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THE UNITED STATES AND EL SALVADOR

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THE UNITED STATES AND EL SALVADOR

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AIR WAR COLLEGE RESEARCH REPORT ABSTRACT

TITLE: The United States and El Salvador

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This report looks at the relationship between the United States and El Salvador from two perspectives: first, it examines the internal social, political and economic dynamics which brought El Salvador to its present crisis; then it looks at how U.S. policy has evolved over the years to the point where El Salvador has become one of the main recipients of U.S. interest and aid. The paper then reviews in some detail current U.S. policy toward El Salvador, assessing how well it meets both Salvadoran and U.S. goals and objectives. Finally, the author offers some thoughts on how U.S. policy should be modified to serve longer term goals for both El Salvador and the Central American region.
Lieutenant Colonel Merline A. Lovelace entered the U.S. Air Force in 1968 and has served as commander, executive officer and/or personnel officer at squadron, wing, MAJCOM and Air Force Secretarial levels. Her interest in the use of military manpower as instruments of national policy stems from her own service in South Vietnam in 1971-72 and from a recent assignment in the Organization of the Joint Chiefs of Staff, where utilization of joint manpower in Central America was a major issue. LtCol Lovelace holds a BA from Ripon College, Wisconsin, and an MS from Troy State University, Alabama. She is a graduate of the USAF Squadron Officers' School, the Armed Forces Staff College and the Air War College, class of 1985.
In 1977 the American Ambassador to El Salvador testified before the United States House of Representatives Committee on International Relations that "the United States really has no vital interests in the country." By 1982, however, El Salvador had become the fourth largest recipient of US aid -- after Israel, Egypt and Turkey -- and President Reagan had publicly affirmed its criticality to US security interests. The purpose of this research effort was to explore the history of US/Salvadoran relations and to examine the issues and conditions which led to their place of prominence in US foreign affairs.

During the course of the research it became evident that most works dealing with El Salvador focus on the internal economic, political and social determinants which contributed to its present crisis. As a consequence, these works tended to view US policy as having evolved as a result of internal Salvadoran factors and thus evaluate our policy in relation to whether it is in fact the best one for El Salvador. At the opposite extreme, of course, were those who asserted that US policy must be based on what is, ultimately, best for the United States and that our relations with El Salvador must be viewed solely in light of US national interests.

The basic premise of this paper is that US policy must be a blend of both. It must consider the historical, social and political imperatives of the nation in question to shape a foreign policy which will work toward US
goals and interests. Thus, this paper looks at US policy toward El Salvador from two main perspectives. Chapter II addresses the internal dynamics which shaped the El Salvador we deal with today. Chapter III then examines how US policy toward El Salvador has evolved to its present point. Current policy is assessed in Chapter IV, again using an historical framework against which US goals and objectives are measured. The final chapter uses the past as a springboard to address US policy options for the future.
CHAPTER 11

SALVADORAN PERSPECTIVES

To understand US policy and relations with El Salvador it is first necessary to gain an appreciation of the salient aspects of that nation's history and geopolitical situation. Indeed, the unique national heritage of this tiny Central American country has shaped and will continue to shape its relations to the world around it in general and to the United States in particular.

Geopolitical Realities

The smallest of all Central American nations (8,124 square miles), it is also the most crowded (4.5 million people) with a population which doubles every 25 years. In 1982 its per capita income was the lowest in the Western Hemisphere except for Haiti. It has no oil, no gold, no silver or any other vital minerals. Its economy is and always has been primarily agrarian, with ownership of the land concentrated in the hands of a few. A 1979 report showed that 99.15% of the people owned only 22.7% of the land, while the remaining .85% owned over 77% of the land.

Historical Imperatives

Just as the geopolitical conditions cited above shape El Salvador today, so too does its unique social and political history. First sighted by the Spanish in 1522, El Salvador was eventually colonized under a monocultural system which produced first cocoa (until approximately 1600) and then indigo (until around 1820) as the primary export commodity. Where land
once been communally owned by the native Indians, efficient mass production of crops for export led to displacement of the Indians and consolidation of large tracts of land into private haciendas. By the time of independence in 1821, approximately one third of El Salvador's total land area was concentrated in 400 large haciendas. A plurality was still held as communal land, and the remainder belonged to small property owners.

In the mid-nineteenth century, however, world demand for indigo fell as commercial dyes were produced, and El Salvador began shifting to coffee as its prime export crop. In this change are the roots of the country's present crisis. Unlike indigo, which has an annual growing and harvesting cycle, coffee trees do not produce for three years after planting. Thus, only the large hacienda owners were wealthy enough to afford the transition period. The Salvadoran government, in an effort to speed up modernization and boost its country's economy, passed a series of laws which mandated coffee planting and caused greater displacement of the peasants and consolidation of more and more communal lands into fewer and fewer hands. Despite violent uprisings and protests, by 1900 the best land in the country was held by the "Fourteen Families", who by then also had control of the state political machinery.

The economic and political power of this coffee oligarchy grew unchecked during the coffee boom of the 1920s, but was sufficiently threatened by popular unrest during the Great Depression, when coffee prices plummeted, that the oligarchy entrusted formal power to the military to control the peasants. An uprising in 1932 led in part by the Marxist-Leninist devotee, Augustin Farabundo Marti, was brutally put down by the military, with an estimated 10,000 to 30,000 peasants killed in reprisal. This blood-letting in the aftermath of Marti's abortive revolt gave
the rebellion its name -- *la mantanza*, or the slaughter. It is impossible to understate the political and psychological legacy of the mantanza. As Bonner states, "Memories of that uprising account for the almost paranoic fear of communism that has gripped the nation ever since."6 (See Appendix I for a chronology of significant events from the mantanza to the present).

General Martinez, who so ruthlessly eliminated any vestiges of the rebellion, had come to the presidency through a coup d'etat the year before. After the mantanza the oligarchy kept the military in power to preserve social order and so established a political dominion by the military which remained unchecked to the present day.

Thus, as early as the 1932 mantanza are evident the three main features of Salvadoran political order which characterize it yet today. **First,** from 1932 on the oligarchy continued to consolidate its economic power base until by 1979 El Salvador had the most uneven distribution of income in all Latin America.7 Less than 5% of the population controlled over 38% of the national income. More than half of the country's peasants worked less than six months a year as labor on commercial plantations and had almost no access to land, either through renting or sharecropping, in the off-season.8

The **second** major trend from the mantanza to the present is that of military control of the political process. From 1932 to 1979, El Salvador had only nine months of civilian rule. As former Ambassador Frank Devine points out, El Salvador from the time of the mantanza was ruled by a practical, unshakable alliance of the wealthy elite and the military.9 With a modest growth of light industry in the 1950s and 1960s came a small middle class and trade unions, as well as the beginnings of some organized political opposition. Two major opposition parties, the Christian Democrats led by
Jose Napoleon Duarte and the Social Democrats under Guillermo Ungo, were formed during this time. However, as Blachman and Sharpe assert, political opposition had little real chance against the military regimes.

As the opposition grew it gained an increasingly broad base among the population, but reaction of the oligarchy and military forced it to change its character and strategy. In a series of four crucial struggles .... the opposition was systematically closed off from expressing itself through the arena of democratic electoral politics.\(^{10}\)

The general elections of 1972, in which the military defrauded Duarte and Ungo of their victory, and of 1977, in which blatant intimidation and ballot stuffing by the military shocked "even the most cynical"\(^ {11}\) accelerated the radicalization of the rank and file, who began to turn increasingly to extrasystemic actions to gain political influence.

Which brings us to the third main characteristic of El Salvador's political history with significance yet today -- that of violent protest, which is well rooted in Salvadoran history and follows an economic continuum. Violent uprisings occurred in the mid-1800s as indigo markets fell and coffee plantations displaced more and more peasants. Similarly, the hard times of the Depression led to the mantanza, which in turn produced bloody reprisals and the 14-year dictatorial rule of General Martinez. After a post-World War II coffee boom, a drop in prices in the late 1950s caused widespread discontent which gained new focus and direction from the Cuban Revolution in 1959. During the 1960s a reform-minded government, backed by the lavish Alliance for Progress, attempted to blunt revolutionary potential with tax and land reforms, social welfare programs, light industrialization, and some
tolerance of political opposition, as mentioned previously. However, El Salvador’s brief war with Honduras in 1969 marked the end of her prosperity and signaled a protracted period of economic disaster from which the country has never recovered.

**The Decade of the 1970s**

The 1969 Honduran/Salvadoran war brought devastating economic and political consequences for El Salvador. It effectively cut off regional markets for the country’s burgeoning light industries and forced the return from Honduras of an estimated 130,000 Salvadoran squatters to a nation that was already overcrowded and increasingly land poor. To compound the effects of the war, the 1970s brought falling coffee prices, increasing oil prices, growing interests rates and the flight of both domestic and foreign capital in the face of growing popular unrest. It is a bitter irony for El Salvador that she should have begun her light industrialization efforts and conversion of more and more land and other economic resources to producing for the world markets in the heady days of the Alliance, only to be caught in the world recession of the latter 1970s. The combination of deteriorating regional trade as a result of the 1969 war with Honduras and the impact of the world recession made a shambles of the Salvadoran economy.

As economic and social conditions worsened and political avenues of expression were flagrantly closed off by the military, opposition grew more organized and more violent. In Arnson’s words, the decade of the 1970s “marked the breakdown of El Salvador’s political order.” Schmidt sees it as “a tragic period of political retrenchment, reversal and institutional
Although the military reasserted its power by manipulating the elections of 1972 and 1977, it was faced by an increasing number of organized, vocal opposition groups. The People's Revolutionary Army (ERP) and the Popular Forces of Liberation (PFL), which are among the strongest guerrilla groups today, were founded in the early 1970s.

Another new force for political and social change began in the 1970s and has had a profound impact on El Salvador as well as other Latin American nations -- the emergence of liberation theology. This doctrine evolved in the wake of Vatican II and the historic 1968 Conference of Medellin, at which the Latin American bishops denounced institutionalized violence and imperialism and stressed commitment to improving the plight of the poor. This translated into very activist roles for local priests who saw their duty as being to help the peasants organize and protest social and economic conditions. Their efforts on behalf of the poor brought them into contact, and often into collaboration, with the militant left. Consequently, of course, they were seen as communist sympathizers by the right and became targets of intimidation and violence. Killings and repression of priests and lay people continued through the decade of the 1970s, culminating perhaps in the murder of Archbishop of San Salvador Romero and four American churchwomen in 1980. These activist priests played a tremendous role in sensitizing and organizing Salvadoran masses during this turbulent period. As Bonner states, "Priests, not Fidel Castro or Che Guevara, had the greater impact on the Salvadoran revolution."16

While the priests and growing guerrilla groups were at work in the countryside, significant political changes were taking place among the city dwellers as well. The prosperous times and liberal tendencies of the 1960s had led to formation of moderate opposition political parties, such as
Duarte's Christian Democrats, as well as some trade unions. After the fraudulent 1972 and 1977 elections, political expression became increasingly confrontational. Mass organizations that included labor unions, students, teachers, slum dwellers, and clergy clashed more often with government forces in the cities while armed guerrilla organizations battled in the countryside. The military governments during this period responded to these threats with brutal repression and wide-ranging death squads, garnering in the process worldwide condemnation for violations of human rights. Conditions deteriorated through the late 1970s as the country slid inexorably toward civil war.

Civil War

In October 1979, cited as a turning point in Salvadoran history, a coup deposed then-President General Romero and installed a military/civilian junta which included reformist officers and civilian opposition leaders, among them Guillermo Ungo. However, by January 1980 the government had collapsed when the civilian members resigned in protest over the military's unwillingness to submit to civilian control. The attempt at coalition government had failed, and El Salvador was now being reported in the world press as in an open state of civil war. Another junta was formed in March, with Jose Napoleon Duarte eventually being named president in December 1980.

The violence by both sides continued, however, with the assassination of Archbishop Romero, the murder of five prominent FDR leaders, and the rape and murder of the four American churchwomen, among many others. The left launched an all-out "final offensive" in January 1981 which failed in its objective of overturning the government but resulted in many casualties.
throughout the country. The 1982 Constituent Assembly elections did not give Duarte's party sufficient votes to form a government, and Alvaro Magana was named provisional president. Duarte returned to power, barely, after a runoff in the 1984 general elections, and began tentative negotiations with opposition leaders in October of that year.

These, then, are the social, political and economic imperatives which have shaped El Salvador and must be taken into account when formulating US policy for that nation. It is a poor, overpopulated nation with its wealth and land concentrated in the hands of a few. It has been and is now wracked by violence as a firmly entrenched military strives to control popular protest and dissent over economic and political conditions. The present civilian leadership depends on the fragile support of the oligarchy and, more importantly, the military, both of whom will continue to cooperate only as long as their institutional power base is not threatened. As Miguel Acoca bluntly states:

In El Salvador, as in most of Latin America, the officer corps is the dominant political force. It can curb or unleash death squads, ratify election results and veto or support peace talks. The military is the final arbiter, and Mr. Duarte, despite his election, is its hostage.17

From this look at Salvadoran internal dynamics, we turn now to a review of US policy and how it has, or has not, recognized these dynamics in postulating objectives and goals.
Early US/Salvadoran Relations

Unlike many of its Central American neighbors, El Salvador received little attention from the United States until well into the mid-twentieth century. With no strategic minerals and an essentially rural population that offered little in the way of markets for US goods, US economic interests in the country were negligible. Early US investment in El Salvador was $1.8M in 1908; $6.6M in 1914; $12.8M in 1919; and peaked in 1929 at $24.8M.\(^1\) Although this represented a significant investment to the Salvadoran economy, it was small in relation to US investment in the rest of Central America, which in turn was only 6.9% of US investment in Latin America as a whole. Investment faltered in the post-Depression era as a result of both US retrenchment and General Martinez’ anachronistic, anti-industrial policies. Initial economic and political overtures under the Roosevelt Administration’s Good Neighbor Policy were rebuffed by the pro-fascist Martinez, although he eventually joined the inter-American defense effort as supplies and support from former Axis allies dried up. US investment began to trickle back into El Salvador on the crest of a post-World War II coffee boom which generated surpluses and industrial initiatives. At the same time, the US moved to cement its military ties to El Salvador with its first grants under the Military Assistance Program and establishment of the first US Military Mission.
It was only after the 1959 Cuban Revolution, however, that the United States for the first time developed a cohesive policy for Latin America and, coincidently, El Salvador. Determined to halt the spread of communism by attacking the economic and political preconditions which foster popular unrest and revolt, the Kennedy Administration's Alliance for Progress appeared to serve both US national objectives and Salvadoran needs. In 1961 alone, the US provided $25M in loans to a newly installed junta headed by Colonel Rivera, and used these loans to pressure for political and social reforms. More than half of all foreign investment in El Salvador since 1900 was made in the 1960s. According to LaFeber, El Salvador received more Alliance funds than any other Central American nation -- $63M between 1962 and 1966 alone. Private investments increased until the US was a dominant influence in the transportation, oil-refining, and electric power sectors. In 1964-65, the economic growth rate reached an extraordinary 12 percent. Hundreds of new light industries were begun, and with US backing the Central American nations formed a common market to provide outlets for the paint and paper products, processed foods, wire and light bulbs, etc. which were produced. These initiatives coincided with rising coffee prices on the world market and the introduction of sugar as an important second export product, both of which increased El Salvador's revenues.

Several authors argued that the prosperity of this period in reality benefited only the existing economic elite and urban industrial workers, thus, in fact, widening the disparity between these groups and the rural poor and contributing to the tensions that followed. However, the economic
expansion did allow a period of moderate social reform and formation of centrist political parties, such as the Christian Democrats, which the US hoped would eventually bring true democracy to the region.

The second main thrust of the Alliance for Progress, that of "professionalizing" the national military and paramilitary forces to combat potential subversive and guerrilla movements, could be argued from the perspective of hindsight to have been detrimental to both Salvadoran and US interests in the long run. US military and Agency for International Development (AID) advisors helped reorganize national guard and police schools and units, train riot control squads, establish a centralized policy records bureau, and link via teletype the Central American countries so as to facilitate tracking of "subversives." While modernized internal control forces were arguably a necessary measure of progress, these initiatives did not take fully into account El Salvador's history of authoritarian military rule and the lingering paranoia from the mantanza which labeled any protest or opposition as communist subversion. North contends that US emphasis on counterinsurgency in El Salvador only "fortified the Salvadorean officers' most reactionary habits, particularly their identification of popular demands for reform with Communist subversion." 5 LaFeber is even more condemnatory of the influx of military training and supplies, which ultimately "meant that the United States was training native military personnel to protect the lives and property of the relatively few oligarchs." 6

In the mid-1960s, however, US policies for El Salvador appeared to be successful, and the Johnson Administration touted the country as a model
for other Alliance nations. The situation began to change toward the end of the decade as the Alliance began to falter. El Salvador's war with Honduras broke down regional initiatives, and US attention and resources shifted to its own war in Vietnam. During the Nixon Administration the focus was increasingly East/West, with little attention paid to Latin America. Newfarmer quotes Henry Kissinger as chastising the Chilean foreign minister in 1969 for aggressively pursuing North/South issues with President Nixon:

You come here speaking of Latin America, but this is not important. Nothing important can come from the South.... The axis of history starts in Moscow, goes to Bonn, crosses over to Washington then goes to Tokyo. What happens in the South is of no importance.

Throughout the 1970s the United States continued to supply minimal economic and military aid to El Salvador. However, the depressed economic situation of that decade refueled the cycle of public agitation for reform and resulting government repression. Government violation of human rights became so pervasive that it attracted worldwide attention, and the US Congress held special hearings in 1976 and 1977 to assess its implications for US foreign policy. In 1977, El Salvador joined Argentina, Brazil and Guatemala in rejecting proposed military assistance in protest over US criticism of those nations' human rights records.

**Carter Administration**

US/Salvadoran relations languished under the Carter Administration's human rights policies. Bonner contends that because of the absence of any
strong security interests in El Salvador in the early years of the Administration it became "a crucible for the human rights advocates within the State Department." Frank Devine, Ambassador to El Salvador in the troubled late 1970s, argues that the US treated Central America differently in the human rights arena by rationalizing that we could not change conditions in communist countries, had overriding security interests in countries like Korea, the Philippines and the Middle East, and thus used the weaker Central America as the proving grounds for human rights doctrine -- a double standard which did not escape the cognizance of the countries concerned.

Military aid was not requested by the indignant Salvadoran government in 1977, as noted above, and economic aid faltered as well. Backing for a $90M dam was withheld, but later approved despite protests by the State Department's Human Rights Bureau. These attempts by the US to induce moderation failed, however, as political repression, torture and murder by the right increased by every measure in response to growing social unrest. It was not until the 1979 Nicaraguan Revolution once again raised the specter of spreading communism that the Carter Administration really turned its attention to Central America and recognized the seriousness of the instability in El Salvador. "Non-lethal" military aid was resumed in 1979, with substantial increases in 1980 in Foreign Military Sales (FMS) and International Military Education and Training (IMET) grants. Additionally, Carter suspended a $1.5M aid package to Nicaragua, having become convinced that the Nicaraguans were supplying arms to the Salvadoran rebels. In response to the guerrillas' announced "final
offensive" in January 1981, Carter authorized an emergency $5M shipment of lethal arms just three days before he left office.

In summary, US policy during the Carter Administration essentially mirrored the historically cyclical nature of US/Salvadoran relations. The United States tended to ignore this small, unimportant nation until events external to it (WWII, the Cuban Revolution in 1959, the Nicaraguan Revolution in 1979) triggered concern and involvement. Even when US interest was focused on El Salvador in the form of economic and military aid, the US appears in the past to have had little influence in shaping a system with more social justice and stability. The question now is whether current US policy toward El Salvador can do so.
The Reagan Inheritance

When the Reagan Administration came into office in January 1981 it inherited a crisis situation in El Salvador. Efforts to encourage negotiation and moderation by the right fell apart as Salvadoran ultra-conservatives saw in Reagan's election a "license to kill." Political murders and torture increased, including the kidnapping and murder on 27 November 1980 of the five opposition FDR leaders and the murder of the four American churchwomen on 2 December 1980. Public outcry in the United States over the women's deaths resulted in cut-off of all aid to El Salvador, but aid was restored on 17 December in view of the country's increasingly desperate situation. The final offensive the guerrilla launched in January 1981 was designed to gain control and present Reagan with a \textit{fait accompli} as he assumed office. Immediately prior to his inauguration, both military aid and the number of US military advisors in country were increased to counter the guerrilla threat.

The economic situation in El Salvador on the eve of Reagan's assumption of office was as desperate as the political one. The cumulative effect of high oil prices, increased interest rates and falling demand for exports made the first two years of the 1980s the worst in post-World War II Salvadoran history. In 1981 production fell by almost 9% for the second consecutive year. Political instability within the country had led to a
flight of both domestic and foreign capital, which Newfarmer estimated to have reached $500M annually.\(^3\)

Given the crisis situation which it inherited, the Reagan Administration evolved a policy for El Salvador which was built on the initiatives Carter had begun in his last days in office but which was based on fundamentally different perceptions of the problem. Where the Carter Administration had seen the situation in El Salvador as primarily a civil war, aided by outside arms in the later stages, Reagan officials -- particularly Secretary of State Alexander Haig -- framed it in the context of global conflict and indirect Communist aggression. Where the previous administration saw the threat to a democratic, centrist government from the right, the new one saw it from the left. As examples, Carter's outspoken Ambassador to El Salvador, Robert White, labeled the ultra-right wing and their death squads as "the enemy within", while Jeanne Kirkpatrick was articulating the philosophy that the US had to support "moderately repressive, autocratic governments" friendly to the United States. Carter's goals for El Salvador were to end the war, carry out reforms and have elections; Reagan's became to win the war, avert economic collapse and use elections as the means to social and political reform.\(^4\)

Underlying Reagan's entire policy approach for El Salvador was the need, stated often during the campaign, to "hold the line", to stop the spread of communism. In this global context, El Salvador had been elevated to a recognition as being vital to US security interests. From this very different perception of the situation, the Reagan Administration formulated its policy for El Salvador.
Reagan Policy for El Salvador

In early 1983 Secretary of State George Shulz clearly articulated the formal strategy for El Salvador and the Central American region which the Administration had evolved and implemented. In testimony before the Senate Appropriations Committee he stressed the twin foundations of that policy as (1) a recognition that many of El Salvador's problems stem directly from longstanding social, economic and political problems which must be addressed, and (2) a firm belief that Cuba, with Soviet bloc support, is organizing and arming Marxist-Leninist guerrilla forces in the region to seize power by force of arms. In the face of these two challenges -- indigenous problems that go back decades and Communist attempts to exploit those problems -- US policy for El Salvador and the Central American region is based on six mutually reinforcing elements, each of which will be discussed below.

(1) The first element is support for democracy, reform and human rights. Although this is listed as the first element, it is the one in which the US has had the least influence and to which it devotes the least resources.

In El Salvador, the US has continued to pressure successive governments to control right wing death squads but the numbers of deaths continued to increase. Christian Legal Aid reported 5,671 deaths from January to November 1982, while the New York-based Council on Hemispheric Affairs named El Salvador and Guatemala the worst human rights violators in Latin America for the fourth consecutive year.
Administration efforts have centered primarily on support for free elections. The US provided polling advisors and supervision in the 1982 Constituent Assembly elections, in which six parties ran candidates and 1.5 million Salvadorans voted. A precondition imposed by the government, with US support, for participation in these elections by the left was the assurance the rebels would lay down their arms. The left distrusted the government too much to agree to these preconditions and refused to participate in the elections. As a result, the right gained significant representation in the Assembly, and only intense pressure from the United States prevented untra-right wing Roberto d’Aubuisson from being named provisional president in 1982. Similarly, the US helped sponsor the 1984 general elections, in which the close popular vote mandated a runoff between d’Aubuisson and Duarte. The US reportedly spent $1.4 million in CIA funds to support Duarte’s campaign and keep d’Aubuisson from the presidency.

The US is also pressuring for reform of the Salvadoran judicial system, notorious for its selective justice based on political standing. Visits by the US Attorney General, numerous working level and technical delegations and Congressional representatives have provided advice and assistance for legal reform. The Administration sees bilateral and regional judiciary training programs as important parts of the political reform effort, although repeated pressures to bring murderers, particularly of the American churchwomen and of two American AIFLD workers, to justice have not been successful.

US officials acknowledge the uphill struggle for political reform and have grown increasingly less optimistic in tone. Language in the
regular six-month certification required by Congress as a condition for continued military aid has gone from extolling El Salvador's progress in human rights protection, to recognition of how much yet needs to be done, to frank admission by Secretary Shulz that progress has been disturbingly slow.9

(2) The second element of current policy is economic development, and in this area is the main thrust of administration efforts. Economic aid to El Salvador has increased from $58.3M in FY80 to an estimated $227.1M in FY84 (see Appendix II). Underlying the entire economic package are the key assumptions that El Salvador's recovery hinges on a strong US economy, and that the private sector is the best forum for working through free markets as instruments of growth.10 Economic Support Funds (ESF) are the single most important aspect of US aid to El Salvador, accounting for well over 50% of the total bilateral aid. These funds are designed principally to finance the import from the US of raw materials, intermediate goods and parts and equipment for private business and employment. Secondarily, they are being used increasingly to repair infrastructure systems damaged or destroyed by the guerrillas. Using ESF and other economic credits and loans, the administration hopes El Salvador will be able to "promote macroeconomic policies which encourage production, employment, foreign exchange generation, industrial stabilization and recovery, and continued agrarian reform programs."11 In the short term, US aid is designed to guarantee food supplies, restore damaged infrastructure, health and
education systems, and consolidate land reform through credits to small farmers, training programs, irrigation projects, etc.

(3) The third element of US policy enunciated by Secretary Shulz is security assistance. Military aid to El Salvador has increased from $5.9M in FY80 to an estimated $136.3M in FY84. This quantum increase has gone into recruiting and training an armed force that has tripled in size since 1979 — to approximately 37,500 — as well as providing these forces with more and better equipment.

Original administration military goals for El Salvador were modified somewhat in the face of early public resistance to any direct US military involvement in the country’s struggle and a Congressionally-imposed 55 person limit on the number of US military advisors allowed in country at any one time. Several workarounds were devised to operate within these restrictions. One was initiating unit training for Salvadoran forces in the US, beginning with the first 1,600 arriving at US bases in January 1982. A second, much larger and more consequential effort was what some critics have called the militarization of Honduras. The US initiated and conducted a number of large-scale military exercises in Honduras which produced as a by-product facilities and training for their forces to aid in stopping the flow of arms through Honduran territory to the rebels in El Salvador. Additionally, the US built and financed operation of a Regional Military Training Center (RMTC) in Honduras to train primarily Salvadoran forces, an issue which had become a sticking point with the Honduran government by late 1984. The lingering effects of the 1969 Salvador/Honduran War made
the Hondurans wary of the growing size and expertise of its old enemy's armed forces.

Overall US military policy for El Salvador, according to Secretary Shulz, was designed not to provide the country with advanced heavy weapons nor to Americanize the war, but rather to provide adequate training, all or most of which would take place outside of El Salvador.\textsuperscript{12} Additionally, funds would provide mobility vehicles such as helicopters, small naval craft and trucks, as well as the necessary munitions and spare parts.

(4) The fourth element which the Administration sees as vital to Central America is providing hope for the future through innovative approaches to sustained economic growth. This concept is primarily embodied in the Caribbean Basin Initiative (CBI) implemented in January 1984. Under the CBI the concept of multilateral, balanced economic programs was replaced by preferential regionalism in the name of national security. Trade and investment incentives offered through this program will benefit the region exclusively and then "only those countries that meet the Administration's economic and political criteria."\textsuperscript{13} The State Department acknowledges that immediate benefits for El Salvador under the CBI will be modest since most of the products it currently exports to the US are already duty free. The hope is that there will be a long term impact as Salvadoran investors begin to produce other, different products to take advantage of tariff avoidance. State envisions expansion of Salvadoran industry into processed foods, horticulture, and light manufacturing. Private investment is key.
(5) The fifth element of US policy is also regional in that it seeks to contain Nicaragua's revolution by providing aid and assistance to Honduras and Costa Rica. This initiative is mostly outside the scope of this paper, except insofar as Honduras is expected to play a major role in containing arms shipments to Salvadoran guerrillas as was discussed above.

(6) The final element of US policy is support for peaceful solutions to the problems in El Salvador. The Administration has paid lip service to this concept but has set preconditions to negotiations which have precluded effective peace efforts. The US position is that the guerrillas must lay down their arms and participate in elections to gain political influence — in other words, they must not be allowed to shoot their way into power. The rebels, of course, distrust government promises of safety and feel such preconditions deny the actual power they have gained to date. They have repeatedly offered to negotiate without conditions, and the governments of both El Salvador and the United States have been pressed by such disparate groups as the Salvadoran clergy, the OAS, the UN, concerned nations worldwide and the US Congress, to name a few, to initiate talks. US Administration officials were particularly angered when France and Mexico formally recognized the FDR-FMLN as a representative political force in late 1981 and chastised Mexico for its "interference." Similarly, the Administration found itself backtracking, with considerable loss of face, after it first accepted and then hastily offered amendments to the Contadora Peace Plan when it unexpectedly found support from the governments concerned. In the same manner, officials publicly praised Duarte's surprise offer for unconditional talks with opposition leaders in
October 1984, but privately expressed concern that he might have moved to begin talks before he consolidated power and established a clear negotiating strategy.\textsuperscript{15}

In summary, Reagan policies have resulted in a massive influx of economic and military aid to beleaguered El Salvador. Analysts indicate that its economy may have stabilized, with no GDP decline in 1983 or 1984. However, since the economy had contracted by 25\% from 1978-1982, stabilization at such low levels isn't enough. Real growth is necessary to overcome overwhelming economic problems. In the military arena, as well, conditions appear to have stabilized, or at least settled into a stalemate.\textsuperscript{16} Guerrilla offensives failed in their objective of overturning the government and they have generally turned to a campaign of economic disruption and sabotage of the Salvadoran infrastructure -- a tactic doubly damaging in a country in such dire economic straights. Progress in social and political reform has been slow, although the elections of 1982 and 1984 were promising in terms of voter participation despite threats from both the right and the left. The guerrillas' November 1984 announcement of willingness to participate in elections offers tentative hope for the future.
CHAPTER V
FUTURE OPTIONS

Generally, current policy appears to be fundamentally sound in that it focuses primarily on economic assistance (69% of all aid in FY84) for what are recognized to be longstanding indigenous problems. Review of Salvadoran history suggests that its periods of public unrest and corresponding government repression are cyclical, depending greatly on the economic condition of the country. Thus, efforts to improve the economic situation are the necessary first step to peace.

However, there also appear to be some areas in which present policy could be modified to achieve more lasting long term results. First, it is a mistake to cast the Salvadoran crisis too much in terms of a greater East/West global context. This tends to create an "either/or" aura in which there is no room for negotiated power sharing. As Henry Cisneros points out in his notes attached to the National Bipartisan Commission Report on Central America, elements of the Salvadoran left are moderate reformists. Guillermo Ungó, who was Duarte's Vice Presidential running mate in the 1972 elections, also served as a member of the reform junta of 1979. His preeminence as an opposition leader stems more from his disgust with military distortions of the political systems than from communist convictions. The left in El Salvador is very broad-based, and its accommodation in the political system does not necessarily mean a Marxist government like the one that exists in Nicaragua.
Secondly, while the preponderance of US bilateral aid to El Salvador has been economic, a tremendous amount has also been poured into military arms and training. Given the indecisive nature of military actions on either side in recent years and the unlikelihood that government forces will ever achieve a military victory, it may be time to shift the ratio to proportionately more economic and less military aid. As Newfarmer points out, emphasis on such heavy security and domestic defense spending detracts from economic development and builds in a "bias toward stability over social change, for supporting the status quo rather than reform." This recommendation to reduce military aid and increase economic aid runs counter to the Kissinger Commission report, which advocates an increase in both. However, it is more realistic in the long term when one considers that US domestic pressures for spending reductions in the coming years are likely to cause adjustments in foreign aid. If any aid to El Salvador is reduced, it should be military, not economic.

Also, build up of the Salvadoran forces is in itself contributing to regional instability. While the US sees Nicaragua as the main threat to peace in the region, El Salvador's historical enemy and the one with whom she still had unresolved border disputes is Honduras. Honduras' decision not to allow more Salvadoran forces to be trained on her soil may indicate a growing concern over El Salvador's military strength and intentions.

A last argument for reduced military emphasis calls up the ghost of the Alliance for Progress, when military modernization built an internal security force that became an uncontrollable instrument of repression in the 1970s and early 1980s. If Duarte's shaky government falls to right-wing elements, we may well have created a Frankenstein in today's well-equipped 37,500 man army.
Reducing the emphasis on the military calls for greater effort than has been expended to date by the US to press for a negotiated settlement to the crisis. We need to be active, rather than reactive to peace proposals and offers to negotiate on an issue in which we have such an interest. Additionally, support for regional peace initiatives will help the US foster an image of participatory progress toward common regional goals and perhaps dispel some of our Yankee imperialist image.

A third and final option which may need to be exercised in the future is less reliance on the private sector for El Salvador's economic recovery and more direct grants and industrial credits. Critics argue that heavy reliance on the private sector only increases the economic power base of the wealthy elite. While benefits may trickle down in the form of jobs and goods for a minority, the gap between the vast rural majority and the elite will only widen. Until this still predominantly agrarian population gains the access and expertise to make small farms profitable, El Salvador will not generate an internal market for the goods the industrial sector produces.

In conclusion, I believe US policy toward El Salvador needs to be modified slightly to emphasize less a military solution and concentrate more on the economic recovery of that nation. Our policy must recognize the volatile nature of El Salvador's political situation and not help build a military instrument which could undermine both the country's and the region's stability in the longer term. Peace in El Salvador will depend on a delicate balance among its power groups -- a policy by the U.S. which tips the scale too much in favor of the military may be counterproductive in the long run.
APPENDIX 1

CHRONOLOGY OF SIGNIFICANT EVENTS

1932  The Mantanza. Peasant uprising led by Augustin Farabundo Marti crushed by General Martinez. Estimated 10,000-30,000 peasants killed.

1959  Cuban Revolution. Gives focus to rebels in El Salvador. Triggers Alliance for Progress to stop the spread of communism in the Western Hemisphere.

1969  War between Honduras and El Salvador. Has disastrous consequences for El Salvador.

1972  Fraudulent general elections. Military generally acknowledged to have stolen the elections from Jose Napoleon Duarte.

1977  Jan  Jimmy Carter becomes President of the United States, introduces Human Rights Program in foreign affairs.

           Feb  Fraudulent general elections in El Salvador. Gen Carlos Romero becomes President.

1979  Jul  Nicaraguan Revolution.


1980  5 Jan  Salvadoran government collapses as civilians resign in protest over the military’s refusal to submit to civilian rule.

           9 Mar  Duarte joins the junta.

           11 Mar  Robert E. White arrives as US Ambassador to El Salvador.

           24 Mar  Archbishop Oscar Romero assassinated by right wing death squad.

           26 Apr  Junta announces land reform program designed by US advisors.

           4 Nov  Ronald Reagan elected President of the United States.

           4 Dec  Bodies of four American churchwomen found in El Salvador.

           5 Dec  Carter suspends all aid to El Salvador.

           13 Dec  Duarte named president of the junta.

           17 Dec  Carter restores economic, but not military, aid to El Salvador.
1981

4 Jan Two American AIFLD workers gunned down in hotel coffeeshop.

10 Jan Guerrillas launch well-publicized "final offensive."

14 Jan Carter resumes military aid to El Salvador.

16 Jan Carter announces an additional $5M in immediate aid to El Salvador; suspends aid to Nicaragua because of arms shipments to Salvadoran rebels.

20 Jan Ronald Reagan sworn in as President of the United States.

23 Feb US State Department "White Paper" charges indirect Communist aggression through Cuba and Nicaragua against El Salvador.

2 Mar State Department announces an additional $25M in military aid plus additional military advisors for El Salvador.

28 Aug Mexico and France recognize FDR-FMLN as representative political force in El Salvador.

21 Sep US Senate votes to require certification every 6 months of El Salvador's progress in protecting human rights as a condition for continued military aid.

16 Dec UN Resolution calling for negotiated settlement of the crisis in El Salvador.

1982

11 Jan First group of 1,600 Salvadoran military arrive in US for training.


1 Feb Reagan announces $55M in emergency assistance to El Salvador.

31 Mar Constituent Assembly elections give no clear majority; Alvaro Magana named provisional president in El Salvador.

20 May El Salvador suspends pending final phase of land reform program.


29 Oct US Ambassador Hinton tells US/Salvadoran businessmen that the rightist mafia in El Salvador is as much a threat as the left, stating that since 1979 "as many as 30,000 citizens have been murdered, not killed, murdered."

1983

21 Jan Reagan issues 3rd certification, recognizing the need to curb activities of the right.

20 Jul US Secretary of State Shulz issues 4th certification, but calls progress "disturbingly slow."

Jul US military advisors begin training Salvadoran forces at the RMTC in Honduras.
1983 (continued)

30 Nov Reagan exercises "pocket veto" over continuation of certification.

30 Dec Rebels overrun Salvadoran army base in largest and most successful action of the war to date.

1984

1 Jan Caribbean Basin Initiative becomes effective.

3 Jan Council on Hemispheric Affairs names El Salvador and Guatemala as the worst human rights violators in Latin America for the fourth year in a row.

25 Mar National elections. Duarte gains 43% of the vote, d'Aubuisson 30%. Runoff set for May.

13 Apr Reagan announces $321 M in emergency aid for El Salvador.

6 May Runoff elections. Duarte wins presidency.

11 Jun Contadora Group presents peace plan to Duarte.

29 Jun Salvadoran conservatives block plan to extend the land redistribution program.

10 Aug US Congress votes an extra $701 M in military aid for FY84.

29 Sep Honduras denies permission for Salvadoran troops to train on its soil.

15 Oct In surprise move, Duarte meets with opposition leaders in LaPalma, El Salvador.

16 Nov Guillermo Ungo announces opposition's willingness to participate in future elections.
### APPENDIX II

**ECONOMIC AND MILITARY ASSISTANCE TO EL SALVADOR, FY78-84**

(In thousands of $)

<table>
<thead>
<tr>
<th></th>
<th>FY78</th>
<th>FY79</th>
<th>FY80</th>
<th>FY81</th>
<th>FY82</th>
<th>FY83 (est)</th>
<th>FY84 (proposed)</th>
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<tr>
<td><strong>ECONOMIC AID</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Economic Support Funds</td>
<td>-</td>
<td>-</td>
<td>9.1</td>
<td>44.9</td>
<td>115.0</td>
<td>140.0</td>
<td>120.0</td>
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<tr>
<td>Development Assistance</td>
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<td>6.9</td>
<td>43.2</td>
<td>33.4</td>
<td>36.2</td>
<td>48.1</td>
<td>38.0</td>
</tr>
<tr>
<td>Peace Corps</td>
<td>1.2</td>
<td>1.6</td>
<td>5.5</td>
<td>4.4</td>
<td>3.6</td>
<td></td>
<td>3.7</td>
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<tr>
<td>P.L. 480*</td>
<td>1.7</td>
<td>2.9</td>
<td>5.5</td>
<td>35.3</td>
<td>34.9</td>
<td>39.0</td>
<td>37.5</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>10.9</td>
<td>11.4</td>
<td>58.3</td>
<td>140.0</td>
<td>186.1</td>
<td>227.1</td>
<td>195.5</td>
</tr>
</tbody>
</table>

| **MILITARY AID** |      |      |      |      |      |            |                 |
| Section 506 FAA** | -    | -    | -    | 25.0 | 55.0 |            |                 |
| Foreign Military Sales | -    | -    | 5.7  | 10.0 | 16.5 | 76.5       | 30.0            |
| Military Assistance | -    | -    | -    | -    | 8.5  | 58.5       | 55.0            |
| Training          | -    | -    | .2   | .5   | 2.0  | 1.3        | 1.3             |
| **TOTAL**         | -    | -    | 5.9  | 35.5 | 62.0 | 136.3      | 66.3            |

**TOTAL ASSISTANCE**  10.9 11.4 64.2 149.5 268.1 363.4 281.8

*Food for Peace Program

**Emergency powers granted to the President under section 506 of the Foreign Assistance Act to provide military assistance in case of an "unforeseen emergency."

NOTES

CHAPTER 1


4. Ibid., p. 38.


7. Ibid., p. 17.


11. Arnson, p. 34.


CHAPTER III


3. LaFeber, p. 44.

4. Detailed discussion in North, pp. 52-54 and LaFeber, pp. 41-42.


8. North, p. XXII.


CHAPTER IV

1. Arnson, p. 64.


7. Ibid., p. 233.


9. Ibid., p. 234


17. Ibid., p. 128.

CHAPTER V

1. Newfarmer, p. 203.
BIBLIOGRAPHY


