

IMPERIALISM AND INTERVENTION IN THE THIRD WORLD: US FOREIGN POLICY AND CENTRAL AMERICA

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Introduction: Imperial State and Imperial Economy

To understand US foreign policy, and in particular its interventionist character in Central America, the Caribbean and South America, it is necessary to examine the relationship between the state and the banking, trade and investment interests that operate abroad. The central factor which has enabled the massive growth of US capital overseas has been the emergence and consolidation of the US state as an imperial state. The latter can be defined as those executive bodies or agencies charged with promoting and protecting the expansion of capital across state boundaries by the multinational corporations. The US imperial state exercises inter-related economic, coercive and ideological functions which operate to facilitate capital accumulation and reproduction on a worldwide scale. The economic apparatus includes both agencies serving particular forms of capital (e.g. Department of Agriculture) and agencies performing specific tasks that cut across the different forms of capital (e.g. Treasury and Commerce Departments) promoting investment, loans and trade. The Department of the Treasury also pursues the larger objective in the multilateral development banks (e.g. World Bank, Inter-American Development Bank, International Monetary Fund) through its responsibility for the appointment of US representatives to these 'international' institutions. The coercive apparatus includes the armed forces, the Central Intelligence Agency and other specialised intelligence bodies. The ideological apparatus serves to promote the legitimacy of imperial activities directly through the United States Information Agency and related propaganda arms of the state or through 'sub-contracted' activities related to the practices of unofficial groups.¹

The imperial state provided the 'shell' within which multinational corporations moved around the globe after World War Two. Through military aid programmes, the coercive apparatus built up the repressive institutions while the economic agencies created the necessary infrastructure to facilitate profitable opportunities for the private sector. In other words, while US multinationals now increasingly dominate economic relations between states, the universe in which they operate was created, and is sustained, by the imperial state. Nationalist or socialist threats to the interests of these transnational enterprises have evoked different

forms of imperial state intervention (depending on the historical context) to restabilise or reconstitute the conditions for capital accumulation in the target country.

Forms of Imperial State Intervention

The activities of the imperial state and the multinational corporations have polarised societies, fueled the growth of national and social liberation movements and, not infrequently, led to the assumption of political and state power by regimes opposed to exploitative capitalist development. The imperial state has typically responded to such regimes with policies of outright confrontation. This hostility has been operationalised through a combination of interventionist measures to destabilise and overthrow these antagonists of imperial policy.

(a)*Direct* and indirect military intervention. The former through the sending in of American armed forces to occupy a country in order to put in place a collaborator regime and secure US corporate interests (e.g. the Dominican Republic invasion of 1965); the latter, much more commonplace but no less destructive of national political institutions, has involved efforts by US policy makers to manipulate non-US military forces to oust nationalist and anti-capitalist regimes. Indirect military intervention has involved one or a combination of approaches: (i) internal subversion in the form of CIA inducements to local military officials to organise a coup (e.g. Brazil 1964, Chile 1973); (ii) external subversion or the training, financing and directing of former regime collaborators based outside the country to invade and overthrow the regime (e.g. Guatemala 1954, Cuba 1961, Nicaragua 1981 to present); and (iii) surrogates such as 'third countries' covertly recruited to train, and supply arms to, counter-revolutionary forces and US client regimes (e.g. the role of the Argentine, Honduras and Israeli governments in Central America over the last decade).

(b)*Economic* intervention. The imperial state intervenes in the 'international' banks to halt loans and other forms of economic assistance to the target country and, where necessary, pressures multinational corporations to take similar actions in the areas of trade, investment, spare parts and technology transfers (e.g. Chile 1970-73, Cuba 1961-68). The intent of this economic warfare is to create internal hardships, stimulate popular discontent and tarnish the international appeal of the regime. Not infrequently, an additional Washington goal is to drive the regime into closer relations with the Soviet Union and the socialist bloc and then trumpet the 'fact' in its propaganda efforts to cast the leadership in the role of 'totalitarians'.

(c)*Political* and diplomatic intervention. The CIA and other intelligence agencies of the imperial state intervene through the channeling of funds to local political, economic and cultural organisations in the target country. Frequently, the recipients include strategic groups in the mass media and

the transportation sector, and influential business figures in the export industry sector. External funds are also directed into the coffers of local elites to encourage them to disinvest in order to sabotage production or funneled to complicit labour unions willing to press exorbitant salary demands to provoke social disorder and undermine government economic planning (e.g. Brazil 1962–64, British Guiana 1962–64). By financial internal subversion, the CIA hopes to undermine the economy and set in motion conditions favouring the regime's demise—from the inside, outside, or both. If the effort is thwarted, the imperial state can propagandise the repression of the opposition as an indication of the coercive nature of the regime and encourage its international isolation. A second form of political intervention is the concerted effort by the State Department to control and pressure representatives of other governments in international or regional forums to act in concert with Washington's destabilisation purposes. The Organization of American States has been one arena within which the imperial state has attempted to fashion a regional bloc to intervene against dissident countries attempting to fashion independent economic and foreign policies.³

While policy makers representing the imperial state have utilised a variety of policy instruments to defend corporate interests, the selection and effective application of interventionist policies depends on the *historical context* within which they operate. It would be a serious mistake (made by critics as well as proponents of imperial policy) to assume that what policy makers 'will' they can 'realise'—that Washington has an omniscience which allows it to pull whatever trigger, whenever it so chooses.

Contextual Factors Shaping Interventionist Policies

The capacity of imperial-state policy makers to intervene (the scope and depth, as well as the type of intervention) depends on at least four factors: (a) domestic public opinion; (b) international and regional opinion; (c) the strength of the targeted regime; and (d) the condition of the American armed forces.

The United States is an imperial democracy which means that while the state is organised to promote accumulation on a world scale, it is also accountable to an electorate. In many cases the forms of intervention—especially covert operations against popularly-based regimes—are shaped by the need to pursue imperial goals without public awareness, presumably because an informed populace might not authorise such interventions. The capacity to engage in direct military intervention, the ultimate guarantor of US imperial interests, requires the acquiescence (if not support) of the majority of the population. Where deep cleavages extend throughout the body politic, severe constraints develop in the capacity to finance the war, recruit combatants and sustain morale. For intervention of this

magnitude, especially where it is prolonged and costly in human and economic terms, is conditioned by the degree of public cohesion and institutional support.

Interventionary capacities also depend on the degree to which international or regional allies can be mobilised to provide political, diplomatic and material support. Where such policies lead to political isolation, retaliatory economic reactions and diplomatic denunciations, they defeat the purpose of the imperial state—which is to extend the terrain for capital accumulation. Regarding the armed forces directly involved in the intervention and occupation, it is imperative that they retain a loyalty to the imperial state or at least to their commanding officers which represent it. When, as in Indochina, the US armed forces became deeply divided over the policies of intervention, there was no recourse but to withdraw from the conflict.

The question of the imperial state's pursuit of an interventionist policy hence is not merely or even most importantly a question of 'will' or 'strong leadership'. Before direct intervention is politically possible, there are essential 'foundations' that must be brought into place. Without these necessary conditions, the imperial state must rely on forms of indirect intervention, and attempt to recreate political circumstances that build up the capacity for direct intervention.

One of the most serious problems facing US imperial-state policy makers since World War Two was the disarticulation of the state as a consequence of the massive military involvement in Vietnam and the equally massive anti-war movement that it spawned on the home front. The successful effort to oust the democratic socialist Allende government in Chile in 1973 was achieved by resort to more indirect means of intervention precisely because there no longer existed a domestic social constituency that would support further imperial military adventures. By the mid-1970s, an enormous 'gap' had developed between the dominant and still growing imperial economic stake and the shrinking imperial state designed to protect and promote it. In this context, where Washington lacked the political and military capacity to intervene (and where such intervention was not perceived as a credible threat by revolutionary forces in the Third World), US multinationals became increasingly vulnerable to the new upsurge in revolutionary struggles throughout the periphery: Ethiopia, Angola, Iran and Nicaragua experienced far-reaching socio-political revolutions that overthrew US collaborator regimes and challenged the power and prerogatives of US corporate interests in the regions in which they occurred.

Washington's interim response to this conjunctural challenge took the form of a multitrack strategy which emphasised (i) reliance on indirect (covert) modes of operation, (ii) promotion of regional policemen, (iii) renewed encouragement of detente and efforts to secure Soviet

support in controlling insurgent forces, and (iv) the search for both the means and manner to reconstruct the political basis for new direct interventionary actions.

The dependence on covert operations yielded very limited positive results and, in some cases, provoked at least temporary public and congressional opposition. The most notable instance involved Angola where the Ford White House approved a CIA 'Action Plan' in July 1975 to provide large-scale arms and personnel assistance to the FNLA and UNITA forces in a last ditch effort (supported by South Africa) to prevent the socialist MPLA from taking political power following the withdrawal of the Portuguese colonial regime.³ Although the clandestine actions failed to achieve their objective, due to the major military participation of the Cubans whose troops guaranteed the MPLA victory, it induced Congress to pass the Clark Amendment in 1976 which placed a complete ban on covert or overt assistance to anti-regime forces in Angola.

The imperial state's reliance on 'regional policemen' such as Brazil, Iran, Israel and South Africa also produced minimal results. In the case of Iran, the overdevelopment of the repressive capacity of the Shah's regime to the complete neglect of the construction of any consequential social base produced the worst possible outcome for Washington.⁴ The overthrow of the Shah at the end of 1978 was a key precipitating factor in the Carter administration's decision to launch a New Cold War, replete with an expanded programme of rearmament at home and abroad and increased expenditures for a new interventionist armed forces (the Rapid Deployment Force). In other instances, regional powers such as Israel and South Africa have not infrequently sought to extend their own influence rather than merely serving to defend US interests—sometimes in opposition to Washington policy in the particular region.

The Ford-Kissinger and Carter efforts to secure Soviet cooperation in controlling Third World insurgency was doomed to failure from the beginning, largely due to an exaggerated perception among US policy makers of Moscow's leverage over revolutionary forces in Africa and other parts of the periphery which in practice has been, and remains, quite limited. Notions such as 'trading' global arms agreements in exchange for Soviet acquiescence in suppressing national and socialist armed struggles were thus based on faulty assumptions. The revolutions that took place in Iran, Nicaragua, Ethiopia and Angola between 1975 and 1979 owed nothing to the local pro-Soviet Communist Parties or the Soviet Union.

Unable to secure an adequate substitute for direct intervention and confronted by a spreading challenge to the historic growth of US multinational corporations and banks—exemplified most clearly in Iran—Washington's brief flirtation with a moralising human rights policy was soon overtaken by White House–National Security Council forces intent on global confrontation and the remilitarisation of foreign policy. What

followed was an accelerated arms buildup, using the Embassy takeover in Iran as the initial pretext and then improvising Soviet threats as the need arose (e.g. the 'discovery' of a Soviet military brigade in Cuba in September 1979) for further military escalation.

The essential issue that policy makers faced was once again how to increase the capacity of the imperial state commensurate with the worldwide economic interests of the multinational corporations. The military buildup begun in the late Carter administration was accompanied by the need to create the 'political will' to use the renewed capacity to intervene—that was provided by the Reagan White House, with its concerted effort to enclose all conflicts within a global East-West confrontation straightjacket. It is within this larger context of the revival of the Cold War and the now predominant military definition of reality that the current policy toward Central America should be examined.

US Foreign Policy and Central America: Confronting the Imperial Presence

Historically, Central America has been within the sphere of US domination: frequent military invasions and occupations, economic and political interventions, and the routine manipulation of elected officials and army generals to suit overseas investors have been recurring themes in the relationship during the twentieth century. Prior to World War Two, US economic interests mainly centred on the agro-export business and trading companies operating within the region; the metropole's geopolitical interests centred on the control and operation of the Panama Canal, a colonial enclave seized in an earlier period.

In the post-1945 era, the rapid and massive expansion of US multinational capital around the world relegated Central America to a secondary position in Washington's global concerns—except on those occasions when political forces in area countries (e.g. Guatemala 1950–5) sought to alter the status quo. While the rest of the Third World was experiencing political and social upheavals, US policy makers continued to support the entrenched landed oligarchies and military regimes. Capitalist development and the expansion of markets for American products and services, according to Washington, would best be promoted through the appropriately dubbed 'modernising oligarchies' or 'technocratic military'. The notion was to promote large-scale commercial agriculture and manufacturing based on cheap labour, major infusions of US and international bank economic assistance for infrastructure development, the attraction of foreign investment and the conversion of local oligarchs and generals to 'entrepreneurial behaviour'.

Beginning in the mid-1950s, US policy makers became increasingly linked with those sectors of the Central American ruling class involved in financial and industrial institutions and less tied to the direct ownership of land. The shift in economic activity did not, however, lead to any

change in policy toward those forces seeking to change the political and social status quo. The convergence of the interests of the US imperial state and its investor interests with those of the area's ruling class led to an historic compromise in which successive US governments sacrificed democratic rights in exchange for capitalist economic opportunities and US strategic interests.

The imperial state's support for Central American dictatorships has been manifested through a vast programme of bilateral and multilateral economic aid and various forms of military assistance. Between **1953** and **1979**, Washington provided the ruling classes in El Salvador with **\$218.4** million in economic aid and **\$16.8** million in military loans and credits. This sum was more than matched by the World Bank, Inter-American Development Bank and other US-influenced multilateral banks to the tune of **\$479.2** million. The Guatemalan oligarchy received **\$526.0** million in US economic aid and **\$41.9** million in military assistance, as well as some **\$593.0** million from the 'international' banks. The Somoza clan in Nicaragua was the recipient of **\$345.8** million in US economic aid and **\$32.6** million in military assistance, while the 'international' financial agencies channeled **\$469.5** into its pockets. In Honduras, the ruling groups during this quarter century also benefited significantly from these same sources: **\$305.1** million in US economic and, **\$28.4** million in US military assistance, and **\$688.0** million from the multilateral banking corporations.⁵

Decades of American financial assistance and military aid were geared essentially to promoting and supporting capitalist development programmes and the repressive regimes prepared to implement them. Through public and private loans and investments, direct governmental programmes and its influence in shaping the policies of the so-called international banks, Washington promoted economic infrastructures, financial institutions and industries in Central America consonant with the interests of its own overseas capitalist class. At the same time, US military assistance, arms sales and training programmes were directly linked to the maintenance of these very dictatorial regimes that supported imperial-state political, economic and strategic goals in the region.

The geopolitical importance of Central America continues to lie in its role as a staging ground for US military intervention into the Caribbean Basin countries, a training base for US and Latin American military forces, and a testing area for counterinsurgency and counterrevolutionary methods. The invasion and overthrow of the Arbenz government in Guatemala in **1954** was organised from across its border; the **1961** Bay of Pigs invasion forces were trained and organised in Guatemala and Nicaragua; Central American dictatorships provided troops during the invasion sponsored by the US of the Dominican Republic of **1965**; Honduras, El Salvador and Guatemala currently provide training areas for Somocista counterrevolutionaries sowing terror in Nicaragua; and US

armed forces personnel, at an array of military training bases in Panama, continue to prepare the future hemisphere counterinsurgency officers who will head up repressive forces in their home countries.

The watershed in US-Central American relations was the Nicaraguan revolution of July 1979 which directly and fundamentally challenged long-standing imperial-state policy in the region—its alliances with the oligarchy and the generals, and the assumption that Central America was and will always be a subordinate element in Washington's global and regional design. More important, revolutionary processes were developing in the neighbouring countries of El Salvador and Guatemala. The growth of mass popular peasant trade-union movements, the activation of Indian communities and the growing effectiveness of the guerrilla movements initially caused the Carter administration to pursue a combined 'repression and reform' policy with the military regime in Guatemala, pressuring the generals in the form of cutbacks in military credits to be more selective in their coercive policies. In El Salvador, Washington attempted to forge an alliance between reformist civilians and rightist military officials. In the subsequent period, the Carter administration escalated its military aid to El Salvador and began to expand its military assistance programmes to Honduras. During 1979 and 1980, economic aid, military sales and private financing continued to flow to the repressive regimes, to the accompaniment of White House human rights sermons. The proposed land reforms in El Salvador disintegrated as the potential beneficiaries were slaughtered by the regime's paramilitary forces and death squads. Failing to implement their original programme, the reformist civilian and military officials abandoned the government to be replaced by right-wing Christian Democrats who had no compunction about collaborating with the organisers of the death squads.

The Carter administration's short-lived effort to develop a reformist alternative to revolution in Central America failed in the wake of its overriding concern with strengthening the military forces in the area and simultaneously repressing nationally-based popular movements allied with guerrilla forces in pursuit of political and state power. Thus, even before Reagan entered the White House, the logic of a military solution to the basic socioeconomic problems was established; the increase in military assistance and the introduction of military advisers to the region, together with the invention of Soviet-Cuban conspirators, were taken over from the Democrats and further embellished by the Reagan presidency.

The Reagan Presidency: Intervention and Terror in Central America

The whole thrust of Reagan's global foreign policy rests on the twin assumptions that revolutions in the Third World are products of Soviet expansionism and that military force is the only means to successfully

defeat them. Based on these assumptions, the Reagan imperial state developed a programme of massive military buildup and escalating military aid and sales to right-wing military regimes throughout Latin America and the Third World. But Central America was chosen to be the testing ground to 'prove' the effectiveness of the new policy.

Nicaragua: The 'Outsider' Strategy. The structure and nature of US imperialism, the forms of intervention and the evolving global historical position of the United States are essential to understanding contemporary interventionist policy whether in South America during the 1970s or Central America in the 1980s. Yet, while there is a common structural and institutional base that formulates and designs US interventionist policy, it is important to identify clear differences that exist regarding each targeted country and the particular international context. Some brief observations on US intervention against Allende's Chile offer an instructive comparison and contrast with Washington's efforts to overthrow the Sandinista government in Nicaragua.

Chile was the region's largest recipient, on a per capita basis, of US Alliance for Progress economic assistance and a major destination for international bank loans and grants during the 1960s—dictated in no small part by Washington's determination to prevent socialist political forces from gaining power via the electoral process. The Kennedy and Johnson administrations, for instance, channelled millions of dollars into the 1964 presidential campaign of the Christian Democratic candidate Eduardo Frei and dispatched hundreds of State Department and CIA operatives to promote Frei's candidacy against a major left-wing challenge under the leadership of Salvador Allende. In 1970, Washington attempted to replicate this successful strategy but this time failed to prevent the Allende forces from winning a plurality of the popular vote.

The Nixon-Kissinger response to the election result was to organise a covert two-track effort to subvert Allende's victory, hoping through either bribing members of Congress or the organisation of a military coup to block the popular will. In both areas, the CIA was the designated instrumentality for achieving this objective. The failure to prevent Allende's inauguration confronted the Nixon White House with a serious problem: how to destabilise the socialist regime in Chile in a context where it lacked a domestic social base of support for direct military intervention. This problem was resolved in the form of a multitrack 'insider/outsider' strategy. Two key pressure points were identified: the Chilean economy's enormous dependence on external sources of financing, spare parts and markets, and the state apparatus which remained firmly under the control of forces opposed to the new regime.

The insider strategy of covert intervention through strategically located groups in the Chilean state and society was facilitated by the persistence of an open bargaining political system which provided the CIA with in-

numerable opportunities for disrupting the economy and polity: it subsidised truckers' strikes which blocked the flow of goods; financed copper employees' strikes which reduced foreign exchange earnings, financed a series of political strikes by taxi drivers, bus owners, small businessmen, lawyers, doctors, etc. with attendant losses in production; funded various private sector organisations which acted as conduits for channelling monies to anti-government strikers; subsidised *El Mercurio* and provided funds to the opposition Christian Democratic and National Parties to purchase their own radio stations and newspapers. In the electoral arena, a report prepared by the US Senate Intelligence Committee pointed out that 'Covert American activity was a factor in almost every major election in Chile in the decade between 1963 and 1973'. In discussing the specifics of the Allende period, it noted: 'Money provided to political parties not only supported opposition candidates in the various elections, but enabled the parties to maintain an anti-government campaign throughout the Allende years. . .¹⁶

In the military sphere, following the abortive CIA supported and financed coups of October 1970, the Agency was forced to develop an entirely new network of contacts within the Chilean armed forces. 'By September 1971', the Senate Study reported, 'a new network of agents were in place and the [CIA Santiago] Station was receiving almost daily reports of new coup plotting.¹⁷ The CIA's new 'assets' were spread throughout all three branches of the armed forces and the military plotters willingly accepted Agency leadership and direction. Meanwhile, the Chilean military also received continuous infusions of grant aid and weaponry from the Nixon administration and its generals were in constant communication and consultation with their American counterparts.

Beyond the immediate terrain of the conflict, the imperial state moved to maximise external pressures against the socialist regime. Washington's economic blockade against Allende's Chile focused on four main areas: the termination of all US economic assistance and spare parts exports, mobilisation of support for its position in the international banking institutions which resulted in no loans from the World Bank and only two small loans to opposition educational centres from the Inter-American Development Bank during Allende's tenure in office; a dramatic fall in available lines of short-term US private commercial bank credits compared with the prior period; and a refusal on Washington's part to renegotiate Chile's enormous public debt to the United States, most of which was accumulated in the 1960s under the Alessandri and Frei regimes. The continuing process of escalating economic warfare and covert subversion mediated through key groups and forces in the state and society opposed to the socialist experiment allowed the imperial state to work its will: paralyse the economy, provoke social disorder and promote the conditions for a military coup.⁸

Just as successive US administrations had for an extended period of time provided military and economic assistance to the pro-capitalist regimes that preceded Allende, the Somoza family dictatorship in Nicaragua was also on the receiving end of imperial-state largesse to the tune of almost **\$380** million in economic and military aid and **\$32.6** million in military assistance between **1953** and **1979**. At the same time, US representatives in the international banks supported loans totalling nearly **\$470** million for the Nicaraguan regime. As the Sandinista forces gained political and military support during **1977** and **1978**, and as it became obvious that his regime was collapsing, Washington sought to dump Somoza and forge an alliance between conservative civilians and the Somocista armed forces. This alliance, however, failed to stem the advance of the Sandinista forces. Washington then sought to activate the military intervention option in the form of an inter-hemispheric military force operating under the aegis of the Organization of American States. The opposition of a number of important Latin American countries, supported by the European Social Democratic movement, prevented this proposal from being passed by the regional body.

Like Nixon and Allende's Chile, the historical conjuncture—the continuing hostility among the population and within Congress to new direct military interventions in the aftermath of Vietnam—limited the capacity of the Carter administration to take any such unilateral action against the Sandinista-dominated government in Nicaragua after July **1979**. A further constraint was the virtual certainty that direct US military involvement in a prolonged guerrilla war would have resulted in substantial loss of American lives—accompanied by a resurgence of the anti-war movement.

Lacking this interventionist capacity, the Carter White House attempted to intervene within post-revolutionary Nicaraguan society through the manipulation of economic aid—channelling funds to conservative business people and other antisocialist groups among the middle class supporters of Sandinismo. Unlike Allende's Chile, however, the Sandinista-dominated political system provided much fewer opportunities for covert intervention. The old Somocista state apparatus with its longstanding liaisons to US military intelligence and the CIA was destroyed and replaced with a revolutionary army and popular militias. The top revolutionary leadership controlled the key executive and legislative institutions, blocking efforts to paralyse government through bribery and collusion. In civic society, the Sandinist trade unions and peasant associations presented formidable challenges to Washington efforts to foment disorder and political strikes. The small AFL-CIA promoted trade-union centre had few followers and no influence due to its collaboration with the Somoza dictatorship. The only sectors toward which Carter policy makers could direct their attention and resources were located in the media and among private business. *La Prensa*, like its CIA-funded counterpart in Chile

(*El Mercurio*), published virulent anti-government propaganda until the revolutionary government's security laws forced it to tone down its incendiary message. The business groups, faced with a mobilised labour force and an uncorruptable regime, have been unable to paralyse production as they did in Chile: if they organise a lockout, they will be the principal parties 'locked out' of the participating firms.

An analysis of the impact of Washington's economic blockade against the Sandinistas reveals that it has been far less effective in the case of Nicaragua than it was in Chile under Allende. A number of allied countries, bilaterally and within the international banks (despite some Washington successes in these latter arenas), have been unwilling to follow the White House lead. Credits and loans from Western Europe, and particularly the Social Democratic governments, have been augmented in some cases (e.g. France) by the provision of military assistance. Furthermore, some of the oil-rich countries such as Libya have made available substantial amounts of economic aid.⁹ Finally, the Cubans have provided technical and military assistance which probably acts as a deterrent to those in Washington who might risk a direct invasion under the illusion of a 'quick low cost' victory. Thus, while US economic warfare has indeed had a serious impact on the Nicaraguan economy, it has not been able to destabilise the society as the internal organisation of the revolution has been able to contain internal sources of subversion and as sufficient alternative sources of trade and finance have emerged to compensate for losses due to the blockade gains. Even US private banks who hold most of the accumulated Nicaraguan debt have resisted Washington's pressures and agreed to renegotiate the debt—rather than enter into a no-win **confrontation**.¹⁰

In the absence of a viable counterrevolutionary vehicle for overthrowing the Sandinista government and limited by its external economic leverage, Washington has now turned toward an externally based military solution: organising an invasion army of ex-Somocistas; building up the military capabilities of the Honduran, Guatemalan and Salvadoran armed forces for interventionary action; and encouraging surrogate forces, principally Argentina and Israel, to share the responsibility for training and arming these hostile regional opponents of socialist **Nicaragua**.¹¹ A massive buildup of military forces currently underway in Honduras is being supervised by the biggest contingent of CIA forces in a Latin American operation since the overthrow of Allende in **1973**. The imperial state's reliance on a military approach to the Sandinista revolution coincides with the massive militarisation of US foreign policy in general and its increasing rapprochement with rightist military regimes throughout the hemisphere in **particular**.¹²

During **1979** and **1980**, the Carter administration revitalised and expanded US covert intelligence gathering activities in Central America, and clandestinely provided funds and other supports to anti-regime **indi-**

duals and groups (e.g. media, labour unions) in socialist Nicaragua. The advent of the Reagan presidency set the stage for an accelerated covert and military involvement in Central America, focused largely on Nicaragua and El Salvador. In a verbal message relayed to Managua in February 1981, and supposedly originating from a staff member of the National Security Council, the American Embassy was informed that 'the question is not whether US-Nicaraguan relations were good or bad, but whether there will be any relations at all'.¹³ The hardliners in the State Department, especially Secretary Alexander Haig and Assistant Secretary for Inter-American Affairs Thomas Enders, were convinced that the Sandinistas were playing a key role in both extending Cuban influence in the area and providing arms for the guerrillas in El Salvador. At a number of high-level foreign policy meetings early in the administration, Enders spoke of the need to 'get rid of the Sandinistas'.¹⁴ Meanwhile, Secretary Haig's Ambassador-at-Large, General Vernon Walters, and other imperial state officials conferred with members of the governments of Argentina, Guatemala and Honduras regarding possible joint covert operations against Nicaragua.¹⁵

By late 1981, Reagan policy makers were declaring that the Sandinista government had 'very nearly become intolerable. . .'.¹⁶ Laying the groundwork for possible intervention, one official opined that it may ultimately be necessary to take direct action: 'Something has to be done and done soon. . .'.¹⁷ In testimony before the House Foreign Affairs Committee in mid-November, Haig refused to exclude the possibility of US efforts to overthrow the social revolutionary regime in Managua.¹⁸ However, while there was a consensus determination within the highest echelons of the imperial state to prevent Nicaragua from becoming 'another Cuba',¹⁹ bureaucratic disagreements developed over the efficacy of the military option.²⁰ Secretary Haig emerged as the leading advocate of using military force in opposition to senior Pentagon officials and the Joint Chiefs of Staff who feared the consequences of a protracted military involvement in the absence of domestic social support and were also concerned over any interventionist adventure that might endanger the administration's plans to modernise the US armed forces. 'Haig used to say that he wanted to do more, but it was the Defence Department that was always opposing military moves,' a State Department official recalled. 'They didn't like doing anything', he would say. Whenever he proposed something they had a thousand and one reasons why it couldn't be done. 'We don't have the ships, we don't have the men, we don't have this or that'. . .'. The outcome was a decision to forego direct military intervention in favour of an extensive complementary programme of indirect military intervention and covert subversion.

In December 1981, President Reagan formally authorised a covert action programme developed by the CIA and first presented in detail by

Director William Casey at a mid-November meeting of the National Security Council. With the concurrence of Secretary of State Haig and Secretary of Defence Caspar Weinberger, Reagan approved the largest paramilitary and political action operation mounted by the CIA in almost a decade with a first stage operating budget of almost \$20 million. The programme or planning efforts included the following: encouragement of political and paramilitary activity by foreign governments; contingency planning (naval quarantine, air actions, etc.) against Cuba; an estimated \$250 million to \$300 million in additional economic assistance for the countries of Central America and the Caribbean; training Salvadoran military forces in the United States and El Salvador; increased US intelligence activity in the region; maintenance of trade and credit to the private sector in Nicaragua; upgrading the American military posture in the Caribbean through military exercises, expanded intelligence work, the establishment of a new command communications network, etc.; a major propaganda effort in the United States to mobilise domestic support for the new covert intervention policy; and tightened economic sanctions against Cuba.²³

Much of the focus of this programme was directed toward Nicaragua as Reagan gave the CIA 'marching orders' to increase its liaisons among the anti-Sandinista exiles and conduct paramilitary raids to halt the so-called flow of weapons from the revolutionary regime to the insurgents in El Salvador. Specifically, the White House directed the CIA to put together and finance a paramilitary force of 500 Latin Americans to be based along the Nicaraguan-Honduras border for the purpose of commando raids into Nicaragua to destroy key economic targets such as power plants and bridges. The plan projected an additional 1,000 man force trained and financed in Honduras, largely by Argentine military forces, for participation at a later date.²⁴ Argentina's involvement dates from the inception of the programme. Reagan administration officials state that the military dictatorship in Buenos Aires agreed to take primary responsibility for financing and training the anti-Sandinista exiles to intercept arms shipments from Nicaragua to El Salvador and Guatemala—an arrangement interrupted for a time by the falling out between Washington and Buenos Aires over the Argentine invasion of the Falkland Islands in April–June 1982 which forced the US to assume direct control over the entire clandestine paramilitary operation.²⁵

In April 1982, Reagan convened his senior foreign policy advisers in a meeting at which the goals of the December 1981 covert action plan were reaffirmed and a complementary policy programme for Central America was approved. This new National Security Council document expressed the determination of the White House to prevent a 'proliferation of Cuba-model states' in the region and authorised the use of covert and political action plans to stop Nicaragua from 'exporting revolution' to

El Salvador. It further asserted that the Sandinista government was 'under increased pressure as a result of our covert efforts. . . ' and suggested that the CIA operating budget be increased by \$2.5 million for use in expanding the Agency's operations in **Guatemala**.²⁶

Since early 1982, Honduras has been the centre of CIA operations against Nicaragua. Following the 'green light' for the CIA action plan in December 1981, the size of the CIA Station in Tegucigalpa almost immediately doubled to about 50 operatives.²⁷ By the end of the year, more than 150 agents were based in Honduras providing intelligence data and military advice to the paramilitary units engaged in clandestine operations against the Sandinista regime.²⁸ A significant proportion of the \$31.3 million US military assistance package to Honduras for fiscal year 1982 was indirectly rechannelled to facilitate the activities of these **groups**.²⁹ A Honduran participant in the planning and execution of US covert operations at the time provides some interesting detail: Agency officials provided intelligence reports regarding troop movements inside Nicaragua and the location of tanks and artillery; they shipped plane-loads of arms and ammunition to the Mosquito Indian units in eastern Honduras in August 1982; and they provided underwater equipment and explosives to Argentine-trained sabotage teams that destroyed port installations in Puerto Cabezas, Nicaragua, in early 1983.³⁰ According to US intelligence officials, Argentine involvement in the training of the paramilitary forces resumed in late 1982. During this period, the CIA also worked in liaison with the intelligence and military services in Colombia and **Venezuela**.³¹

The US covert and military presence in Honduras was augmented and reinforced by a series of joint US-Honduran military manoeuvres held near the Nicaraguan border with the express objective of 'intimidating' the Sandinista **government**.³² The most recent, notable for the unprecedented number of participants, took place in February 1983 and involved 1,600 American military personnel and 4,000 Honduran troops backed by an array of sophisticated weaponry and communications **equipment**.³³

El Salvador: The 'Insider' Strategy Continued. Beyond the planning of policies to reverse established revolutionary governments, the core strategic goal of the Reagan administration is to prevent any other popular nationalist or revolutionary movements from gaining political power in the Third World. To contain revolutions in the periphery, the US has been willing to maximise the use of force to sustain repressive regimes, even at the cost of massive loss of civilian lives, even in the absence of support from its senior partners in the Western Alliance.

As the struggle against imperial-state client regimes gained momentum in Central America, the Reagan White House escalated its commitment to the dictatorial cliques in the region, in particular pouring millions of dollars of economic and military aid to a faltering regime in El Salvador.

Combined US economic, financial and military assistance, and loans and grants from the US-influenced multilateral development banks to El Salvador increased from **\$174.5** million during the last year of the Carter presidency to **\$266.8** million in **1981**, rising dramatically to an estimated **\$468** million in **1982**.³⁴ The massive US state commitment, completely out of proportion to any political, economic or strategic advantage that could be obtained from the Salvadoran regime can only be understood in terms of the stake which the Reaganites have invested in a military victory to vindicate the militarisation of US foreign policy on a global scale. A defeat in El Salvador would call into question all the assumptions about Soviet involvement and the centrality of military power in confronting Third World revolutions. The escalation of military aid to El Salvador, and the massive slaughter which has resulted from a government waging war on its own people, is the price the Salvadoran population is being made to pay in order to uphold and justify imperial policy.

As the opposition to US policy in El Salvador began to multiply at home while the guerrilla movement was gaining political and military support in its struggle against the Washington-backed regime, the Reagan administration began to accelerate the shipment of ~~arms~~ and expand training facilities for recruits and officers in early **1982**.³⁵ Additionally, it decided to borrow a page from the Carter period: in March, the imperial state literally staged an election to legitimate its war against the Salvadoran people. Midst the systematic destruction of all the most basic freedoms necessary to make elections meaningful (freedom of speech, assembly, press, etc.) an 'election' was held which produced the biggest gains for the most revanchest rightist forces under the leadership of Roberto D'Aubuisson—under conditions of mass terror those who were most active in the organisation of the death squads demonstrated the greatest capacity to secure votes. Despite the absence of the most elementary conditions of personal security, the election was heralded in Washington as the basis for transforming the terrorist regime into a 'representative government'. Yet, apart from the context within which the elections actually took place, two studies conducted by El Salvador's largest university, the Jose Simeon **Canas** University of Central America further charged 'massive fraud' in the number of reported ~~votes~~.³⁶ The Reagan administration, however, had no problem increasing its economic and military aid to the now predominantly ultra-rightist dominated regime which in the months immediately following the election proceeded to increase the overall level of state violence directed against the Salvadoran people and evicted thousands of peasant families from the land they were entitled to purchase under the much vaunted agrarian reform ~~programme~~.³⁷

In February **1983**, the White House proposed a foreign military assistance programme for fiscal year **1984** totalling **\$9.2** billion (an increase of **\$400** million over **1983**). El Salvador's allocation was increased from

\$165 million in 1983 to a projected \$205 million in 1984.³⁸ Within weeks, administration officials were testifying before Congress in support of an additional \$60 million in emergency military assistance to the Salvadoran regime.³⁹ Secretary of State George Shultz, in language reminiscent of his supposedly more confrontational predecessor Alexander Haig, justified the request to the legislators on the grounds that 'the problem is far broader than a simple American problem; it's a problem of our contest with the Soviet system, the Soviet military power, and the exertion of that power'.⁴⁰ A comprehensive review of Central American policy undertaken at this time 'in the light of the Soviet threat' also led Reagan to seriously consider increasing the number of US military advisers in El Salvador beyond the current limit of 55.⁴¹ In mid-March, the White House made plain its intent to, if possible, further militarise Salvadoran civil society to combat and destroy the revolutionary movement. Reagan proposed that an emergency \$298 million economic and military assistance package be authorised for Central America, with approximately 60 per cent of the total—\$110 million in arms aid and \$67 million in economic aid—being earmarked for the government in El Salvador.⁴² In April, administration officials acknowledged that negotiations were in progress with the Honduran regime to establish a military base inside the country, staffed by approximately 100 US military advisers, for the purpose of training Salvadoran troops.⁴³

Conclusion

During its first two years in office, Reagan White House requests totalling more than \$50 million to construct an intelligence-gathering network in Central America have been approved by the Congressional intelligence committees.⁴⁴ By early 1983, covert intelligence operatives and technicians in the region were more numerous than US military advisers. The administration is now seeking to correct this imbalance through projected major increases in military aid and Pentagon personnel to bolster its clients and defeat its antagonists in the area.

The open-ended nature of US support, no matter how terrorist the regime is, indicates that much more is involved than 'defending' El Salvador or destabilising Nicaragua: the basic issue is the Reagan imperial state's determination to demonstrate that its militarist policy 'works'—it defeats revolutionaries, it defends US allies. The 'reconstruction' and recovery of US domination in Central America through projections of military power reflects the attempt by Washington to recreate the 'golden age' of the 1950s—the era of virtually unquestioned US domination.

The Reaganites engage in a wilful disregard of the fundamental objective changes which have taken place in the world since the 1950s: an increasingly independent and competitive Western Europe; the growth of economic ties between Western Europe, the Third World and the Soviet

bloc; Latin America's declining trade dependence on the US and parallel expansion of commercial links with Western Europe, Japan and the non-capitalist countries; regional organisations and cartels which define new sets of relationships, etc. Recognition of these objective changes and the development of diverse interests would certainly temper the Reagan foreign policy makers' efforts to 'impose' an East-West confrontational straightjacket and to solve problems through military escalation.

Rather than face the constraints, the Reaganites prefer to cling to their 1950s vision and try to 'create facts' through an ultra-voluntarist approach: the belief that by sheer acts of 'will', by escalating the bellicose rhetoric, by increasing US military commitments, they can bring about a change in the 'objective world'. In many ways, the voluntarism of the Reagan Right in the 1980s resembles the ultra-left 'foco' practitioners so numerous in Latin America during the 1960s: both substitute(d) subjective wishes for objective realities.

NOTES

1. For an extended discussion, see James F. Petras and Morris H. Morley, 'The US Imperial State', *Review* (Journal of the Fernand Braudel Centre, Vol. IV, No. 2, Fall 1980), pp. 171-222.
2. Detailed analyses of the different forms of US imperial state interventions are found in the following literature: James Petras and Morris Morley, *The United States and Chile: Imperialism and the Overthrow of the Allende Government* (Monthly Review Press, New York, 1975); US Congress, Senate, Select Committee on Intelligence, *Covert Action in Chile 1963-1973*, 94th Congress, 1st Session, December 18, 1975 (US Government Printing Office, Washington, 1975); US Congress, Senate, Select Committee on Intelligence, *Alleged Assassination Plots Involving Foreign Leaders*, 94th Congress, 1st Session, Report No. 94-465, November 20, 1975 (US Government Printing Office, Washington, 1975); Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Untold Story of the American Coup in Guatemala* (Doubleday & Company, New York, 1982); 'How the CIA got rid of Jagan', *Sunday Times*, London, April 16, 1967, p. 1, 3; Phyllis R. Parker, *Brazil and the Quiet Intervention, 1964* (University of Texas Press, Austin and London, 1979).
3. See Nathaniel, 'The Angola Decision of 1975: A Personal Memoir', *Foreign Affairs*, Vol. 56, No. 1, Fall 1978, pp. 109-124.
4. The contradiction between economic growth and dictatorial rule in Iran under the Shah is discussed in James F. Petras and Morris H. Morley, 'Development and Revolution: Contradictions in the Advanced Third World Countries—Brazil, South Africa, and Iran', *Studies in Comparative International Development*, Vol. XVI, No. 1, Spring 1981, pp. 3-43.
5. US Agency for International Development, Statistics and Research Division Office of Program and Information Analysis Services, *US Overseas Loans and Grants and Assistance from International Organizations, July 1, 1945-September 30, 1975* (Washington, D.C., 1977), pp. 43, 47-48, 53-5, 183-5; US Agency for International Development, Office of Planning and Budgeting, Bureau for Program and Policy Coordination, *U.S. Overseas Loans and Grants and Assistance from International Organizations, July 1, 1945-September 30, 1979* (Washington, D.C., 1980), pp. 45, 49-50, 53, 55-7, 218-22.

6. US Congress, Senate, *Covert Action in Chile 1963-1973*, op. cit., pp. 9, 28-29.
7. Ibid., p. 37.
8. A detailed analysis of the Chilean case is found in James Petras and Morris Morley, *The United States and Chile*, op. cit.
See 'Nicaragua: Widening the search for credit', *Latin America Weekly Report* WR-82-44, November 12, 1982, p. 10; Sabine Mabouche, 'France to Complete Arms Sale to Managua', *Washington Post*, July 10, 1982, p. A18; 'French Arms Go to Nicaragua', *New York Times*, July 13, 1982, p. 6.
10. The White House continues to pursue its economic warfare against the Sandinista regime. At the time this manuscript was completed (April 1983), the Reagan administration was drawing up plans that would drastically cut back on the amount of sugar that US firms could purchase from Nicaragua. These exports represent a major source of Managua's badly needed hard currency earnings. See Patrick E. Tyler, 'Nicaragua's Sugar Sales May Be Cut', *Washington Post*, April 5, 1983, p. A11; Seth S. King, 'US Study of Sugar Imports Set', *New York Times*, April 6, 1983, p. D9.
On the role of Argentina and Israel, see, for example, Leslie H. Gelb, 'Argentina Linked to Rise in Covert US Actions Against Sandinists', *New York Times*, April 8, 1983, p. 10; John Rettie, 'Israeli arms help Guatemala's fight against guerrillas', *The Guardian* (UK), January 10, 1982, p. 9; Ignacio Klich, 'Caribbean boomerang returns to sender', *The Guardian* (UK), September 5, 1982, p. 8; Edward Cody, 'Sharon to Discuss Arms Sales in Honduras', *Washington Post*, December 7, 1982, p. A19.
12. Despite Congressional restrictions on military aid to Guatemala, the Reagan administration has taken advantage of loopholes in the legislation to provide the Guatemalan armed forces with materials, instruction and expert advice since the Rios Montt coup of March 1982. In January 1983, it formally lifted the embargo on arms sales, paving the way for the military dictatorship to purchase \$6.3 million worth of spare parts and other equipment for its air force—primarily for US-made helicopters which play a major role in the regime's war against the guerrilla movement. See Alan Riding, 'US Is Said to Plan Aid to Guatemala to Battle Leftists', *New York Times*, April 25, 1982, pp. 1, 21; Richard J. Meislin, 'US Military Aid for Guatemala Continuing Despite Official Curbs', *New York Times*, December 19, 1982, pp. 1, 18; Bernard Gwertzman, 'US Lifts Embargo on Military Sales to Guatemalans', *New York Times*, January 8, 1983, pp. 1, 4.
13. Quoted in Alan Riding, 'Nicaragua Seeking Accord in El Salvador', *New York Times*, February 12, 1981, p. 11.
14. Quoted in 'A Secret War for Nicaragua', *Newsweek*, November 8, 1982, p. 44.
15. Ibid.
16. Quoted in James Nelson Goodsell, 'Nicaragua Drift to Left Stirs Washington Warning', *Christian Science Monitor*, November 4, 1981, p. 1.
17. Ibid.
18. See John M. Goshko, 'Haig Won't Rule Out Anti-Nicaragua Action', *Washington Post*, November 13, 1981, p. A13.
19. Quoted in Michael Getler and Don Oberdorfer, 'US Nearing Decision on Nicaragua: Pressure to "Do Something" Grows', *Washington Post*, November 22, 1981, p. A1.
20. Ibid., p. A33. Also see Don Oberdorfer, 'Haig and Seese Vent Impatience with Nicaragua', *Washington Post*, November 23, 1981, p. A1, A16; Bernard Gwertzman, 'Haig Warns Time is Growing Short on Nicaragua', *New York Times*, November 23, 1981, p. 15.
21. See Richard Halloran, 'Nicaragua Arms Called Peril to Area', *New York Times*, December 3, 1981, p. 12.

22. Quoted in Bernard Weinraub, 'Reagan Policy in Central America: After 2 Years, Tough Tone Softens', *New York Times*, January 25, 1983, p. 12.
23. See Don Oberdorfer and Patrick E. Tyler, 'Reagan Backs Action Plan for Central America', *Washington Post*, February 14, 1982, pp. A1, A4; Patrick E. Tyler and Bob Woodward, 'US Approves Covert Plan in Nicaragua', *Washington Post*, March 10, 1982, pp. A1, A16.
24. Ibid.; Leslie H. Gelb, op. cit., p. 10.
25. Ibid.
26. Quoted in 'National Security Council Document on Policy in Central America and Cuba', reprinted in *New York Times*, April 7, 1983, p. 16. Also see Raymond Bonner, 'President Approved Policy of Preventing "Cuba-Model States"', *New York Times*, April 7, 1983, pp. 1, 16.
27. See 'A Secret War for Nicaragua', op. cit., p. 44.
28. See Philip Taubman, 'CIA is Making a Special Target of Latin Region', *New York Times*, December 4, 1982, p. 1.
29. Ibid.
30. See Raymond Bonner, 'US Ties to Anti-Sandinists are Reported to be Extensive', *New York Times*, April 3, 1983, pp. 1, 14. The Honduran informant has close ties to the Honduran military as well as American diplomatic and military officials in Tegucigalpa, and was directly involved in joint military planning activities until early 1983. Also see Philip Taubman, 'US Backing Raids Against Nicaragua', *New York Times*, November 2, 1982, p. 6.
31. See Philip Taubman, 'CIA Is Making a Special Target of Latin Region', op. cit., p. 7.
32. Christopher Dickey, 'US Presses Honduran War Games', *Washington Post*, October 17, 1982, pp. A1, A12.
33. See Michael Wright, 'GI's Join Honduran Soldiers in Manoeuvres on Nicaraguan Border', *New York Times*, February 2, 1983, p. 4. Also see Christopher Dickey, 'US-Honduran Exercise is Held near Nicaragua', *Washington Post*, February 3, 1983, p. A25.
34. See John Eisendrath and Jim Morrell, *Arming El Salvador* (Center for International Policy, Washington, D.C., 1982), p. 2.
35. See Michael Getler, 'US Pumps in Arms, Widens Training to Rescue El Salvador', *Washington Post*, March 5, 1982, pp. A1, A20.
36. See Raymond Bonner, 'Fraud is Reported in Salvador Vote', *New York Times*, June 4, 1982, p. 5; Raymond Bonner, 'New Doubt Cast on Salvadoran Vote', *New York Times*, June 14, 1982, p. 2.
37. See Raymond Bonner, 'Salvador Evicts Peasants from Land', *New York Times*, May 30, 1982, p. 3; Raymond Bonner, 'Peasant Leader in El Salvador Asserts 25 Are Evicted Daily', *New York Times*, June 5, 1982, p. 21; Raymond Bonner, 'Salvador Killing is Said to Increase', *New York Times*, June 1, 1982, p. 3.
38. Bernard Weinraub, 'Reagan Asks \$9.2 Billion in Foreign Military Aid for Next Year', *New York Times*, February 5, 1983, p. 3.
39. See Bernard Gwertzman, 'A New Focus on Salvador', *New York Times*, March 1, 1983, pp. 1, 10.
40. Quoted in Bernard Gwertzman, 'Shultz Says US Told Salvadorans to "Clean Up" their Rights Record', *New York Times*, March 23, 1983, p. 3.
41. Quoted in Bernard Weinraub, 'Reagan Weighing More US Advisers for El Salvador', *New York Times*, March 1, 1983, p. 1. As of March 1983, there were almost three times as many CIA personnel (150) as Pentagon officials in El Salvador. See Philip Taubman, 'US Said to Have Large Spy Network in Latin America', *New York Times*, March 20, 1983, p. 16.