress time and again likewise ignored public opinion data by continuing to support (albeit to varying degrees) the Reagan administration's contra program.

Finally, the dissertation remains the only theoretical case-study of American foreign policy toward Sandinista Nicaragua throughout the duration of FSLN rule in Managua. Other works have covered the topic in a non-theoretical approach that is historically-based, while the theoretical works have concentrated on a single administration. This dissertation synthesizes the best of both approaches to generate a body of research thus far absent in the literature.

BIBLIOGRAPHY

- Adams, Jan S. *A Foreign Policy in Transition: Moscow's Retreat from Central America and the Caribbean, 1985-1992*. Durham: Duke University Press, 1992.
- Allison, Graham T. *Essence of Decision: Explaining the Cuban Missile Crisis*. Boston: Little, Brown and Company, 1971.
- Allison, Graham T. and William L. Ury, ed. *Windows of Opportunity: From Cold War to Peaceful Competition in U.S.-Soviet Relations*. New York: Ballinger Publishing, 1989.
- Allison, Roy and Phil Williams, ed. *Superpower Competition and Crisis Prevention in the Third World*. Cambridge: Cambridge University Press, 1990.
- Armstrong, Robert. "Nicaragua: Sovereignty and Non-Alignment." NACLA: Report on the Americas 19, no. 1 (May-June 1985): 15-21.
- Arnson, Cynthia J. *Crossroads: Congress, the President, and Central America 1976-1993*. 2nd ed. University Park: Pennsylvania State University Press, 1993.
- Atkins, G. Pope. *Latin America in the International Political System*. 3rd ed. Boulder: Westview Press, 1995.
- Axelrod, Robert, ed. *Structure of Decision: The Cognitive Map of Elites*. Princeton: Princeton University Press, 1976.
- Bagley, Bruce Michael, Roberto Alvarez, and Katherine J. Hagedorn, eds. *Contadora and the Central American Peace Process: Selected Documents*. Occasional Paper No. 2. Washington, D.C.: Johns Hopkins School of Advanced International Studies, 1983.
- Baker, James A., III. *The Politics of Diplomacy: Revolution, War and Peace, 1989-1992*. New York: G.P. Putnam, 1995.
- Barrett, Laurence I. *Gambling With History: Reagan In The White House*. New York: Penguin Books, 1984.
- Barry, John M. *The Ambition and the Power*. New York: Viking Press, 1989.
- Baloyra, Enrique A. "Central America on the Reagan Watch: Rhetoric and Reality." Journal of Interamerican Studies and World Affairs 27, no. 1 (February 1985): 35-62.
- Belli, Humberto. *Breaking Faith*. Westchester, IL: Crossway Books, 1985.
- Bemis, Samuel Flagg. *The Latin American Policy of the United States*. New York:

Harcourt, Brace, 1943.

Benjamin, Jules R. *The United States and the Origins of the Cuban Revolution*. Princeton: Princeton University Press, 1990.

Beschloss, Michael R., and Strobe Talbott. *At the Highest Levels: The Inside Story of the End of the Cold War*. Boston: Little, Brown, and Company, 1993.

Blachman, Morris J., William M. LeoGrande, and Kenneth Sharpe, eds. *Confronting Revolution: Security Through Diplomacy in Central America*. New York: Pantheon Books, 1986.

Black, George. *The Good Neighbor*. New York: Pantheon Books, 1988.

Blasier, Cole. *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America 1910-1985*. rev. ed. Pittsburgh: University of Pittsburgh Press, 1985.

—. "Security: The Extracontinental Dimension." In *The United States and Latin America in the 1980s*, edited by Kevin J. Middlebrook and Carlos Rico, 523-64. Pittsburgh: University of Pittsburgh Press, 1986.

—. *The Giant's Rival: The USSR and Latin America*. rev. ed. Pittsburgh: University of Pittsburgh Press, 1987.

Blumenthal, Sidney. *Our Long National Daydream: A Political Pageant of the Reagan Era*. New York: Harper and Row, 1988.

Boeker, Paul H., ed. *Henry L. Stimson's American Policy in Nicaragua*. New York: Markus Wiener Publishing, 1991.

Bonner, Raymond. *Weakness and Deceit: U.S. Policy and El Salvador*. New York: Times Books, 1984.

Booth, John A. *The End and the Beginning: The Nicaraguan Revolution*. 2nd ed. Boulder: Westview Press, 1985.

Bradlee, Ben, Jr. *Guts and Glory: The Rise and Fall of Oliver North*. New York: Donald I. Fine, Inc., 1988.

Brenner, Philip and William M. LeoGrande. "Congress and Nicaragua: The Limits of Alternative Policy-Making." In *Divided Democracy: Cooperation and Conflict Between the President and Congress*, edited by James A. Thurber, 219-53. Washington, D.C.: Congressional Quarterly Press, 1991.

Brzezinski, Zbigniew. *Power and Principle: Memoirs of the National Security Adviser*

1977-1981. New York: Farrar, Straus, and Giroux, 1983.

Buckley, Tom. *Violent Neighbors: El Salvador, Central America, and the United States*. New York: Times Books, 1984.

Burns, E. Bradford. *At War in Nicaragua: The Reagan Doctrine and the Politics of Nostalgia*. New York: Harper and Row, 1987.

Cannon, Lou. *President Reagan: The Role of a Lifetime*. New York: Simon and Schuster, 1991.

Carothers, Thomas. *In the Name of Democracy: U.S. Policy toward Latin America in the Reagan Years*. Berkeley: University of California Press, 1991.

Carr, Barry and Steve Ellner, eds. *The Latin American Left: From the Fall of Allende to Perestroika*. Boulder: Westview Press, 1993.

Carter, Jimmy. *Keeping Faith: Memoirs of a President*. London: Collins, 1982.

Casey, William J. *Scouting the Future: The Public Speeches of William J. Casey*. Compiled by Herbert E. Meyer. New York: Regnery Gateway Publishers, 1989.

Castañeda, Jorge G. *Utopia Unarmed: The Latin American Left After the Cold War*. New York: Alfred Knopf, 1993.

Castellanos, Miguel. *The Comandante Speaks: Memoirs of an El Salvadoran Guerrilla Leader*. ed. Courtney Prisk. Boulder: Westview Press, 1991.

Chace, James. "The Endless War." *New York Review of Books* 30, no. 19 (8 December 1983): 46-52.

Chamorro, Edgar. *Packaging the Contras: A Case of CIA Disinformation*. New York: Institute for Media Analysis, 1987.

Christian, Shirley. *Nicaragua: Revolution in the Family*. New York: Random House, 1985.

Cirincione, Joseph, ed. *Central America and the Western Alliance*. New York: Holmes and Meir, 1985.

Clarridge, Duane. *A Spy for All Seasons*. New York: Scribner, 1997.

Coatsworth, John H. *Central America and the United States: The Clients and the Colossus*. New York: Twayne Publishers, 1994.

Cohen, William and George J. Mitchell. *Men of Zeal: a Candid Inside Story of the Iran-Contra Hearing*. New York: Viking, 1988.

Colburn, Forrest D. "Embattled Nicaragua." *Current History* 86 (December 1987): 405-8, 431.

Cottam, Martha L. *Foreign Policy Decision-Making: The Influence of Cognition*. Boulder: Westview Press, 1986.

_____. *Images and Intervention: U.S. Policies in Latin America*. Pittsburgh: University of Pittsburgh Press, 1994.

_____. "The Carter Administration's Policy toward Nicaragua: Images, Goals and Tactics." *Political Science Quarterly* 107, no. 1 (1992): 123-46.

Cottam, Richard. *Foreign Policy Motivation*. Pittsburgh: University of Pittsburgh Press, 1977.

Crabb, Cecil V., Jr., and Pat M. Holt. *Invitation to Struggle: Congress, the President and Foreign Policy*. 4th ed. Washington, D.C.: Congressional Quarterly Press, 1992.

Cruz, Arturo J., Jr. *Memoirs of a Counterrevolutionary: Life with the Contras, the Sandinistas, and the CIA*. New York: Doubleday, 1989.

Deaver, Michael. *Behind the Scenes*. New York: William Morrow, 1987.

Desch, Michael C. *When the Third World Matters: Latin America and United States Grand Strategy*. Baltimore: The Johns Hopkins University Press, 1993.

Dickey, Christopher. *With the Contras: A Reporter in the Wilds of Nicaragua*. rev. ed. New York: Simon and Schuster, 1987.

Diederich, Bernard. *Somoza and the Legacy of U.S. Involvement in Central America*. New York: E.P. Dutton, 1981.

Dillon, Sam. *Commandos: The CIA and Nicaragua's Contra Rebels*. New York: Henry Holt, 1991.

Dos Santos, Theotonio. "The Structure of Dependence." *American Economic Review* 60 (May 1970): 231-6.

Draper, Theodore. *A Very Thin Line: The Iran-Contra Affairs*. New York: Hill and Wang, 1991.

Duffy, Gloria. "Crisis Mangling and the Cuban Brigade." *International Security* 8, no. 1

(Summer 1983): 67-87.

Edelman, Marc. "The Other Superpower: The Soviet Union and Latin America 1917-1987." *NACLA: Report on the Americas* 21, no. 1 (January-February 1987): 11-40.

_____. "Lifelines: Nicaragua and the Socialist Countries." *NACLA: Report on the Americas* 19, no. 1 (May-June 1985): 33-56.

Emerson, Stephen. *Secret Warriors: Inside the Covert Military Operations of the Reagan Era*. New York: G.P. Putnam's Sons, 1988.

Etheredge, Lloyd S. *Can Governments Learn? American Foreign Policy and Central American Revolutions*. New York: Pergamon Press, 1985.

Falcoff, Mark and Robert Royal, eds. *The Continuing Crisis: U.S. Policy in Central America and the Caribbean*. Washington, D.C.: Ethics and Public Policy Center, 1987.

_____. *Crisis and Opportunity: U.S. Policy in Central America and the Caribbean*. Washington, D.C.: Ethics and Public Policy Center, 1984.

Farer, Tom J. *The Grand Strategy of the United States in Latin America*. New Brunswick: Transaction Books, 1988.

_____. "Manage the Revolution?" *Foreign Policy* no. 52 (Fall 1983): 96-117.

Feinberg, Richard E. *The Intemperate Zone: The Third World Challenge to U.S. Foreign Policy*. New York: W.W. Norton, 1983.

_____, ed. *Central America: International Dimensions of the Crisis*. New York: Holmes and Meir, 1982.

Franck, Thomas, and Edward Weisband. *Foreign Policy by Congress*. New York: Oxford University Press, 1979.

Garthoff, Raymond L. *Détente and Confrontation: American-Soviet Relations From Nixon to Reagan*. rev. ed. Washington, D.C.: The Brookings Institute, 1994.

_____. *The Great Transition: American-Soviet Relations and the End of the Cold War*. Washington, D.C.: The Brookings Institute, 1994.

Garvin, Glenn. *Everybody Had His Own Gringo: The CIA and the Contras*. Washington, D.C.: Brassey's, 1992.

Gates, Robert M. *From the Shadows*. New York: Simon and Schuster, 1996.

- George, Alexander. *Presidential Decisionmaking in Foreign Policy: The Effective Use of Information and Advice*. Boulder: Westview Press, 1980.
- Gettleman, Marvin E., et. al., eds. *El Salvador: Central America in the New Cold War*. New York: Grove Press, 1986.
- Gilbert, Dennis. *Sandinistas: The Party and the Revolution*. New York: Basil Blackwell, 1988.
- Gleijeses, Piero. *The Dominican Crisis: The 1965 Constitutionalist Revolt and American Intervention*. Baltimore: The Johns Hopkins University Press, 1978.
- _____. *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954*. Princeton: Princeton University Press, 1991.
- Goodman, Louis, William M. LeoGrande and Johanna Mendelson Forman, eds. *Political Parties and Democracy in Central America*. Boulder: Westview Press, 1992.
- Grabendorff, Wolf, Heinrich-W. Krumwiede, and Jorg Todt, eds. *Political Change in Central America: Internal and External Dimensions*. Boulder: Westview Press, 1984.
- Green, David. *The Containment of Latin America*. Chicago: Quadrangle Books, 1971.
- Gutman, Roy. *Banana Diplomacy: The Making of American Policy in Nicaragua 1981-1987*. New York: Simon and Schuster, 1988.
- _____. "Nicaragua: America's Diplomatic Charade." *Foreign Policy*, no. 56 (Fall 1984): 1-23.
- Hahn, Walter F., ed. *Central America and the Reagan Doctrine*. Washington, D.C.: United States Strategic Institute, 1987.
- Haig, Alexander M., Jr. *Caveat: Realism, Reagan, and Foreign Policy*. New York: MacMillan Publishing, 1984.
- _____. *Inner Circles: How America Changed the World*. New York: Warner Books, 1992.
- Halperin, Morton H. *Bureaucratic Politics and Foreign Policy*. Washington, D.C.: The Brookings Institution, 1974.
- Harris, Richard L. *Marxism, Socialism, and Democracy in Latin America*. Boulder: Westview Press, 1992.
- Hayes, Margaret. *Latin America and the U.S. National Interest*. Boulder: Westview

Press, 1984.

Hopf, Ted. *Peripheral Visions: Deterrence Theory and American Foreign Policy in the Third World, 1965-1990*. Ann Arbor: University of Michigan Press, 1994.

Hunt, Michael. *Ideology and U.S. Foreign Policy*. New Haven: Yale University Press, 1987.

Hybel, Alex R. *How Leaders Reason: U.S. Intervention in the Caribbean Basin and Latin America*. Cambridge, MA: Basil Blackwell Publishers, 1990.

Immerman, Richard. *The CIA in Guatemala: The Foreign Policy of Intervention*. Austin: University of Texas Press, 1982.

Israel, Fred L., ed. *Ronald Reagan's Weekly Radio Addresses*. vol. I. Wilmington: Scholarly Resources Inc., 1987.

Janis, Irving. *Groupthink*. Boston: Houghton-Mifflin Publishers, 1982.

Jervis, Robert. *Perception and Misperception in International Politics*. Princeton: Princeton University Press, 1976.

Johnson, Haynes. *Sleepwalking Through History: America in the Reagan Years*. New York: W.W. Norton, 1991.

Jordan, Amos, and William Taylor, Jr. *American National Security: Policy and Process*. Baltimore: The Johns Hopkins University Press, 1981.

Kagan, Robert. *A Twilight Struggle: American Power and Nicaragua, 1977-1990*. New York: The Free Press, 1996.

Kamman, William. *A Search for Stability: United States Diplomacy Toward Nicaragua 1925-1933*. Notre Dame: University of Notre Dame Press, 1968.

Kaufman, Burton I. *The Presidency of James Earl Carter, Jr.* Lawrence, KS: University Press of Kansas, 1993.

Kegley, Charles W., and Eugene Wittkopf. *American Foreign Policy: Pattern and Process*. 2nd ed. New York: St. Martin's Press, 1982.

Kenworthy, Eldon. "Central America: Beyond the Credibility Gap." In *The Central American Crisis: Sources of Conflict and the Failure of U.S. Policy*, edited by Kenneth M. Coleman and George C. Herring, 111-35. Wilmington: Scholarly Resources, 1985.

Kinzer, Stephen. *Blood of Brothers: Life and War in Nicaragua*. New York: G.P.

Putnam's Sons, 1991.

Kirkpatrick, Jeane. "U.S. Security and Latin America." *Commentary* 71, no. 1 (January 1981): 29-40.

Kornbluh, Peter. *Nicaragua: The Price of Intervention*. Washington, D.C.: Institute for Policy Studies, 1987.

_____. "Nicaragua." In *Intervention in the 1980s: U.S. Foreign Policy In the Third World*, edited by Peter J. Schraeder, 235-48. Boulder: Lynne Rienner Publishers, 1989.

Kornbluh, Peter, and Malcolm Byrne, eds. *The Iran-Contra Scandal: The Declassified History*. New York: The New Press, 1993.

Krauss, Clifford. *Inside Central America: Its People, Politics, and History*. New York: Summit Books, 1991.

Kryzanek, Michael J. *U.S.-Latin American Relations*. New York: Praeger Press, 1985.

LaFeber, Walter. *Inevitable Revolutions: The United States in Central America*. 2nd ed. New York: W.W. Norton, 1993.

_____. "The Reagan Administration and Revolutions in Central America." *Political Science Quarterly* 99, no. 1 (Spring 1984): 1-26.

Lake, Anthony. *Third World Radical Regimes: U.S. Policy Under Carter and Reagan*. New York: Foreign Policy Association, 1985.

_____. *Somoza Falling*. Boston: Houghton Mifflin, 1989.

Lamperti, John. *What Are We Afraid Of? An Assessment of The 'Communist Threat' in Central America*. Boston: South End Press, 1988.

Larkin, Bruce D., ed. *Vital Interests: The Soviet Issue in U.S. Central American Policy*. Boulder: Lynne Rienner Publishers, 1988.

Leiken, Robert S., ed. *Central America: Anatomy of Conflict*. New York: Pergamon Press, 1984.

Leiken, Robert S., and Barry Rubin, ed. *The Central American Crisis Reader*. New York: Summit Books, 1987.

LeoGrande, William M. *Our Own Backyard: The United States in Central America, 1977-1992*. Chapel Hill: University of North Carolina Press, 1998.

- ___ "The Revolution in Nicaragua: Another Cuba?" Foreign Affairs 58, no. 1 (Fall 1979): 28-50.
- ___ "Cuba and Nicaragua: From the Somozas to the Sandinistas." Caribbean Review 9, no. 1 (Winter 1980): 11-14.
- ___ "A Splendid Little War: Drawing the Line in El Salvador." International Security 6, no. 1 (Summer 1981): 27-52.
- ___ "Cuba Policy Recycled." Foreign Policy, no. 46 (Spring 1982): 105-19.
- ___ "Through the Looking Glass: The Report of the National Bipartisan Committee on Central America." World Policy Journal 1, no. 2 (Winter 1984): 251-84.
- ___ "Rollback or Containment?: The United States, Nicaragua, and the Search for Peace in Central America." International Security 11, no. 2 (Fall 1986): 89-120.
- ___ "From Reagan to Bush: The Transition in U.S. Policy Towards Central America." Journal of Latin American Studies 22, no. 3 (October 1990): 595-621.
- Lindsay, James M., and Randall B. Ripley, eds. *Congress Resurgent: Foreign and Defense Policy on Capitol Hill*. Ann Arbor: University of Michigan Press, 1993.
- Lowenthal, Abraham F. *Partners in Conflict: The United States and Latin America in the 1990s*. rev. ed. Baltimore: The Johns Hopkins University Press, 1990.
- ___ "Changing U.S. Interests and Policies in a New World." In *The United States and Latin America In the 1990s*, edited by Jonathan Hartlyn, Lars Schoultz and Augusto Varas, 68-88. Chapel Hill: University of North Carolina Press, 1992.
- Lowenthal, Abraham F., ed. *Exporting Democracy: The United States and Latin America*. Baltimore: The Johns Hopkins University Press, 1991.
- Macaulay, Neil. *The Sandino Affair*. Durham: Duke University Press, 1985.
- Marcus, Bruce, ed. *Nicaragua-The Sandinista People's Revolution: Speeches by Sandinista Leaders*. New York: Pathfinder Press, 1985.
- Martz, John D., ed. *United States Policy in Latin America: A Decade of Crisis and Challenge*. Lincoln: University of Nebraska Press, 1995.
- Matthews, Robert. "The Limits of Friendship: Nicaragua and the West." NACLA: Report on the Americas 19, no. 1 (May-June 1985): 22-32.
- Mayer, Jane and Doyle McManus. *Landslide: The Unmaking of the President 1984-*

1988. Boston: Houghton Mifflin, 1988.

McFarlane, Robert C. *Special Trust*. New York: Cadell and Davies, 1994.

McNeil, Frank. *War and Peace in Central America: Reality and Illusion*. New York: Charles Scribners' Sons, 1988.

Mecham, J. Lloyd. *A Survey of U.S.-Latin American Relations*. Boston: Houghton-Mifflin Publishing, 1965.

Menges, Constantine C. *Inside the National Security Council: The True Story of the Making and Unmaking of Reagan's Foreign Policy*. New York: Charles Scribner's Sons, 1988.

Miranda, Roger and William Ratliff. *The Civil War in Nicaragua: Inside the Sandinistas*. New Brunswick: Transaction Books, 1993.

Molineu, Harold. *U.S. Policy Toward Latin America: From Regionalism to Globalism*. Boulder: Westview Press, 1990.

Morley, Morris H. *Washington, Somoza, and the Sandinistas: State and Regime in U.S. Policy Toward Nicaragua, 1969-1981*. Cambridge: Cambridge University Press, 1994.

Neack, Laura, Jeanne Hey, and Patrick Haney, eds. *Foreign Policy Analysis: Continuity and Change in Its Second Generation*. Englewood Cliffs: Prentice-Hall, 1995.

Newsom, David D. *The Soviet Brigade in Cuba: A Study in Political Diplomacy*. Bloomington: Indiana University Press, 1987.

Nolan, David. *The Ideology of the Sandinistas and the Nicaraguan Revolution*. Miami: University of Miami Press, 1984.

North, Oliver L. *Under Fire: An American Story*. New York: HarperCollins, 1991.

Oberdorfer, Don. *The Turn: From The Cold War To A New Era*. New York: Poseiden Press, 1991.

O'Neill, Tip. *Man of the House: The Life and Political Memoirs of Speaker Tip O'Neill*. New York: St. Martin's Press, 1987.

Oppenheimer, Andres. *Castro's Final Hour: The Secret Story Behind the Coming Downfall of Communist Cuba*. New York: Simon and Schuster, 1992.

Pastor, Robert A. "George Bush and Latin America: The Pragmatic Style and the

Regionalist Option.” In *Eagle in a New World: American Grand Strategy in the Post-Cold War Era*, edited by Kenneth A. Oye, Robert J. Leiber, and Donald Rothchild, 363-85. New York: HarperCollins Publishers, 1992.

_____. *Condemned to Repetition: The United States and Nicaragua*. Princeton: Princeton University Press, 1987.

_____. *Whirlpool: U.S. Foreign Policy Toward Latin America and the Caribbean*. Princeton: Princeton University Press, 1992.

_____. “Nicaragua’s Choice: The Making of a Free Election.” *Journal of Democracy* 1, no. 3 (Summer 1990): 13-25.

_____. “Preempting Revolutions: The Boundaries of U.S. Influence.” *International Security* 15, no. 4 (Spring 1991): 54-86.

Paterson, Thomas G. *Contesting Castro: The United States and the Triumph of the Cuban Revolution*. New York: Oxford University Press, 1994.

Pavlov, Yuri. *Soviet-Cuban Alliance: 1959-1991*. New Brunswick: Transaction Books, 1994.

Persico, Joseph E. *Casey: From the OSS to the CIA*. New York: Viking Press, 1990.

Peterson, Paul E., ed. *The President, The Congress, and The Making of Foreign Policy*. Norman: University of Oklahoma Press, 1994.

Petras, James, and Morris Morley. *U.S. Hegemony Under Siege: Class, Politics and Development in Latin America*. New York: Verso Press, 1990.

Pezzullo, Lawrence and Ralph Pezzullo. *At the Fall of Somoza*. Pittsburgh: University of Pittsburgh Press, 1993.

Poitras, Guy. *The Ordeal of Hegemony: The United States and Latin America*. Boulder: Westview Press, 1990.

Prados, John. *Keepers of the Keys: A History of the National Security Council from Truman to Bush*. New York: William Morrow, 1991.

Preston, Julia. “The Defeat of the Sandinistas.” *New York Review of Books* 37, no. 6 (12 April 1990): 25-9.

Prevost, Gary, and Harry Vanden, eds. *The Undermining of the Sandinista Revolution*. New York: St. Martin’s Press, 1997.

Purcell, Susan Kaufman. "The Choice in Central America." *Foreign Affairs* 66, no. 1 (Fall 1987): 109-28.

Radu, Michael and Vladimir Tismaneanu. *Latin American Revolutionaries: Groups, Goals, Methods*. Washington, D.C.: Pergamon-Brassey, 1990.

Reagan, Ronald. *An American Life*. New York: Simon and Schuster, 1990.

Regan, Donald T. *For the Record: From Wall Street to Washington*. New York: Simon and Schuster, 1990.

Ripley, Randall B., and Grace A. Franklin. *Congress, the Bureaucracy and Public Policy*. 5th ed. Pacific Grove, CA: Brooks/Cole Publishing, 1991.

Robinson, Linda. *Intervention or Neglect: The United States and Central America Beyond the 1980s*. New York: Council on Foreign Relations Books, 1991.

—. "Peace in Central America?" *Foreign Affairs* 66, no. 3 (1987-1988): 591-613.

Rodman, Peter W. *More Precious than Peace: The Cold War and the Struggle for the Third World*. New York: Charles Scribner's Sons, 1994.

Rosati, Jerel A. *The Politics of American Foreign Policy*. Fort Worth: Harcourt, Brace, Jovanovich, 1993.

Rosset, Peter, and John Vandermeer, ed. *Nicaragua: Unfinished Revolution*. New York: Grove Press, 1986.

—. *The Nicaragua Reader: Documents of a Revolution Under Fire*. New York: Grove Press, 1983.

Rudolph, James D., ed. *Nicaragua: A Country Study*. 2nd ed. Washington, D.C.: The American University Foreign Affairs Studies Division, 1982.

Ryan, David. *US-Sandinista Diplomatic Relations: Voice of Intolerance*. New York: St. Martin's Press, 1995.

Sánchez, Nestor D. "The Communist Threat." *Foreign Policy*, no. 52 (Fall 1983): 43-50.

Schooley, Helen. *Conflict in Central America*. Essex: The Longman Group, 1987.

Schultz, Lars. *National Security and United States Policy toward Latin America*. Princeton: Princeton University Press, 1987.

Schulz, Donald E. and Douglas H. Graham, eds. *Revolution and Counterrevolution in Central America and the Caribbean*. Boulder: Westview Press, 1984.

Schweizer, Peter. *Victory: The Reagan Administration's Secret Strategy That Hastened the Collapse of the Soviet Union*. New York: Atlantic Monthly Press, 1994.

Selbin, Eric. *Modern Latin American Revolutions*. Boulder: Westview Press, 1993.

Serafino, Nina M. "Dateline Managua: Defining Democracy." *Foreign Policy*, no. 70 (Spring 1988): 166-82.

Shearman, Peter and Phil Williams, eds. *The Superpowers, Central America, and the Middle East*. London: Pergamon Publishing, 1988.

Shultz, George P. *Turmoil and Triumph: My Years as Secretary of State*. New York: Charles Scribner's Sons, 1993.

Simpson, Christopher. *National Security Directives of the Reagan and Bush Administrations: The Declassified History of U.S. Political and Military Policy, 1981-1991*. Boulder: Westview Press, 1995.

Slater, Jerome. "Dominos in Central America." *International Security* 12, no. 2 (Fall 1987): 105-34.

Smith, Christian. *Resisting Reagan: The U.S. Central America Peace Movement*. Chicago: University of Chicago Press, 1996.

Smith, Gaddis. *Morality, Reason and Power: American Diplomacy in the Carter Years*. New York: Hill and Wang, 1986.

_____. *The Last Years of the Monroe Doctrine, 1945-1993*. New York: Hill and Wang, 1994.

Smith, Hedrick. *The Power Game: How Washington Really Works*. New York: Ballantine Books, 1988.

Smith, Wayne S. *The Closest of Enemies: A Personal and Diplomatic Account of U.S.-Cuban Relations since 1957*. New York: W.W. Norton, 1987.

_____. "Dateline Havana: Myopic Diplomacy." *Foreign Policy*, no. 48 (Fall 1982): 157-74.

_____. "U.S. Central American Policy: The Worst-Alternative Syndrome." *SAIS Review* 3, no. 2 (Summer-Fall 1983): 11-26.

- ___ "Reagan's Central American Policy: Disaster in the Making." *In Revolution and Counter-Revolution in Central America and the Caribbean*, edited by Donald E. Schulz and Douglas H. Graham, 479-500. Boulder: Westview Press, 1984.
- ___ "Lies About Nicaragua." *Foreign Policy*, no. 67 (Summer 1987): 87-103.
- ___ "Critical Junctures in U.S.-Cuban Relations: The Diplomatic Record." *Diplomatic History* 12, no. 4 (Fall 1988): 463-81.
- Smith, Wayne S., ed. *The Russians Aren't Coming: New Soviet Policy in Latin America*. Boulder: Lynne Rienner Press, 1992.
- Snyder, Richard C., H. W. Buck, and Burton Sapin, eds. *Foreign Policy Decision-Making*. New York: The Free Press, 1963.
- Sobel, Richard, ed. *Public Opinion in U.S. Foreign Policy: The Controversy over Contra Aid*. Lanham, MD: Rowman and Littlefield, 1993.
- Somoza Debayle, Anastasio. *Nicaragua Betrayed*. Boston: Western Islands Publishers, 1980.
- Urcuyo Maliaño, Francisco. *Carter-Mondale's Administration and the Sandinista Communists*. Miami: Self-published, 1984.
- Vaky, Viron P. "Positive Containment In Nicaragua." *Foreign Policy*, no. 68 (Fall 1987): 42-58.
- Vance, Cyrus R. *Hard Choices: Critical Years in America's Foreign Policy*. New York: Simon and Schuster, 1983.
- Vanderlaan, Mary B. *Revolution and Foreign Policy in Nicaragua*. Boulder: Westview Press, 1986.
- Varas, Augusto, ed. *Hemispheric Security and U.S. Policy in Latin America*. Boulder: Westview Press, 1989.
- Walker, Thomas W., ed. *Revolution and Counterrevolution In Nicaragua*. Boulder: Westview Press, 1991.
- ___, ed. *Reagan versus the Sandinistas: The Undeclared War on Nicaragua*. Boulder: Westview Press, 1987.
- ___, ed. *Nicaragua: The First Five Years*. New York: Praegar Publishers, 1985.
- ___, ed. *Nicaragua in Revolution*. New York: Praegar Publishers, 1982.

Wallerstein, Immanuel. *The Politics of the World Economy*. Cambridge: Cambridge University Press, 1984.

Waltz, Kenneth. *The Theory of International Politics*. New York: McGraw-Hill Publishing, 1979.

_____. "Realist Thought and Neorealist Theory." In *Controversies in International Relations Theory: Realism and the Neoliberal Challenge*, edited by Charles Kegley, 67-83. New York: St. Martin's Press, 1995.

Weinberger, Caspar W. *Fighting For Peace: Seven Critical Years in the Pentagon*. New York: Warner Books, 1990.

Welch, Richard E., Jr. *Response to Revolution: The United States and the Cuban Revolution, 1959-1961*. Chapel Hill: University of North Carolina Press, 1985.

Whitehead, Laurence. "Explaining Washington's Central American Policies." *Journal of Latin American Studies* 15, no. 2 (November 1983): 321-63.

Wiarda, Howard J. *In Search of Policy: The United States and Latin America*. Washington, D.C.: American Enterprise Institute, 1984.

Wiarda, Howard J., ed. *Rift and Revolution: The Central American Imbroglia*. Washington, D.C.: American Enterprise Institute, 1984.

Wiarda, Howard J. and Mark Falcoff. *The Communist Challenge in the Caribbean and Central America*. Washington, D.C.: American Enterprise Institute, 1987.

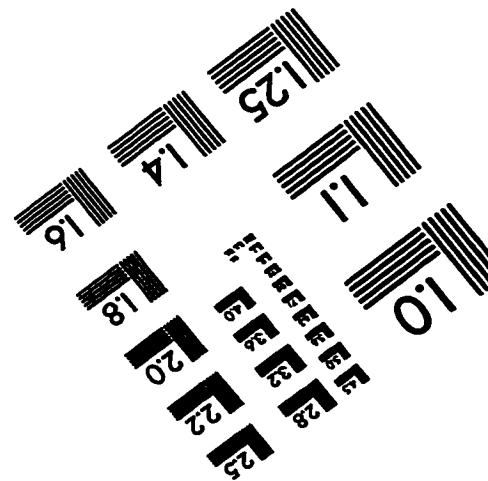
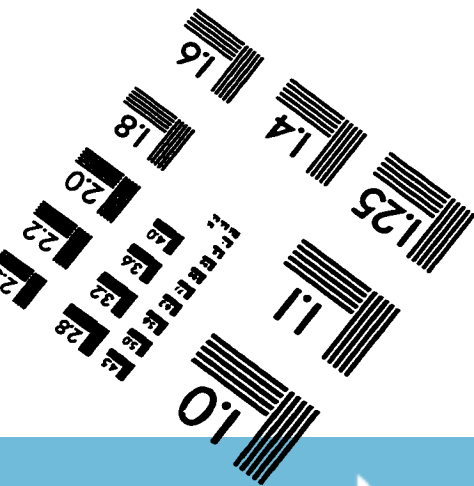
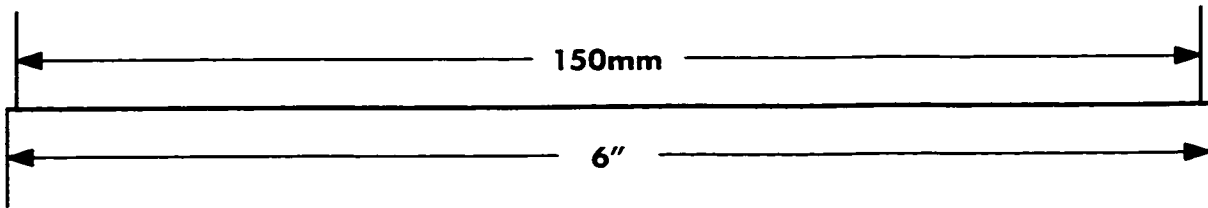
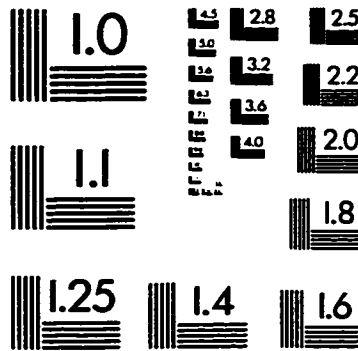
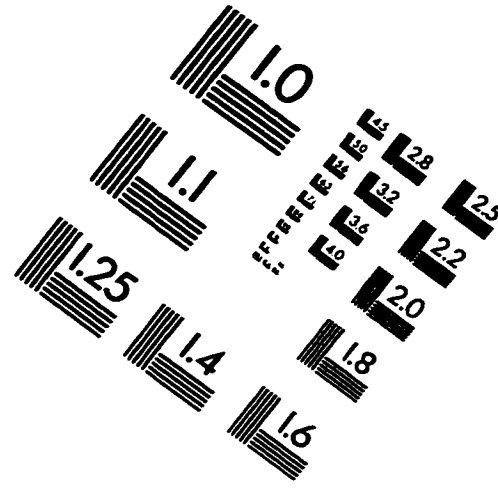
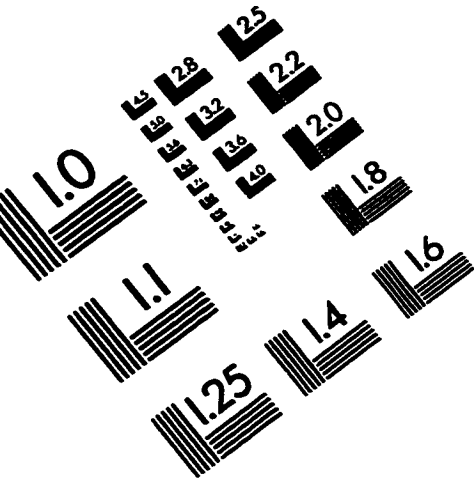
Wood, Bryce. *The Dismantling of the Good Neighbor Policy*. Austin: University of Texas Press, 1985.

Woodward, Bob. *Veil: The Secret Wars of the CIA 1981-1987*. New York: Simon and Schuster, 1987.

Wright, Jim. *Worth It All: My War for Peace*. Washington, D.C.: Brassey's, 1993).

_____. *Balance of Power: Presidents and Congress from the Era of McCarthy to the Age of Gingrich*. Atlanta: Turner Publishing, 1996.

IMAGE EVALUATION TEST TARGET (QA-3)



APPLIED IMAGE, Inc
 1653 East Main Street
 Rochester, NY 14609 USA
 Phone: 716/482-0300
 Fax: 716/288-5989

© 1983, Applied Image, Inc., All Rights Reserved

