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"FIVE OR ONE:" NICARAGUA AND ITS NEIGHBORS

Dialogue #23

February 10, 1984

Anthony C.E. Quinton
United States Ambassador
to Nicaragua

Preface

Anthony C.E. Quinton, United States Ambassador to Nicaragua, delivered this keynote address at the Second Annual Journalists' and Editors' Workshop on Central America on February 10, 1984 in Miami, Florida. Sponsored by the Latin American and Caribbean Center of Florida International University, Esso Interamerica, Inc. and The Miami Herald, this workshop brought together some ninety academics, television news producers and correspondents, newspaper editors and reporters and government officials to discuss current problems of news coverage on the region as well as the substantive issues of Central America's present and future socio-political dynamics.

Ambassador Quinton has held a series of diplomatic posts since entering the Foreign Service in 1959. Prior to his appointment as Ambassador to Managua in 1982, Mr. Quinton served as Ambassador to the Central African Empire from 1976 to 1978 and as Director of the State Department's Office for Combatting Terrorism between 1978 and 1982.

He was honored in 1972 by the American Foreign Service Association with its William R. Rivkin Award, presented annually to a middle level officer for "outstanding intellectual originality, courage, forthrightness and constructive dissent."

Mark B. Rosenberg
Director

"FIVE OR ONE" - NICARAGUA AND ITS NEIGHBORS

On the fifteenth of September 1821, Central America severed its formal ties with the kingdom of Spain and emerged on the world scene as an independent state: The United Provinces of Central America. That initial formal unity did not last, and by 1837 Central America was subdivided into the five independent states we know today. A deep yearning for unity, however, lingered in the region. William Walker, the noted American filibusterer, who in 1855 made himself president of Nicaragua, took as his motto "Five or One," thereby making clear his own vision of a united Central America.

Despite many subsequent vicissitudes, that sense of unity remains alive. It is a powerful force affecting not only the perceptions, but also the actions of the countries of the region today. However, the desire for unity immediately runs up against the reality of ideological division, and hence poses the fundamental question for Central America: Is cooperative coexistence and interstate pluralism possible under present circumstances? Can a fully democratic Costa Rica, newly democratic El Salvador and Honduras, and conservative authoritarian Guatemala live in peace with marxist Nicaragua? The answer to that question is central to U.S. policy as we try to define the basic political conditions for Central American coexistence.

Before addressing U.S. policy concerns, it would be well to look at the nature of intra-Central American relations. On the political level relations are, at first sight, surprisingly normal. Each country, on its automobile license plates, proclaims itself a part of "Central America." All countries maintain diplomatic relations. Central American leaders greet each other with affability at international conferences. The Nicaraguan-Costa Rican joint commission continues to meet and to make progress on such issues as border

demarcation. In addition, the free movement of people is still relatively commonplace. The middle class regularly marries across national boundaries. For example, the father of the present Costa Rican foreign minister was Nicaraguan. Until recently, workers moved seasonally, with Hondurans and Salvadorans cutting Nicaraguan cotton and coffee, and Nicaraguans performing the same functions in northern Costa Rica. These interrelationships are well established and underly political relations in the region. They are part of the collective consciousness of all Central American leaders.

Yet, this surface normality conceals profound political differences, rivalries, and tensions. Insurgencies in El Salvador and Nicaragua go on against a background of accusations of direct interference by one state in the affairs of another. Salvadoran guerrillas -- financed, trained and armed with the assistance of Cuba and Nicaragua -- seek the overthrow of the existing elected government. Nicaragua charges that counterrevolutionaries -- financed, trained, and armed by the United States and Honduras -- seek the overthrow of the Sandinista regime. In addition, Honduras fears Nicaraguan support for insurgents, as in last year's incursions into the Olancho department. Costa Rica, faced with border incursions from the Sandinista Army and occasional terrorist acts linked to the Sandinistas, is acutely preoccupied with the threat from the north. And the Nicaraguan government complains of the incursions by Eden Pastora's forces from the south.

Events of the last four years have given new saliency to, and have intensified, longstanding disputes. A host of territorial differences remain unresolved in the region. One country claims another (Guatemala: Belize), Honduras and El Salvador, since the Soccer War of 1969, are at odds over title to the so-called Bolsones. Nicaragua and Costa Rica have substantially different views of the interpretation of the sovereignty provisions of the Canas-Jerez Treaty and the 1888 Cleveland award governing use of the San Juan River. Honduras and Nicaragua have no agreed maritime boundary on either coast, with the result that border

incidents involving fishing vessels and other crafts are common. Nicaragua, of course, lays claim to Colombia's San Andres Islands and looks wistfully at Costa Rica's Guanacaste province, which it once owned.

Membership in regional institutions has also become divisive. Nicaragua has recently reasserted its right to membership in Condeca, the Central American regional defensive alliance. Condeca had been virtually defunct for the last few years, but showed new signs of life late in 1983, when several of its former members met in Guatemala without Nicaraguan participation. In addition, Guatemala and Nicaragua, drawn together as the two pariah states of the region, bitterly criticized the Central American democratic community of 1982 from which they were excluded.

Political tensions are also heightened by the tendency of several of the countries of the region to look down on all the rest. Guatemala, the largest and economically the most powerful, remembers its era of glory when it was the Captain-General of Central America. Costa Rica, with forty years of democracy under its belt, seeks to project the stability of its political system and its tradition of neutrality in stark contrast to the prolonged dictatorships, violent coups, and wars of its northern neighbors. Nicaragua, of course, now sees itself as the vanguard of Central American Revolution, which it believes will inevitably triumph throughout the area.

If the pressures for political unification are long-standing, those for economic integration are more recent. In the economic sphere, the five countries have many similarities. They depend for their foreign exchange on the export of cotton, coffee, sugar, bananas, meat, tobacco, and seafood. All rely to a substantial degree on the United States as their basic foreign market. All depend on the United States as a source of industrial raw materials, agricultural equipment, and spare parts, not to mention basic inputs such as fertilizers and pesticides. All have substantial levels of U.S. investment.

In terms of agriculture, however, these economies have not been entirely complementary. In many world markets they must compete, although in the case of sugar and coffee they have been shielded from competitive market forces by the international coffee agreement and the U.S. sugar quota. In the case of bananas, they have also been protected from some of the effects of competition by the fact that production is primarily in the hands of two large multinational corporations -- the old Standard and United Fruit companies which, while competing against each other, have done so in a way which did not lead to direct competition between individual countries.

On the industrial and commercial side, the five Central American countries began to make serious efforts to industrialize their economies in the 1960's in the framework of the Central American Common Market. The great hope of the CACM was that autarchic economic development in the individual countries of Central America could be avoided, and that each state would develop its economy on the basis of comparative advantage. The results were initially spectacular. In the 20 years from 1960 to 1980, regional trade grew thirty-fold from only \$33 million in 1960 to over \$1 billion in 1980. Growth, however, was not evenly distributed, and the benefits of the common market did not accrue equally to all. In fact, serious disequilibria developed under which the relatively stronger economies of Guatemala and Costa Rica built up very large trade surpluses, whereas the others faced substantial deficits. Recognizing these problems, the Kissinger Commission recommended that special attention be given to this problem by providing additional resources to the Central American Bank for Economic Integration, through which much of the region's trade is financed.

The emergence of the Nicaraguan revolutionary process, however, has worked directly against economic cooperation and integration. Nicaragua's support for insurgent movements throughout the region has undermined business confidence. Not only is new investment down, but a steady process of decapitalization has

has gone on. Intraregional trade has declined from \$1,129,000,000 in 1980 to \$752 million in 1983. Acute foreign exchange shortages have exacerbated economic relationships, encouraged barter trade and, in certain specific cases, led to border closings (most recently between Guatemala and El Salvador). As long as investors within and without the region perceive the likelihood of high levels of political violence sponsored by external marxist governments, the prospects for sustained growth remain bleak. Intraregional trade will continue to decline, investment will be limited, and the severe underlying social and economic problems of the region will be addressed inadequately.

While the critical political context is important in each country of the area, no country's future is as determinant as that of Nicaragua. Most political and economic issues would be manageable -- indeed were manageable for generations -- were it not for the new dimension: revolution. Central Americans do not see the victory of the Sandinistas as an isolated phenomenon. It marks for them (and for us) a watershed. For the first time in the region's history, a broad coalition of forces (church, private sector, youth and revolutionary armed forces) united to overthrow a political dictator and its associated social and economic system. Whatever else it may have been the Sandinista revolution has not been a transitory phenomenon. It has profoundly changed Nicaraguan society, overturned established social patterns, and created a new political model whose repercussions are region-wide. Most Central Americans hoped that the revolution would be a process committed to a Western version of political pluralism and mixed economy, and that its foreign policy, if not pro-american, would at least be non-aligned. Those hopes have, of course, not been fulfilled as the FSLN is creating its own type of authoritarian marxist state.

In effect, the advent of the Sandinistas to power has changed the rules of the game in Central America. The easy relationship of the past among Central American states has gone, notwithstanding residual economic links and personal

friendships. Those past relationships were characterized by a relatively high degree of institutional tolerance and a laissez-faire, live-and-let-live acceptance of each country's idiosyncracies. The brief period of Arbenz government in Guatemala challenged the established rules of the game as have the Sandinistas, but in Guatemala no revolution took place and no set of Marxist institutions was consolidated.

After four-and-a-half years of revolutionary government in Nicaragua, it is evident that the old order has disappeared. Land has been transferred to the peasants in significant quantities; the middle class has been dispossessed or has gone into exile; youth now dominate both the society and the government. That half of the population which is under 17 years of age has no recollection of the old somocista Nicaragua, nor of pre-revolutionary Central America. Instead, most accept the values of the Sandinista revolution and are willing to believe in its essential legitimacy and moral integrity. They also accept the need to remake the region in their own image by example, if possible; by force, if necessary. As they shout at every public event in Managua: "Nicaragua has won, Salvador will win."

The comandantes undoubtedly believe that the revolutionary process is an inevitable one, obeying laws of historical necessity. Some comandantes may be more impatient than others; some may be content to build a revolutionary Nicaragua first, and worry about the export of revolution later. Others wish to press ahead with a permanent revolution throughout the area. In this, the fiftieth anniversary of Sandino's death, the theme of nationalism rather than internationalism is being stressed. But the broader anti-imperialist, anti-yankee struggle is never forgotten. The FSLN considers itself not only a vanguard for the people of Nicaragua, but a beacon for the region as a whole.

It is against this background that U.S. policy has had to be made. Seeking,

as we do, a stable Central America working toward democracy, balanced economic development and social justice, we find the disruptive power of the Sandinista revolution an immediate challenge to our values and our objectives.

Over the last four-and-a-half years, we have witnessed four disturbing trends, each of which has worked against the possibility of developing harmonious interdependence in Central America. First: instead of a non-aligned Nicaragua, we have seen the revolutionary government move ever closer to Cuba and the Soviet Union, in terms of trade, aid, and military dependence. For example, 47% of Nicaragua's foreign aid commitment in 1983 came from the Soviet bloc, as compared to only 15% in 1981. Trade increased, and the first shipments of Soviet petroleum arrived. Second: instead of political pluralism, with full political rights for all political options, we find a system in which one party, the FSLN, asserts unique legitimacy for itself. Other parties have either been excluded from the process entirely because they are outside the country or have been marginalized and/or emasculated by Sandinista pressure. Thirdly; instead of a country focused on its own economic development, we have seen the the creation of a substantial military capability which drains scarce resources from development into defense. It is well to remember that even in the first year of the revolution, the Sandinistas decided to create a standing army twice the size of Somoza's National Guard. Since then, with the creation of reserve units and popular militias, Nicaragua has become the most powerful military force in the region. And to make matters worse, this military force is equipped with sophisticated weapons systems, such as T-54/55 tanks, multiple rocket launchers, and heavy artillery never before seen in the area. Finally: we have seen a revolution which has not shirked its "revolutionary duty." Arms have gone generously to Salvador, communications facilities have been provided to the FMLN, other leftist and revolutionary groups have received training, safe-haven and solidarity. The disruptive effects of this support are all too readily apparent in the rising level of regional violence.

Is it small wonder that Nicaragua's four neighbors are afraid? They ask themselves whether Walker's dictum "Five or One" will not take on a new meaning with the Sandinistas seeking to impose a new ideological unity throughout the region. Recently, one of the nine comandantes of the revolution commented that there would either be a revolutionary Nicaragua or no Nicaragua at all. At times, one is tempted to ask whether they do not also think that there will be a revolutionary Central America or no Central America at all.

What has the United States tried to do in response to this ideological and political challenge? In the first place, we have listened to the calls for help of Nicaragua's neighbors. We have responded generously in terms of aid in order to provide both an economic and military shield for the nascent or established democracies of the area. The Central American democracy, peace and development initiative (The Jackson Plan), building on the recommendations of the Kissinger Commission, is designed to promote democratic self-determination, economic and social development, respect for human rights, and cooperation against external threats.

But the benefits of this initiative will not be fully obtained as long as there is not a degree of harmony between Nicaragua and its neighbors. To that end, we have made clear in all our dealings with the Nicaraguan government that we seek from them four substantial changes of policy. As assistant secretary Motley stated in his speech to the Foreign Policy Association on January 19, we seek:

- The establishment of a genuinely democratic regime in Nicaragua.
- A definitive end to Nicaragua's support for guerrilla insurgencies and terrorism.
- Severance of Nicaraguan military and security ties to Cuba and the Soviet bloc.
- Reductions in Nicaraguan military strength to levels that would restore

military balance between Nicaragua and its neighbors.

Essentially, these four points meet the basic concerns of Nicaragua's neighbors, who believe that no regional stability is possible until the Nicaraguan regime ceases either directly or potentially to threaten them and is not under the direction of an alien power. These goals were accepted implicitly even by the Sandinistas themselves in their original commitments to the Organization of American States in 1979 and in their acceptance of the 21 Contadora objectives in September 1983. Clearly, if the Sandinista regime reverts to its original commitment to political pluralism, non-alignment, and non-intervention, the prospects for peace in Central America improve dramatically. Such changes would not be the prelude to a homogeneous Central America, in which historical and cultural differences would be eliminated. But the fundamental incompatibilities would have been removed and the possibilities of integrated economic development enhanced. This is not to suggest that we have our own political mould or ideological straight-jacket into which we wish to force Central American realities. It is, however, to recognize that Nicaragua's relations with its neighbors are at the heart of any durable solution. As we have repeatedly made clear: if Nicaragua solves its problems with its neighbors, it will have little difficulty in solving its problems with the United States. At that point, we will not be faced with the dichotomy implicit in William Walker's slogan. We will not have to ask whether they are five or one. Central America will be both: five separate and sovereign, cultural, and political identities linked in such a way that the region's fundamental economic and geo-political unity will be promoted. Central America can then go forward committed to democracy, equitable social change, and non-intervention. Those are our goals in our bilateral dealings with the Sandinista government and in our support for the totality of the Contadora process. No immediate solution is on the horizon, but the agenda is clear.