CENTRAL AMERICA

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Central America

Central America is made up of seven countries, but only five, Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica have a common history in the economic, social, political and cultural senses. They were until 1821, The Kingdom of Guatemala and achieved independence as the United Provinces of Central America. In 1985, Belize and Panama became part of the region. Up until the Torrijos regime (1968-1981) Panama hardly participated in Central American politics. The same is true of Belize which was emancipated from the British in 1960's.

The size of the area is not impressive. It is less than 2% of the surface area of Latin America. The 162,000 sq.mi. is less than Spain or Sweden. El Salvador is the size of Israel, Costa Rica slightly larger than Denmark and Nicaragua the size of Czechoslovakia.

The current population is more than 21 million inhabitants and is 6% of the total Latin American population. Projections indicate the region will reach a population of 64 million by the year 2025.

Most of its people have Spanish, Indian or mixed Spanish and Indian ancestry. In Costa Rica, nearly all of the people have Spanish ancestry, but in Guatemala 27% of the population are pure-blooded Indians. El Salvador, Honduras and Nicaragua have mixed Spanish-Indian ancestry. Africans make up more than half the population of Belize and about one third of Panama. The Central American population is growing faster than almost any other part of the world.
Geographical contrasts in Central America are in large part responsible for the history and economy of the countries. The central region contains mountainous highlands which descend gently to the Pacific, and the plains on the Atlantic side are densely tropical.

There are no navigable rivers, except the San Juan which is the border between Costa Rica and Nicaragua. There are few deep-water seaports and travel by land is difficult. The central highland and Pacific slopes make up the best environment for farming. But the land is divided by valleys and mesas between mountain chains. The Camino Real that once linked the Isthmus was barely more than a mule track in many stretches. Railways, built at the end of the 19thc did not offer a good link to the coasts for exports. The Interamerican Highway, constructed during WWII finally reached Panama City in 1964. Flying is costly and risky.

Earthquakes and volcanic eruptions along the Pacific and hurricanes on the Atlantic have been devastating. Spanish colonization, rather than geography, united the inhabitants from Central Mexico to the tip of Costa Rica.

The civilization of the Mayan Indians of Central America was at its height from 300-800's A.D. They erected large cities and monuments and developed many arts and crafts. Another tribe, the Toltecs developed an earlier civilization and greatly influenced the Mayan. Spanish invasions in the 1500's destroyed the Indian societies.

Modern history of Central America began with the exploration of its coast by Spanish explorers, first Bastida, Christopher Columbus. Hernando Cortes completed the conquest of Central America by 1525. The entire area, except Panama, was a Spanish colony called Guatemala.
Spanish control ended in 1821 when Nationalists, dissatisfied with colonial rule declared the area independent. The Spanish ruler Gainza sympathized with them and he was the first head of the independent provinces. These states, Costa Rica, El Salvador, Guatemala, Nicaragua and Honduras were formed and then they decided to be part of Mexico in 1822. This was not a popular move, so in 1823, they formed the United Provinces of Central America. Rivalries between local governments and the federal government arose immediately and the union was dissolved by 1883.

Panama in the meantime broke with Columbia in 1903 and gave the U. S. the rights to begin the Canal.

In 1907, an effort to reunite these republics was made with the establishment of the Central American Court. This court was to adjudicate problems between the states but did not last beyond 1916. Again in 1921 all the republics, except Nicaragua and Panama, united under a central government called the Republic of Central America. Again the union lasted less than a year.

There has been a greater sense of unity among the republics since WWII. First, with the U.S. they formed the Organization of American States, then a Central American Common Market, also an Alliance for Progress.

Panama had its own unique destiny, as the main route from the Atlantic to the Pacific Ocean. Beginning in 1543, the fabulous wealth of the Peruvian mines was transported by mule train over the mountains to be sent in fleets of galleons to Spain. As exports from the mines declined in the 1750's the region became isolated.

The importance of Panama during the colonial period sealed the fate of Central America. The British were constantly prowling the Bay of Honduras, and
settled in Belize in order to export precious wood. Since there were so few Indians, the British imported Africans from Jamaica. The development of banana plantations and railways by the 1830's reinforced the need for imported laborers.

During the 19thc conflicts arose between the imperialistic powers for control of the interoceanic routes. One option was through the south of Nicaragua, the other through Panama. After the War with Spain-1898, The Hay-Pauncefote Treaty in 1901, the Independence of Panama in 1903, negotiations of a canal treaty opened the area to U.S. control. By 1914 when the Canal was opened, the Caribbean was essentially under U.S. Navy domination.

During the 20thc defense of the Canal became the focus of U.S. foreign policy. Little changed in the U.S. view of Central America between the time of Theodore Roosevelt to the Cold War years. Central America was seen as turbulent, unstable and pacification was to be achieved at any cost. The Cuban Revolution 1959 and the Sandinista Revolution in Nicaragua 1979-1989 have modified this view. The dominance of the U.S. is seriously challenged and in the past 10 years there has been economic crises, social unrest and nationalistic feelings. The problems of Central America now are of concern on an international level.

The divergent cultures and societies that are based on a distant past, provincialism and rivalry of towns against countryside, all are in opposition to the interests of great powers who perceive Central America as purely strategic.

In contrast to its strategic importance are the poverty and limited economic resources. Farming, by land clearing, has been the mainstay of the majority of the inhabitants of the region. Corn has been their main crop. On top of which have been the export crops such as coffee, which has suffered from erratic markets and soil exhaustion.
The plundering of natural resources is another trait of Central American life. First, the extermination of the Indians has and is on going, as well as the pillaging of their forests. The woods on the coast of Honduras and Belize were used in the reconstruction of London after the Great Fire of 1666.

The landholders of the colonial past, indigo dealers of the 18thc or the coffee growers of today all hold a position of power and resulting personal privilege. Brief export cycles have benefitted only the landowners and showed up the weaknesses of whichever leadership was in authority.

The history of the Isthmus is based on the downtrodden peasants, trying to exist by scratching a living from the mountainside and living in isolation. The introduction of the African peoples, equally oppressed added to the domination by the landowners. Racial prejudice was a result and emphasized the purity of Spanish ancestry in contrast to Indian or Mestizo ancestry. The oppression of Indians and blacks and later Chinese has lasted well into the 20thc.

The power of the Catholic Church shaped Central American societies. Growth of secular power was slow and was not a significant factor until 1880's when education became state controlled and freedom of religion allowed.

Artistic creation has been very sparse indeed, although religious art as an expression of the working class has flourished. By the 1850's, overwhelming European influence suffocated everything else. Archaeological relics were sold by ruling groups to Europe and the U.S., while the 'nouveau riche' adopted the opulence of the European culture.
With the beginning of the 20th c mass culture, primarily from the United States began to penetrate the heart of Central American society. Radio, movies and television, along with urbanization explain the rapidity and pervasiveness of the new customs. Urbanization after 1950, brought a flourishing middle class culture, significant in such a poor and backward region.

Panama and Belize, at the two extremes of the Isthmus have had different histories from the other countries of Central America. Panama is a narrow strip of land, which on the East in the province of Darien, ends in impenetrable jungle. All attempts at colonization have been futile. The middle, at the narrowest point, has been the center of Panama's history. First of importance was transporting of ores from Peru which ended in 1739 when the English sacked Portobelo. The second stage began with the Inter-Oceanic Railway built in the 1850's. And the third with the building of the Canal and Independence in 1903. Relations with the U.S. dominated Panamanian politics in the 20thc. Canal based economy brought modernization and a certain aspect of colonial subjugation was prevalent. Panama had no economic ties with neighbors. Not until 1936 did the U.S. waive its right to intervene with Panama's internal affairs. The Panamanian Nationalist movement was strengthened in 1959 and 1964 by university students. General Torrijos took power in 1963 and a new wave of nationalism swept the country. The Canal Zone was eliminated in 1979 and Panama's complete sovereignty recognized.

General Noreiga's rise to power began in Sept. '85 when he forced the resignation of President Barletta. This was an attempt to prevent a scandal over the murder of Dr. Spadafora, a deputy minister and a critic of Noreiga. In 1986, the U. S. alleged Noreiga's role in trafficking of illegal drugs. In 1987 Col. Herrera, Chief of National Defense Forces left office and then made allegations against Noreiga, who may have forced his resignation. His allegations precipitated
strikes and demands for Noreiga's ouster. The U.S. Senate approved of suspension of Noreiga and of an independent investigation, thereby angering the Panamanian government. There was an attack on the U.S. embassy and U.S. suspended economic and military aid. The investigations by the U.S. Grand Jury increased pressure on the government in Panama.

President Delvalle dismissed Noreiga who refused to go. Delvalle supported by the U.S., demanded a boycott of Panama. U.S. courts authorized a freeze of $50 m. of Panamanian assets held in U.S. banks. The move coupled with a general strike brought economic chaos to Panama. About this time the U.S. proposed withdrawal of charges against Noreiga. These talks came to nothing, and were followed by increased economic pressures against Panama, and a doubling of U.S. military personnel sent to Panama. General Noreiga was seized by the U.S. and now is awaiting trial in Florida.

In January 1990, the U.S. proposed $500 million of new funds as part of a $1 billion dollar package. Disputes in Congress have delayed these monies from reaching Panama. Between March 1-13, President Endarra fasted in protest against the slowness of American aid. This past week he was in Washington in an attempt to hurry the supply of money.

Belize emerged from a long colonial past with independence in 1981.

The Spanish had never occupied the present territory, other than attempting to establish a few mission. The British set up basis in the 1650's in order to cut and import wood and for 2 centuries this continued with logging concessions from the Spanish who still claimed territorial rights.
With independence of Central America in 1821, Belize became the intermediary between Guatamala and England. By the 1850's the British Honduras Company was made up of the most prominent families and dominated all of Belize's economy. In 1982 Belize became a British colony.

In the 1950's and 1960's decolonization of the English Caribbean was going on. In 1964 the Governor General held only symbolic power, but still independence was delayed until 1982. Guatamala claimed Belize even threatenting invasion. Complete independence depended on international recognition which occurred in 1981 at the U.N. General Assembly. Guatamala has retained some rights to deep water ports, but the situation is fraught with uncertainties.

The Present Crisis

Crisis is the order of the day.

It shows first in the economic confusion within worldwide economic recession. The Gross Domestic Product's growth has slowed and for these 5 countries experienced a negative growth. Per capita production declined by

- 10% Costa Rica and Nicaragua
- 15% Guatemala
- 20% Honduras and El Salvador

Foreign indebtedness has increased fourfold. None of the Central American countries can meet their foreign debt payments - unless there is an increase in export prices. Even though Costa Rica and to some extent Honduras have political stability in comparison to Nicaragua, El Salvador and Guatamala, afflicted by civil wars, the economic crisis is as great. The ruins of the Central American Common Market have deep meaning. It shows the failure to break through social barriers to enact social progress. The crisis probably would not be eliminated with world economic recovery. What is needed is a way of linking with the world market - new markets and diversification of exports and redefinition of regional integration.

After Somoza's fall in 1981 in Nicaragua, the U.S. policy under President Reagan developed along four fronts.

1. Setting up of military bases in Honduras and rearguard support to the Salvadoran Army.

2. Increasing financial aid for anti-Sandinista groups.

3. Direct negotiations with Managua and support for talks between warring parties.

4. Effort to create an overall policy toward Central American nation.

Under this program, the Caribbean Basin Initiative was enacted and the Kissinger Report of 1984 produced. The idea was to enable entries into the U.S. markets. Almost 4000 products would be allowed duty free for 12 years—not textiles, leather goods, tuna or oil. It is however unlikely the local businesses will be capable of taking advantage of this opportunity. The problems are obvious. The policy has inconsistencies, such as the secret arms sales to Iran where funds were used to help the Contras. That brought into question the credibility of public declarations. So the dilemma in Nicaragua with Mrs. Chomarre as its new President is still unresolved. Growing insurrection in El Salvador and possibly Guatemala need to be addressed by U.S. policy without repeating risks incurred in Vietnam. Influence from the Soviet and Cuba, which has worried U.S. for years, appears to have abated and should open up an avenue of participation.

American involvement in Honduras in 1980 was based on the geographical location of Honduras in relation to Guatemala, El Salvador and Nicaragua. U.S. bases were set up, the Honduran army was equipped and elections ending military rule added legitimacy. However, the real power remained with the military. The President signed military agreements with the U.S., he supported Somoza national Guardsmen, pursued Salvadoran
refugees. State terrorism surfaced. His fall was important, but political power wielded by the military seems to be growing.

Costa Rica has a surprising degree of political stability, a minimum of controversy and confidence in the country's political system to respond to challenges.

Relations with Managua are tense. Most of Nicaraguan opposition have taken refuge in Costa Rica and they have been shown sympathy. President Arias won the Nobel Peace Prize in 1907.

The failures of the ruling classes have always changed the course of history. This is true of Central America, with the exception of Costa Rica, where landowners were unable to change agrarian capitalism of the 19thc. The underclass had no dignity and the Indian no value. Nothing was given to replace the crumbling colonial paternalism. Control rested on exploitation, violence and terror.

Central American bourgeoisie could not justify their privileges and an anti-Communist hysteria was moral justification to any demands or claims of justice.

Costa Rica, alone can show that democracy and social reform is possible in Central America regardless of the evils of Spanish colonialization. In addition reform and democracy are the products of long historical development.

We need to emphasize the enormous influence of international factors, especially U.S. influence in Central America's destiny. Influence necessary because of the geographical closeness to this country, a country often forgotten and despised. Unpredictability derives from which party is in power in the White House, from vested interests. East-West relations are affected by our efforts to convince some European
or Latin American countries about the course of Washington's policy. Direct military intervention is complicated by moral scruples among Americans since the days of the Vietnam War.

Responsibility and blame can be shared firstly with the large landowners who have successfully kept the greater part of the population subjugated and by the military who have gained power by subjugation of mostly the Indians for their own comfort. The U.S. is responsible for not having a consistent policy which the Central American governments can count on; for interference in internal affairs, based on large part in fear over Communist dominance.

To win a future of peace and dignity is the principal ambition of the great majority of Central Americans. To achieve this goal many further thousands of lives will probably be sacrificed. These people are weighed down with centuries of backwardness and humiliation.
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