

## Central America: US Policy

April 1982

Background: All Central American countries are undergoing rapid political and socio-economic change. The US supports peaceful change in accord with the people's wishes, free from outside intervention or the imposition by force of minority regimes of the left or right.

The Central American countries--Guatemala, Belize, El Salvador, Honduras, Nicaragua, and Costa Rica--are small and poor. Total population is 23 million and gross domestic product \$20 billion, about \$900 per person compared with \$11,500 in the US. Because they are our near neighbors--Costa Rica is closer to Washington than is San Francisco--what happens in these countries directly affects us.

US security interests: The US has major national security interests in the Caribbean, our "third" border. Nearly half of our trade, two-thirds of our imported oil, and over half of our imported strategic minerals pass through the Panama Canal or the Gulf of Mexico. In time of war, half of the military supplies for our forces in NATO would transit the area. Should our adversaries be able to develop new bases there, we would face major additional expenditures in order to redeploy our forces. Moreover, the emergence of totalitarian regimes is usually followed by large outflows of people in search of freedom. This has happened repeatedly in Cuba and is happening in Nicaragua, yet the US already is strained by efforts to help refugees.

US policies: There are two broad frameworks--humanitarian and national security--in which the US is debating policy toward Central America. Neither framework in itself is sufficient. Avoiding control of Central America by our worldwide adversaries will do no good if we must support repressive, narrowly based regimes in the process. Such regimes perpetuate conditions which invite subversion. In the end, hostile Marxist governments may emerge and become a factor in the global power balance. At the same time, if we do not also help Western-oriented governments resist violent insurgents, it will do no good to pursue reforms that permit wide power sharing, eliminate brutality, and encourage economic progress and growth of democratic institutions. We know that when these insurgents come to power, as in Cuba, they will not respect human or political rights.

We are actively helping those working for peaceful change to advance social justice and popular participation. For example, we are supporting land reform in El Salvador, Guatemala, and Costa Rica because giving ownership to small farmers encourages them to produce and invest more and makes them fuller participants in society. We support political reforms in El Salvador because broadly based institutions are needed to help Salvadorans overcome deep societal divisions. On March 28, 1982, despite efforts by leftist insurgents to block the election by intimidating voters and violently disrupting polling places, well over 1 million Salvadorans--the highest number

ever--voted for a new constituent assembly charged with forming a provisional government, drafting a new constitution, and preparing for presidential elections. Elections also have been important in Costa Rica and Honduras.

- Following election of a constituent assembly in April 1980, free elections in Honduras in November 1981 resulted in return of a civilian government after 10 years of military rule. The US is extending economic aid to help build needed institutions and to increase economic growth in this poorest Central American country.
- Costa Rica, whose democratic tradition has been continuous since 1948, returned the opposition to power in peaceful elections in February 1982.
- In Guatemala, a military coup, led by apparently reform-minded younger officers, occurred in March 1982. The US is ready to work with any Guatemalan Government that pursues a program of political, economic, and human rights reforms. Such reforms are necessary if Guatemala is to contend successfully with its Communist insurgency.
- Before coming to power, Nicaragua's Sandinista leadership promised early free elections but, after taking over, quickly postponed them until at least 1985. The US has expressed serious concern about Nicaragua's support of Communist insurgents in El Salvador, its rapid buildup of the largest military force in Central America, and its general suppression of the church, the press, the Miskito Indians, and opposition parties. The US has held the door open to a cooperative relationship provided these disturbing trends are changed.

The President has proposed a comprehensive trade, investment, and assistance plan--the Caribbean Basin initiative--to help throughout the region, particularly by giving the private sector the opportunity to sell in the US market and thereby increase employment and productivity.

We are also providing military aid, particularly to El Salvador. This aid is needed to enable the governments of the region to resist efforts of externally supported guerrillas to disrupt the reform process. US military aid to Honduras helps it control its territory, which is transited illegally by those moving arms to El Salvador, and helps reduce its concerns about Nicaragua's military buildup.

International support: The Caribbean Basin countries, two-thirds of them practicing democracies, share our concerns. In December, the OAS General Assembly endorsed the Salvadoran elections by a 22-3 vote. In January 1982, Costa Rica, El Salvador, and Honduras, supported by the US, Venezuela, and Colombia, established the Central American Democratic Community, an organization dedicated to protecting democratic institutions and solving the problems of underdevelopment. The Caribbean Basin initiative is being undertaken in partnership with Venezuela, Mexico, Colombia, and Canada, each of which is making a substantial aid and trade contribution.

Sustained effort: Central Americans want to build both democratic institutions to permit full political participation and modern societies to provide jobs, health, and education for all. This will take time. For too long the US neglected Central America. We should not now adopt the other extreme by expecting massive changes overnight. The proper course is sustained effort.