

LATIN AMERICAN POLITICS

GOD, GOLD, AND GLORY	1
EXPANDED MIDDLE CLASS AND NEW SOCIAL EXPECTATION	9
ARGENTINA	13
URUGUAY	21
CHILE	26
PARAGUAY	33
BOLIVIA	37
PERU	43
ECUADOR	45
COLOMBIA	49
VENEZUELA	57
PANAMA	66
COSTA RICA	76
US FOREIGN POLICY IN LATIN AMERICA	88
NICARAGUA	96
HONDURAS	108
EL SALVADOR	118
GUATEMALA	135
BELIZE	145
MEXICO	150
CUBA	165

God, Gold, and Glory

Politics (definition)

- a. Struggle for *power, influence, and wealth*

I. God, Gold, and Glory

- a. Spain believed exploration was for “God, Gold, and Glory”
- b. God – to convert the native population to Christianity
- c. Gold – people wanted to become rich
- d. Glory – joining an expedition might gain an individual land, which would increase and individuals social status and increase his fortune

II. Spain in the Americas

- a. Spanish came into Caribbean
- b. Found Mexico, then went into South America
- c. Aztec – Mexico (present-day Mexico City)
- d. Incas – South of Peru

III. Aztecs

- a. Surrounded by hostile groups
- b. Montezuma was captured
- c. Cortes took his place
- d. The Natives then saw Cortes as a god-like figure for defeating Montezuma

IV. The Conquerors

- a. Superimposed themselves on top of the social structure

V. Objectives From Spain

- a. Harmony
- b. Order
- c. Elimination of Conflict
- d. (A bureaucratic system was set up to prevent Spain from losing power)

VI. Grenada Liberators

- a. Spain defeats Islamic invaders in 1492
- b. As a reward, Grenada liberators were given land across the seas for the exploration of the Americas
- c. Once people heard about the rooms full of gold, they ran at the chance to go to the Americas

VII. Viceroyalties

- a. After 25-30 years, the Crown realized it had to organize the area
- b. As a result, Viceroyalties were created
- c. Viceroy were appointed by the Crown to rule over Viceroyalties

VIII. Viceroy

- a. Ruled over viceroyalties
- b. Each viceroy had one mission: If there was silver or gold in their viceroyalty, the viceroy was to ensure that they were sent back to Spain and that there was a constant flow to Spain
- c. To ensure that viceroys did their job, at the end of every viceroys term, he went back to Spain and had to go in front of the court
- d. The court picked apart their actions
- e. If the viceroy did a bad job, he would be put in jail
- f. If he did a good job, he would be thanked and allowed to retire

IX. Patronage

- a. Patronage – State system of control
- b. Patron – the chief
- c. The Patron does good things for his followers (jobs...)
- d. Colonial offices could be sold to the highest bidder

X. Hierarchy

- a. top-down organization (authoritarian)
- b. Viceroy, then lawyers, judges, secretaries...
- c. As a result of hierarchy, there was plenty of corruption

XI. “Obedezco pero no cumplo”

- a. Ignore laws that are inconvenient (also may be unjust, harsh, or unrealistic for social situation)
- b. Allowed empire to be elastic and last a long time

XII. Public Office

- a. Always sought after
- b. Gave the opportunity to enrich one's self
- c. Furthered private interests over the public wheel
- d. If the viceroyalty appointed someone governor, he and his family took advantage of it (plenty of nepotism)

XIII. Profit

- a. If one had access to the treasury, he raided it and gave patronage to the people working with him

XIV. Corporate Privilege

- a. Someone higher up would apply the law against his enemy, but make deals with his friends
- b. Elites tried to establish the status quo

XV. Economics

- a. Royal Crown had a trade monopoly
- b. Raw material resources flowed back to crown in Spain in exchange for other goods needed

XVI. Mining Gold and Silver

- a. No Government official was allowed to look for silver/gold
- b. Mining was only open to the general public
- c. 1/5 of found Gold/Silver was sent to the crown in exchange for mining privilege
- d. Crown kept track of what was mined through the use of Mercury (needed to separate Silver from Silver ore)
- e. As a result of the colonists need for mercury, the crown could determine how much gold/silver were found based on how much mercury was sold

XVII. Indian Labor

- a. Conquistadors in the Indies and Latin America brought many diseases to the New World
- b. When Spanish civilization collided w/ Indian civilization, epidemics began
- c. Indians who survived were very strong (became labor – at the bottom of pecking order)

XVIII. Elites and Masses

- a. Masses – exploited for labor by Elites

XIX. Mita

- a. Indians from each tribe (in shifts) would have to work in mines for money (about 15 cents/day for 3-4 months)
- b. Producing the man power meant that there were no men to work the farms of the Indian community, so it was very disruptive

XX. Carga

- a. System, where every member of a Tribal group had to contribute something to the tribe
- b. Spain took this system and said that Carga had to be applied to the Crown
- c. Indians were required to build churches and work in mines

XXI. Contraband Tradition

- a. Evolved out of colonial system
- b. Crown thought galleon ships would be sent to collect raw materials, silver and gold, in exchange for finished products
- c. However, between 1700-1720 – only 1 ship got through
- d. Colonists had to do something to get the goods they needed
- e. Even though they were not allowed to trade w/ others, “**Obedezco pero no cumpro**” prevailed with trade between the viceroalties
- f. They felt that if Spain couldn’t provide a market, other countries would
- g. Contraband trading provided 50% of survival b/c galleons took too long to get through

XXII. Haciendas

- a. Large land owners, miners, merchants began to develop slowly
- b. As people began to establish land estates, family interests developed, and soon **haciendas** (large portions of land) were created
- c. Landed estate = status and wealth/power (Indians and workers then provide the labor)
- d. On haciendas, plantation owners were responsible to see that all Indians who worked on his plantation were protected, well-fed, received medical treatment, and went to Church every Sunday

XXIII. Land Grant (encomienda)

- a. Large land grants and claims to any Indians living on the land
- b. On haciendas, plantation owners were responsible to see that all Indians who worked on his plantation were protected, well-fed, received medical treatment, and went to Church every Sunday
- c. Churches were supposed to report if Indians were mistreated – so going to Church was good for the Indians
- d. There were some ruthless Indians who tried to escape once they realized they would be put to work

XXIV. Debt Peonage

- a. To keep Indians on plantation, owners got Indians into debt
- b. Working off debt never ends = virtual slavery

XXV. Sharecropping

- a. Some land owners tolerated share cropping
- b. Modern manifestation of debt peonage
- b. Indians were given a tiny plot of their own to farm in exchange for working on the land owners land

XXVI. Reduccion

- a. Some land owners were concerned that they couldn't get enough Indians to work on their land
- b. As a result, Indians (who were scattered) were forced into towns to provide:
 - 1. Church easy access
 - 2. Leave Indian lands isolated/vacant (less ready access) and therefore available to hacienda owners to obtain

XXVII. Repartimiento

- a. Temporary allotments or workers (similar to Mita) for short periods of time involving public (and private) works
- b. $\frac{1}{4}$ of men 16-60 were taken for a week and would do a task on behalf of royal authorities (like building roads, churches...)

XXVIII. Races

- a. Mestizo
- b. Indian
- c. White
- d. Mulatto
- e. African
- f. Castas (people who couldn't be figured out)

XXIX. Class Stratification

- a. 2 class structure:
 - 1. Elites and peasants/masses
 - 2. Racist (superiors and inferiors)

XXX. Elites

- a. Land owners – trying to exploit masses

XXXI. Military

- a. Joint arm who keep law and order (put down Indian riots)
- b. So, there was a society of superiors and inferiors

XXXII. Catholic Church

- a. Loyal to state
- b. Loyal to crown
- c. Loyal to vicerealty
- d. Favors the elite b/c they offer the most funding to them

XXXIII. Catholic Haciendas

- a. If there was no offspring to give land to, through the last will and testament of the land owner, the Church would get the hacienda
- b. By 1750s – In Central America – Catholics own 914 haciendas
- c. Church, however was not an entrepreneurial body
- d. As a result, huge pieces of land were not being worked on
- e. Church wouldn't sell land b/c it was given to them (so, others couldn't expand)

XXXIV. Military “Fueros” (Code of Privileges)

- a. Exemption from jurisdiction of civil courts (trial by military courts only)
- b. Receive royal grants (land, concessions/Indians)

XXXV. Hacienda Army

- a. Military was not always around to keep order
- b. As a result, owners of land could have private armies to put down Indian revolts on their plantations

XXXVI. Colonial System

- a. Very Elitist
- b. Authoritarian
- c. Hierarchal
- d. Patrimonial
- e. Elites had no sense of civic responsibility, except for vicerealty

XXXVII. Viceroyalty

- a. Worked hard to make vice royalties work
- b. Below viceroyalty, everyone was trying to exploit the system

XXXVIII. Napoleon Invades Spain, 1808

- a. Breaks connection between crown and colonies
- b. Top-down control breaks
- c. No central authority in colonies
- d. Sovereignty reverts to people in the Americas

XXXIX. Latin American Independence Movements

- a. Simon Bolivar and others begin great wars of liberation
- b. Napoleon is defeated by 1815, but by Spain recovers, all of Latin America is in revolt

XXXX. International Funding of Latin American Revolutions

- a. British, French bankroll people, like Bolivar
- b. Provide money for horses, saddles, bullets, boats... to facilitate wars
- c. British and others provided funding, believing that it would give them a monopoly and an economic presence in any country that successfully gained independence

XLI. Elites Bicker for Control

- a. Elites in South America then began to bicker over who would be in control

XLII. “Man on Horseback” Era

- a. Bands of men behind a leader would promote their leader to the presidency to rule as dictator
- b. Supporters would get patronage

XLIII. New Dictators Renege on Foreign Debts

- a. Dictators get money from foreign investors, but don't give any of it to the public
- b. When new leaders gain power, either through coups and/or death of the former leader, they claimed that they weren't responsible for loans to the other leader
- c. New leaders claim to have no connection to the loans

XLIV. Central America – Chance for Unity

- a. Opportunity to unite fragments into one country
- b. However, provincialism kept them apart

XLV. Conservatives and Liberals

- a. Over time, 2 groups emerged: Conservatives and Liberals
- b. They sponsored wars against each other, believing that everyone was out to get them
- c. At the time of Latin American independence, world trade was increasing, railroads were being built, and the Industrial Revolution was just beginning

XLVI. Liberals

- a. Promote Industrial Revolution
- b. Promote Secular education over church education
- c. By 1850s, Church had almost all of its plantations taken away
- d. 1870s into 20th century, new entrepreneurial elites rose, old oligarchs fell

XLVII. Conservatives

- a. Wanted to retain status quo of colonial system
- b. Favored Elites (old class structure)
- c. Wanted to protect Indians and to keep them on their side so they could exploit them
- d. pro-church

XLVIII. Constitutions

- a. 180 constitutions were promulgated during civil wars and confrontations
- b. Liberal dictators (Diaz in Mexico)
- c. Liberals tended to dominate over time
- d. By 1900, a small middle class is established

Expanded Middle Class and New Social Expectation

I. Rising Middle Class

- a. 1870s into 20th century, new entrepreneurial elites rose, old oligarchs fell
- b. Middle class increased in size heading into the 20th century
- c. Desire for materialism increased

II. Republican Dictatorships Formed

- a. Written Democratic Constitutions that are ruled in an authoritarian fashion
- b. Many dictators had a desire to emulate Europe

III. Argentina

- a. Great producer of meat and wheat
- b. New technology that allowed transport of meat allowed Argentina to grow

IV. Businesses/Military and Workers

- a. General insensitivity of businesses towards middle class
- b. Military protected business class

V. Professional Military Academies

- a. As the 20th century began, militaries around the world began to become more professional
- b. French established Military Academy
- c. Germans established Chilean Military Academy
- d. US President Theodore Roosevelt established Military Academy at West Point, NY

VI. Social and Political Expectations in Early 20th century

- a. As 20th century began, there were rising political, social expectations
- b. Politicians sought out repressed or disregarded people and exploited them in order to gain power
- c. Progressive reform begins
- d. Establishment of Universities systems accelerates
- e. Middle Class increased in size
- f. Mexicans and Russians both had revolutions

VII. Rural Outback

- a. Illiterate
- b. Had health problems
- c. But they were a ready source of labor
- d. Things rolled along until the Great Depression in 1929

VIII. Smoot-Hawley Tariff

- a. US didn't have money to buy goods because there were 11 million workers unemployed
- b. To prevent countries from dumping goods into the US, **the US raised import taxes**
- c. As a result of the increased tariff by the US, other countries had trouble exporting their goods to the US

IX. Import Substitution Industrialization (ISI)

- a. In Latin America (especially in Argentina), since goods couldn't be exported to gain the money needed to import goods, Argentina had to develop internal industries to create products usually imported
- b. This increased the number of workers, who then organized and formed unions
- c. As a result of the new unions, the old line began to be questioned
- d. New political parties emerged
- e. Middle class increased in size
- f. Students who attend universities get involved in politics on campus
- g. US tried to influence countries towards US interests, but it was not always successful

X. US in World War II

- a. September 1, 1939 - WW2 begins
- b. US gets involved in WW2
- c. US war aims against Germany and Japan are based upon moral values (free speech, assembly...)

XI. Latin American Values

- a. In Latin America, there a questioning of the traditional values and less authoritarian attitudes develop
- b. World Trade begins to expand greatly after WW2
- c. Free Trade flourishes
- d. Church/Army don't always defend status quo after WW2

XII. Faster and Wider Communication after WW2

- a. Radio/TV, especially radio helps transmit news (even the poorest farmers own a radio)
- b. Transportation – airplanes, trains, ships help to transport goods

XIII. Models of Political Regimes in Latin America after World War II

- a. Liberal
- b. Authoritarian
- c. Populist
- d. Bureaucratic – Authoritarian

XIV. Liberal Regime

- a. Decision making by a series of institutions (diffused authority and responsibility)
- b. Consensus backed legal procedures to control political dissidence
- c. Pluralistic participation – diverse interest groups & democratic process
- d. Encourage articulation of many points of view
- e. Political agenda – rational choices when issues are diffuse and complex, identify problem, clarify goals, order priorities

XV. Authoritarian Regime

- a. Concentrated Decision making (top-down)
- b. Repression
- c. Limited pluralism (sometimes none) No democratic process
- d. Sharply restricted information flow
- e. Political agenda
 - 1. small range of crucial basic issues – major task is to mobilize energies to ensure forceful implementation
 - 2. interest is zero – some threatened elites respond with irreconcilable hostility

XVI. Populist Regime

- a. Semi-authoritarian
 - 1. Represent coalitions against some other set of interests (landowners)
 - 2. exclusion and repression
- b. Represent interests of select classes – workers, industrialists, landowners, farmers, etc...
 - *personal power and charisma of leaders

XVII. Bureaucratic – Authoritarian Regime

- a. Frequently military rule
- b. Public office to bureaucrats (military, civil service, corporations)
- c. Political/economic exclusion of working class
- d. Reduction/elimination of political activity
 - problems are technical – not political
 - administrative solutions rather than political settlements
- e. Revive economic growth through international economic forces (dependency)

Argentina

I. Topics

- a. Juan Peron & Evita
- b. CGT – General Confederation of Workers
- c. Isabella Peron
- d. General Galtieri
- e. Raul Alfonsin
- f. Carlos Menem
- g. Fernando De La Rúa
- h. Nestor Kirchner

II. Juan Peron

- a. Had a big impact in Argentina
- b. Peronist party continues through today
- c. Made his appearance into politics as an Army Colonel, becoming Secretary of Labor in the early to mid-1940s
- d. Saw a political opportunity to propel himself in politics by using labor as a political base
- e. He was a fairly astute politician for using labor
- f. Peron had a following in Argentine Army, but he was looking to propel himself above other Army Colonels of the day
- g. Makes promises to Labor to increase his popularity

III. Peron's Promises

- a. Better housing
- b. Better food
- c. Better clothing
- d. Supports Labor Unions
- e. Supports Social Security Benefits and Support

IV. General Confederation of Workers (CGT)

- a. Promises resonated w/ workers in the CGT Labor Union
- b. CGT rallied around Peron when it looked like he would be thrown into jail

V. Peron's Government

- a. Promoted redistribution of wealth in favor of the workers
- b. Promoted industrialization, but felt that government had to be in control of the economy
 - Nationalized railroads
 - Extended social welfare programs to a larger population
- c. Peron's programs, while popular, exhausted the treasury

VI. Evita Peron

- a. Alter ego of Peron who helped to give him ideas
- b. Started as an actress
- c. Went into politics when she met Peron (and married him)
- d. Evita was adored by her followers
- e. But then she became sick and passed away

VII. Peron After Evita

- a. After Evita's death, the women's rights movement that Evita began and her ability to mobilize workers behind Peron were lost
- b. Peron lost contact w/ the people
- c. Friction began after her death w/ the upper echelon of society who didn't like Evita
- c. Peron tried to rule by repression, but was overthrown
- d. Military takes control

VIII. Peron's Return to Argentina w/ Isabella (Maria Estella)

- a. Early 1970s, Peron comes back to Argentina w/ his new wife, Isabella
- b. Shortly afterwards, he is elected, but dies soon afterwards
- c. His wife, Maria Estella is promoted to the Presidency of Argentina

IX. Isabella (Maria Estella) – Problems in Government

- a. Can't meet demands of labor
- b. Country is corrupt
- c. Military is concerned with leftists
- d. Insurgencies developing in Argentina, Paraguay, Chile, Brazil, with Castro already in power in Cuba
- e. 1976 military coup takes her out of power

Civil-Military Relations

Definitions

- X. “Democratic Professional” Mentality (Civil-Military Relations)**
- a. An institution which is as a whole neutral or a-political (not involved in politics in competition with political parties or elements trying to control the country) and completely subordinate (obedient) to properly constituted, legal civilian authority. Values include honorable, uncorrupt community oriented service to the nation rather than to self-interest, (power, graft, kickbacks, narcotrafficking etc). Integrity and honesty (no lying, cheating, or stealing) are valued and adhered to. Orientation is towards insuring the security of the nation, insuring that all actions are legally and morally correct, respecting the human rights and liberties of ones fellow citizens
- XI. “Praetorian Guard” Mentality (Civil-Military Relations)**
- a. An institution which is as a whole highly involved in politics, influencing directly or indirectly the political functioning and processes of the government. It is not adverse to ignoring the established democratic process to take full power and control of the government, given that it distrusts politicians, civilian rule and assumes the worst in people, looking at its own institution as the only alternative to perceived political disorder. Obedient unto itself and indifferent to the population, the institution prefers to make the rules. Unbridled power, self-aggrandizement, ambition and overriding self-interest characterize its values. Any means that protect the institution from criticism, protect its privileges, and preserve its autonomy within society are acceptable. Power and influence in society are its ends. This type of military believes it is above the law and that it should be immune from prosecution.

XII. Why Militaries Intervene in Latin America

- a. Militaries intervene in Latin America and take power when they see that civilians can't handle the problems of the day (economic, riots, no law and order)
- b. In Cold War days, militaries intervened for national security if government could not meet threats and would intervene to quash threats at any cost, in any manner
- c. Military would sometimes takeover if civilian government was trying to interfere w/ promotions in military
- d. Political parties sometimes promoted military intervention to get party interests
- e. Militaries sometimes intervened to purify and clean-up society (i.e. – dress codes for population)

XIII. Military Rule in Argentina

- a. In Argentina, Military intervened b/c Isabella could not stabilize problems in the country
- b. Military did not like workers and labor unions – therefore they were not working in the interests of the people
- c. They believed there was a revolution taking place (a subversive group)
- d. Speaking out against the military government was considered subversive (people disappeared)
- e. People were thrown on planes, were chained together, blind-folded, then led out of the doors of the plane for a 10,000 foot drop into the Atlantic Ocean
- f. Military squashed what they called subversion

XIV. Military Economy

- a. While Argentina was supposedly safer, the economy went downhill
- b. Most military takeovers, while they provide security, are not good w/ economics
- c. Military governments can't handle the ups and downs of a capitalist system

XV. “The Dirty War”

- a. As economy turned bad, the Argentinean people started to point the finger at the military (because they were the government in charge)

XVI. General Galtieri's Falklands War

- a. In order for the military government to maintain its legitimacy in the face of economic troubles, General Galtieri decided to go and invade the Falkland Islands (Islas Malvinas) that had been disputed for 150 years between Britain and Argentina
- b. But Galtieri misjudged the resolve of Margaret Thatcher in Great Britain

XVII. Margaret Thatcher

- a. Prime Minister of Great Britain
- b. Said that this was Britain's "Pearl Harbor"
- c. She said that English men and women were under siege
- d. If Argentines had waited 1 more year, British would have finished selling their remaining planes to Australia and left the Falklands

XVIII. Falklands War

- a. Things were going good for Argentina until a British torpedo sunk an Argentine Cruiser
- b. Argentine Air force retaliated by dropping bomb on Britain's ships, but they were old and therefore wouldn't detonate
- c. Argentine Military makes a lot of mistakes and loses the war
- d. Loss in war discredits the military, b/c that was the very aspect of their expertise
- e. Loss in war, plus deteriorating economy in Argentina led to election taking place in 1983

XIX. Raul Alfonsin is Elected

- a. Peronist Party is running against Alfonsin (Radical Civil Union Party, or UCR)
- b. Alfonsin is elected
- c. Peronists had been discredited b/c Isabella couldn't handle problems in country
- d. Alfonsin investigates Peronists

XX. Alfonsin's Acts and Agenda

- a. Human rights
- b. Democracy
- c. Civilian control over Armed Forces (#1 priority b/c if it isn't, military could step back in)
- d. Removes military leaders from civilian posts
- e. Uses media to conduct trials for senior military officials for their conduct in the "Dirty War"
- f. Cuts funding for Army
- g. 50/80 generals were retired
- h. But Alfonsin has economic problems

XXI. Alfonsin's Economic Problems

- a. Introduces new currency to try and stimulate the economy, but buying power is reduced by 25%
- b. As a result, he is discredited
- c. In 1989, Peronists see a chance to bounce back

XXII. Carlos Menem

- a. Seen as most popular in Argentina at the time, so he is elected for a 5 year term
- b. Military is not a threat
- c. Continues to reduce military's budget
- d. Menem says that the state is involved in too much of the economy (and that is what's causing Argentina's financial problems)
- e. He begins to sell government controlled enterprises (lets public sector worry about economy) and then tax them to get money
- f. All the things that Peron had nationalized (all industries) were being privatized
- g. With new funding available, prices fell, and public confidence went up
- h. Privatizing, however, resulted in the government cutting 130,000 jobs and increasing unemployment
- i. As a result, demonstrations take place
- j. Even w/ enhancements here is great discontent
- k. But Menem's policies were success in the overall picture that Argentina had 6% growth (when 3% is the norm)
- l. But then his wife, son get involved in a drug scandal
- m. CGT says that he is not meeting demands of the new economy

XXIII. Menem goes for a 2nd Term (w/ 14 other Candidates running)

- a. Claims that the economy has greatly rebounded w/ him
- b. 60% of people claim economy is doing well (40% don't)
- c. ½ the population worried about their jobs

XXIV. Menem's Problems in 2nd Term

- a. Provincial Governors expected state subsidies from Menem in exchange for supporting him (this was the tradition), but he couldn't afford to give them subsidies after he sold the state industry
- b. As a result, 1000 small industries go bankrupt and more people are out of work
- c. Image of corruption develops
- d. Wife, son involved in narcotrafficking
- e. Fluctuating world market
- f. Tries to purchase Falkland Islands from Britain, but they say no
- g. Fall 1997 – Peronists lose their majority in Argentine Congress
- h. Economic recession sets in

XXV. Fernando De La Rúa, elected 1999

- a. Member of Radical Civil Union party – same as Alfonsín
- b. Begins austerity program
- c. Increases taxes and cuts government spending
- d. Tries to limit government salaries to no more than \$1000/month b/c some government officials were awarding themselves \$4-5,000 when there were other struggling to get \$300/month
- e. Lots of strikes took place because population found they were spending ¼ of their earnings in taxes

XXVI. Scandals in De La Rúa Administration

- a. VP is accused of corruption and resigns
- b. Corruption between cabinet members and Congress

XXVII. National Debt Out of Control

- a. National Debt - \$145 billion (\$8 Billion in interest has to be paid on debt to international bank)
- b. De La Rúa fires economic advisors
- c. US advisor lasts 2 weeks
- d. Guy under Menem comes back w/ an austerity program that is rejected
- e. Alfonsín denounces De La Rúa (both of the same party)
- f. International community was looking to get paid

XXVIII. Public is Disenfranchised

- a. 40% population said they would not vote
- b. Poverty rated at 50%
- c. De La Rúa steps down
- d. Interim President established, but he doesn't help the situation
- e. April 2003 elections announced (18 candidates – mainly between Menem and Kirchner)

XXIX. Nestor Kirchner (53 year old)

- a. As governor, inherited debt
- b. Eventually worked his province out of debt
- c. Upon becoming president, he finds:
 - 2 million public employees
 - 3 million people on welfare
 - 4 million senior citizens
 - = 9 million draining treasury every month
- d. Makes deal w/ International banking industry, saying if they don't reduce interest, then Argentina just won't pay (makes him a hero in Argentina)

XXX. Kirchner's Rating

- a. 70% popularity rating after negotiating lower interest rates
- b. But high crime rate, unemployment have dropped his popularity to 38%

XXXI. The Road Ahead For Argentina

- a. Military shifted allegiance to Peronists
- b. Radical Civil Union Party in power now
- c. Road in Argentina will be very tough
- d. Up-down lifestyle (1 five year period is good, the next is bad)
- e. If you can deal w/ economics in Argentina, a politician can get elected
- f. Menem's party started disowning him when he began doing things to help the economy that weren't for labor

Uruguay

I. Topics

- a. Tupamaros (Raul Sendec)
- b. Julio Sanevinetti
- c. Luis Lacalle
- d. Tabaré Vasquez
- e. Jorge Battle

II. Uruguay's Government Today

- a. Uruguay was initially conceived as a buffer state by the British to separate Argentina and Brazil
- b. Today – 3.2 million - population
- b. Has a political government – how well economy is doing, determines political stability

III. Social Security Problems, late 1940s-1950s

- a. Retirement age was set at 40 years old – when one could retire and receive Social Security payments
- b. But it got to the point that the population that had to pay taxes could not support the government's social programs and retirement community at the level people desired

IV. Drop in Exports, 1960

- a. Some 500 families owned all farm land in Uruguay
- b. As long as things were going good in the world market, things were good
- c. But in 1960, the price of exports dropped

V. Presidential Minority, 1960

- a. At the same time as prices dropped, a new president was elected w/ only 22% of the vote – this made it impossible to pass legislation
- b. President had to play to opposition interests b/c he was ruling as a minority
- c. Plus, the problem with Social Security
- d. As economy went down due to fewer exports, unemployment increased

VI. Reform Movement in Uruguay

- a. Montevideo (capital) couldn't give the same quality of services that citizens wanted after the economy went down hill
- b. Sparked by Castro revolution in Cuba, reformists in Uruguay started seeing that government was not responding to the desires of the people
- c. Raul Sendec and others appealed to frustrated students, business men, and others to pressure government for change
- d. One group wanted a peaceful approach to change
- e. A second group wanted militant action against the government (the Tupamaros)

VII. Raul Sendec and the Tupamaros

- a. Militant Tupamaros begin in the rural outback (where the poor live)
- b. However, effort to galvanize outback wasn't working
- c. Tupamaros, as Raul Sendec named the organization, then went to an urban area, Montevideo (the seat of power)
- d. Originally, Sendec had a Robin Hood image (focusing on government institutions), but then his group shifted to kidnappings for ransom
- e. The more kidnappings and bombings his group did, the more people felt threatened

VIII. Urban Area Cells

- a. In urban area, cells were safe as long as they stayed small, but eventually they had to reach out to more people
- b. This made the urban insurgency vulnerable to penetration by the government's counter-insurgency organizations

IX. President Declares Internal State of Siege

- a. Police can't stem tide
- b. President asks Army to intervene, declaring an internal state of siege

X. Military Defeats Tupamaros

- a. Early 1970s, military defeats Tupamaros in 90 days
- b. Military has spies in Tupamaros organization
- c. They pinpoint safe houses, then torture captured people for information on other safe houses
- d. Civilians, who didn't like the kidnappings and bombings that the group was doing, would also point out to the Army where things were going on
- e. It was a short, brutal war, but Army decides that country needs a change in government (Military takes over government)

XI. Military Takes Over Government, 1973

- a. After 90 days, Army takes over country for 12 years (beginning in 1973)
- b. Uruguayan military believed they were patriotic to take over the government
- c. Wanted to rebuild nation to instill better values
- d. Wanted to eliminate corruption
- e. Wanted to create efficient government – military would put the right man in charge
- f. Military was a top-down organization – believed that society needed military discipline
- g. Military Colonel said that anyone who challenged economics or other military governing was considered subversive
- h. Parliament was closed
- i. Press was censored, and sometimes closed down
- j. Labor movements were suppressed
- k. Any political parties affiliated w/ socialist groups were banned
- l. Economy was to be changed to a free market economy – Military would trade w/ any body and everybody (including the Soviet Union)

XII. Military's Plebiscite

- a. In early 1980s, economy began to collapse
- b. Military conducted a plebiscite, believing they would win the public's support
- c. This was a mistake for the military b/c they could have claimed to have ruled by "silent majority"
- d. Public voted against military in plebiscite b/c democracy was being destroyed in order to save it
- e. 57% public believed that military was failing to run the country effectively
- f. Military then called for elections in 1985

XIII. Julio Saunevinetti

- a. Member of Colorado Party gets elected
- b. Had a problem w/ strong military (Praetorian guard mentality – Military could intervene whenever it felt it needed to)
- c. Declares that military will receive amnesty from any judicial prosecution (so that they don't feel threatened and feel that they have to intervene again)
- d. But gradually, he begins to reduce the military's budget
- e. But he's dealing w/ a lethargic economic situation (not competing well enough on world market)
- f. Argentine manufactured goods were not meeting their national expenses

XIV. Luis Lacalle

- a. Feels that more Uruguayans are willing to buy things, but they are not investing in their own country

XV. Rate of Economic Development in Uruguay

- a. Overall, country is developing at 2% rate (3% is average)
- b. There is some inflation

XVI. Mercosur (Southern Common Market)

- a. Uruguay joins Mercosur, along with Argentina, Paraguay, and Brazil in order to get trade going between these countries, even if the trade is just between these countries
- b. Mercosur trade goes up 35%, so it has some viability
- c. But people inside Uruguay are not too happy w/ their situation

XVII. Tabaré Vasquez, November 1994

- a. Mayor of Montevideo, a member of the left forms coalition, Progressive party
- b. Runs against Julio Saunevinetti of the Colorado party
- c. Vasquez is a popular guy
- d. Raised workers salaries
- e. Attempted to triple taxes on the rich
- f. However, inside the whole country, his reputation caught up w/ him
- g. He was a former Tupamaro who robbed a bank
- h. As a result of his reputation, he loses the election

XVIII. Julio Saunevinetti Gets Re-elected, 1995

- a. Faced w/ 35% inflation
- b. overvalues currency (makes exports too expensive for world market)
- c. When adjustment was made, economy began to flourish (5% growth)
- d. But he still had to deal w/ retirement problem

XIX. Social Security Problem

- a. For each retired person, there are only 2 workers providing taxes
- b. Economy is stagnant and people remain frustrated

XX. Jorge Battle Gets Elected, Nov. 1999

- a. 72 year old becomes President on his 5th attempt
- b. Proclaims he will cut taxes to prevent recession and increase private spending
- c. Vasquez: 44% vote; Battle: 52%
- d. Reduces government spending in hopes of getting more international loans
- e. Tries to create another Silicon Valley (area vibrantly involved in evolution of new technologies) to better the economy
- f. Just as agriculture starts to boom, the cattle industry says there is a problem w/ hoof and mouth disease (causing people to stop eating meat)
- g. But economy starts rebuilding
- h. Standard and Poor's Index (S&P) gave their economy a good rating, but within a short time it dropped off
- i. Battle was able to get \$500 million in loans
- j. 2 banks failed in Montevideo
- k. Peso was devalued (causing \$60 million in pesos to be withdrawn from banks and invested in other countries)
- l. Jorge Battle stopped withdrawals to prevent massive bank failures

XXI. Southern Common Market Trading

- a. As gas get more expensive, cost of products goes up
- b. Mercosur continues to serve country
- c. $\frac{3}{4}$ of Uruguay's imports come from Southern Common Market
- d. 13% imports from US

XXII. Uruguay's Future

- a. November 13, 2004 – another election is upcoming
- b. Uruguayans are proud of the democratic process and their participation, even though economic programs are not what they want them to be
- c. Vasquez is running, Lacalle is running, Guillermo is running
- d. $\frac{1}{2}$ of the population supports Tabaré Vasquez, so it looks like he'll become Uruguay's new president
- e. Military does not like Vasquez, but he was successful as mayor of Montevideo
- f. Like Argentina, Uruguay had a negative experience w/ military in power
- g. Uruguay is caught up in the world economy
- h. Uruguay's fate is going to be determined on how much a president can make Uruguay more competitive in world market
- i. Uruguayans have a lot of patience to see a candidate through their entire term before making judgment

Chile

I. Topics

- a. Eduardo Frei
- b. Salvador Allende
- c. General Augusto Pinochet
 - Chicago Boys
- d. Patricio Aylwin
- e. Eduardo Frei, Jr.
- f. Ricardo Lagos
- g. Las Madres De Plaza de Mayo

II. About Its Land

- a. Almost 3000 miles long
- b. Upper Third - Desert
- c. Central Third – Valleys (farms/industry)
- d. Southern Third – Inhospitable cold climate

III. Chilean Politics

- a. Traditionally readily accepted as a democratic country for most of its history
- b. Usually 3 parties contending for power over the past 50 years
 - 1. Conservative party (right)
 - 2. Christian-Democrats (middle ground group)
 - 3. Liberal/Socialist (left)
- c. In any given election, whoever barely gets more votes than the other 2 parties, gets into power
- d. This plurality created a minority in Congress for the ruling party in power

IV. Eduardo Frei, 1964

- a. Elected as a Christian-Democrat
- b. There was lots of pressure on him to nationalize foreign interests, such as copper (a US interest), but he never really succumbed to the pressure
- c. Tried to implement land reform to give poor some land (that they couldn't have gotten otherwise)
- d. Land was seized from large land owners
- e. Riots began, police were called out
- f. Large land owners were upset that they were losing part of their territory
- g. Frei also had budget problems

V. Frei's Budget Problems

- a. He couldn't meet the needs of the public sector
- b. He didn't want to take away more land from the large land owners to appease the poor, because the land owner were anger as it was
- c. The government couldn't generate enough money from taxes to deal w/ all of its problems

VI. Salvador Allende Becomes President

- a. The Socialists/Left allied themselves for the 1970 election
- b. They called themselves the Popular Unity Party, behind former President of the Senate, Salvador Allende
- c. Allende won 37% of vote becoming the 1st democratically elected Marxist in South America (Castro doesn't count b/c he gained power through a coup)

VII. Allende's Goals, Accomplishments

- a. Wanted to create greater income and power for the working class
- b. Wanted to bring Frei's land reform and other programs into fruition
- c. Nationalized foreign firms and interests (including copper)
- d. This made Allende an overnight hero in the country (nobody had ever gotten foreign interests out of Chile – only threatened)
- e. Increased minimum wage by 50%
- f. Controlled prices
- g. By nationalizing copper, he cut the Army off from 10% of copper profits that it was getting, which it could spend any way it wanted to (the Army General Staff was not happy about this)
- h. Agricultural subsidies were given to farmers so that they could become more competitive in the world market
- i. Land Reform wiped out the remaining large estates
- j. By 1971, Chile has an 8.6% rate of growth
- k. Cost of production, however, was moving above profit levels b/c of price controls, resulting in a downward turn for the economy

VIII. America's Plan to Bring Down Allende

- a. Nixon has the National Security Council look into the US interests that were wiped out in Chile when they nationalize foreign firms and interests
- b. Nixon tells CIA to do something to avoid another "Castro" (Socialist/Communist) taking over in Chile
- c. CIA gets together w/ Allende's opposition groups
- d. CIA finances transportation strikes (as a result, food products can't get from the countryside into the towns)

IX. Allende Struggles To Govern

- a. To alleviate the problem with strikes, militant parts of Allende's government, began to seize factories, which then shut down
- b. Allende's government then tried to nationalize 500 companies, which the government is not able to manage
- c. The result was chaos in the country; Fear gripped their nation
- d. B/c those 500 companies were nationalized, people feared that their legal rights to private property were going to be challenged
- e. While Allende was well intentioned, he had militant parts of his party that wanted to go way beyond what he wanted

X. Private Capitalists

- a. Fearing that their land was going to be taken away, these private capitalists could either leave the country or bring down the government and replace it with another

XI. Pinochet's Army Takes Power

- a. Allende was refused loans he needed to manage the country (Nixon had a part in this)
- b. As things became chaotic, Allende calls out the Army
- c. Army was affected by polarization that was taking place
- d. Militant elements of Allende's government get weapons
- e. Army believes they are under attack
- f. Army then agrees w/ economic elite to take over Chile
- g. Pinochet looks at Allende's party as a threat and wants to eliminate it
- h. 1973-74 – Pinochet wants to remove the socio-economic element in society that allowed the left to come to power

XII. General Pinochet's Rule

- a. Military represses society
- b. State of internal war was declared (Dirty War)
- c. The idea was to exterminate any part or support of the militant left
- d. If there was any doubt, they would be eliminated

XIII. Pinochet's Objective

- a. Solve problems through military rule
- b. Then begin a constitutional process
- c. By mid-1980, he wanted to establish a Congress
- d. By 1990, he wanted to have a formal election (Pinochet believed that people would like what he did so that members of his military would get elected in the future)

XIV. Pinochet's Economy

- a. Believed that if he could establish capitalism, everything would work out
- b. Since Allende couldn't get loans, he had to print more money, and thus created hyperinflation (600% inflation)
- c. Pinochet had to deal w/ inflation
- d. Pinochet managed to lower the inflation % to 10%
- e. Exports tripled
- f. Pinochet devalued the currency to make goods compete better in the international market
- g. Pinochet wanted to see the private sector invest in the country
- h. 2-3 years after Pinochet took power, there was a serious recession
- i. There were a lot of up and downs in Pinochet's economy

XV. Chicago Boys

- a. Technicians who would scientifically apply their economic knowledge to Chile's economy (advocated an open economy)
- b. Advocated for a low import tax
- c. Forced Chilean economy to be more efficient
- d. Government would not favor economic interests
- e. Guaranteed respect for private property
- f. Taxes would be collected equally
- g. Value-Added Tax – added on top of any consumptive product (food, clothes, any luxury product)
- h. However, these were very difficult for the Chilean economy to adapt to
- i. Very tough on poor

XVI. Another Recession

- a. When Mexican Peso collapsed in 1980s, Chile's economy went down
- b. As a result, Chicago Boys were discredited

XVII. Moving Towards Democracy

- a. Early 1980s, Political Parties were allowed to reappear
- b. Protest movements were allowed to reappear

XVIII. Free Economic Market, 1980s

- a. 8% growth in foreign investment in 1980s
- b. Pinochet sold copper to China, even though he was anti-Communist
- c. Pinochet created the freest economic market through repression

XIX. 1988 Plebiscite Backfires

- a. Pinochet was so confident that his programs were good for Chile that in 1988 he conducted a plebiscite to give the military government legitimacy in the country
- b. However, people at the polls said, "What has the military done for me?"
- c. Military policies were good for trade in Chilean society, but it never really benefited the poor
- d. Referendum backfire – people voted no
- e. Then there was a transition government that would allow the political process to take place

XX. Patricio Aylwin, elected 1990

- a. Member of the Christian Democrats
- b. Elected for a 4 year term
- c. Presidency created an economic boom
- d. Exports went up
- e. There was a lot of foreign investment
- f. He was able to reduce Chile's international debt
- g. Military once again received 10% of the profits from copper exports
- h. Military was given this money to appease them b/c they had a Praetorian guard mentality

XXI. Investigating the Dirty War

- a. At the same time that he gave 10% copper profits to military, he allowed the Judiciary to investigate their government
- b. 21 senior generals were purged from military for corruption
- c. They sold houses to relatives at cheap prices
- d. Pinochet's son was also given a \$3 million check from the government
- e. Military was involved w/ smuggling (autos), narcotrafficking, and prostitution
- f. Military was becoming discredited from this investigation

XXII. Eduardo Frei, Jr., elected 1993

- a. Member of the Christian Democrats
- b. Elected to 6 year term

XXIII. Pinochet's Immunity

- a. When Pinochet was leader, he reworked the Constitution to say that the leader of the Army and the rest of the Armed Forces are immune from prosecution
- b. Frei, Jr. wanted a Democratic Professional Army
- c. As a result, when Pinochet retired in 1987, he was given immunity

XXIV. Las Madres de Plaza de Mayo – Surviving Mothers of Sons Who Disappeared

- a. Come back in the Dirty war to find out what happened to their son
- b. Police officers are forced to account for their actions
- c. 2100 Chileans were murdered; 700 disappeared under military rule
- d. To bring justice, Supreme Court repealed amnesty law that gave military immunity

XXV. Ricardo Lagos, elected January 2000

- a. Socialist wins w/ 51% in a runoff vote between the top 2 candidates
- b. There was a 90% turnout for 2000 Chilean election
- c. February 2000 – copper prices rise by 30%
- d. This creates an economic boom
- e. Chile's economy has a steady 5-6% growth
- f. Standard and Poor's (S&P) says that Chile was the strongest country in Latin America (which leads to an increase in foreign investments)

XXVI. Case Against Pinochet

- a. 1998 - government using Supreme Court, has Pinochet arrested, but he is found unable to stand trial
- b. July 2002 – Pinochet renounces his seat in Senate
- c. But then another court says that Pinochet is not fit to stand trial
- d. Supreme Court, however, declares him vulnerable to prosecution
- e. Military people of Dirty War still being sent to jail

XXVII. Chile's Great Economy

- a. Chile may be a politically boring country, but its economy works
- b. Chile exports 85% of its goods to the US
- c. Current growth rate – 5%
- d. 1% of population uses the internet
- e. Government gets most of its money from value-added tax
- f. Average person in Chile now has basic US amenities of life

XXVIII. Tarnished Military Image

- a. July 2004 – Pinochet said he had health problems, but courts said he was fine
- b. Pinochet has been accused of laundering money through Washington DC
- c. Military has been tarnished
- d. But ironically, because of Pinochet's reforms, Chile has a viable economy and society

Paraguay

I. Topics

- a. Alfredo Stroessner
- b. General Rodriguez
- c. Juan Wasmosy
- d. General Lino Oviedo
- e. Raul Cubas
- f. Luis Gonzalez Macchi
- g. Nicanj Duarte

II. History

- a. Comes out of a caudillo dictator mentality
- b. 3 rulers in first 60 years of country
- c. 50 rulers between 1860 and 1950
- d. 4 President in 1949
- e. Stroessner involved in many military coups in late 1940s and 1954
- f. 1954 – Stroessner comes to power for a 35 year dictatorship

III. Alfredo Stroessner's Dictatorship

- a. Began in 1954
- b. Ruled by Cronyism
- c. Bought support from his opposition
- d. Worked 16-18 hour days for his 1st 15-20 years, making many of the decisions himself
- e. Used his political party to dispense patronage (bought people off to get their support, gave perks to important people in his party)
- f. If Stroessner couldn't corrupt support, he would use coercion
- g. There was lots of smuggling into Paraguay along the Argentina and Brazilian border
- h. Overtime, people began to get tired of the same guy running the system
- i. Stroessner brought in 50,000 Japanese and Koreans to work in Paraguay b/c Japanese has been good workers in Brazil

IV. 1980s Economic Crisis

- a. Stroessner was too old to deal w/ problems, which he had handled himself, as an individual
- b. As a result, his regime went into crisis
- c. Gustavo Stroessner, his son, was supposed to take over, but Stroessner's Colorado Party split between militants in his party who wanted to open the political system up and traditionalists who liked the Stroessners to be in power

V. Gustavo Stroessner's Rigged 1988 Election

- a. Won power in 1988 through a rigged election
- b. But, he was soon overthrown by General Andres Rodriguez

VI. General Rodriguez

- a. Ran a coup de tat b/c he felt that 1988 election was rigged
- b. Then he announced free and open elections 2 months after

VII. Rodriguez is Elected

- a. In free elections, General Rodriguez is elected
- b. He ended censorship
- c. Allowed Exiles to return
- d. But, he was still a military guy

VIII. Juan Wasmosy – Civilian Government Returns – 1993 Election

- a. 1st civilian president elected since Paraguayan independence
- b. He's the grandson of a Honduran immigrant
- c. Saw that while there was stability in the country from Stroessner's rule, half the population was suffering
- d. Tries to meet land reform demands, but it is not easy
- e. In order to create a more prosperous economy, Wasmosy privatizes government industry

IX. Paraguay and Narcotrafficking

- a. 1990s – US points at Paraguay as an accomplice country in narcotrafficking
- b. General Rodriguez is even linked to narcotrafficking

X. General Oviedo Gives Wasmosy Trouble

- a. Wasmosy has trouble with the military because they are used to giving orders, not taking them
- b. Army General Oviedo goes out of his way to contradict Wasmosy, as President
- c. Congressional investigation concluded that Oviedo was undermining the President
- d. As a result, General Oviedo was dismissed of his duties
- e. Fearing a coup de tat for this act, Wasmosy went to US embassy for protection
- f. Wasmosy orders the arrest of Oviedo, but he goes into exile in Argentina

XI. Raul Cubas, Elected May 1998

- a. Former Vice President under Wasmosy, but a good friend of Oviedo
- b. Grants amnesty for Oviedo, but Supreme Court overrules him and directs Cubas to call for Oviedo's extradition to Paraguay
- c. Cubas, however, disregards the Supreme Court
- d. As a result, in February 1999, Congress moves to impeach Cubas for not listening to the Supreme Court
- e. The Vice President - a rival of Cubas is assassinated
- f. Soon after, Cubas resigns and flees to Brazil

XI. Luis Gonzalez Macchi's Government

- a. President of Senate assumes Presidency after Cubas resigned
- b. Oviedo flees to Argentina
- c. Forms a coalition government and goes after military, retiring 100 officers
- d. Requests the extradition of Oviedo and Cubas
- e. Feeling pressure from the Argentine government, Oviedo goes to Brazil
- f. Gonzalez Macchi accuses Oviedo of narcotrafficking and tries to convince the Brazilian government to extradite him to Paraguay

XII. Luis Gonzalez Macchi's Economy

- a. Accuses Oviedo of narcotrafficking
- b. Paraguayan economy goes into a recession b/c 50% of Paraguayans who should be paying taxes, aren't – Government loses \$2 billion/year
- c. Black Market/Secondary economy is really what kept the country floating
- d. 30,000 kids were begging in the streets of the capital
- e. 1999 economic growth – 0%
- f. There is a 40% illiteracy rate in Paraguay
- g. $\frac{3}{4}$ of population feel that they are worse under democracy than under Stroessner's rule
- h. Transportation is so bad that Army has to provide transportation in the face of bus strikes

XIII. Luis Gonzalez Macchi's Corruption

- a. Gonzalez Macchi is accused of siphoning money from the national bank and getting kickbacks from the telephone industry
- b. These charges lead to his impeachment

XIII. Nicanj Duarte, Elected

- a. 46 year old
- b. Former lawyer/newspaper man
- c. Wins with 38% of vote
- d. Inherits all of his predecessors problems

XIV. Arabic People in Paraguay

- a. After 9/11, US became interested in different areas around the world
- b. There are 25 – 50,000 Arabic people working in Paraguay and it is suspected that some money from them is going to support terrorist groups

XV. Duarte's Presidency

- a. Stroessner is still exiled in Brazil
- b. Oviedo has been returned to Paraguay and he's currently in jail
- c. The big issue in Paraguay now is over land

XVI. Land Problem in Paraguay

- a. Farmers in Paraguay want better land
- b. But there is not enough land to give out
- c. 1% of population owns 80% of the best land
- d. In some societies, that number alone is reason for a revolution

XVII. Will Oviedo Pose a Future Threat?

- a. Can Oviedo from jail take advantage of this land issue to threaten government into a coup de tat?

XVIII. Praetorian Guard Military Remains a Threat

- a. Democratic Rule in Paraguay hasn't helped their economic progress
- b. Economic growth is between 0 and 1-1 ½ %
- c. Military is still out there and they could come back w/ their praetorian guard mentality

Bolivia

I. Topics

- a. Paz Estenssoro
- b. “Blast Furnace”
- c. Andean Initiative
- d. Gonzalo Sanchez De Lozada
- e. Hugo Banzer
- f. Evo Morales
- g. Felipe Quispe
- h. Carlos Mesa

II. Issues in Bolivia

- a. Issues: oil, gas, drugs
- b. 190 governments since Bolivia’s inception in 1820-25

III. 1879 War in the Pacific: Chile vs. Bolivia

- a. Chile expanded its country by 1/3 and Bolivia lost access to the Pacific Ocean
- b. The loss of the Pacific Ocean is still a life and death issue for some

IV. Bolivian Geography

- a. East of Andes, there’s a tropical plain
- b. Slopes of Andes – where coca leaves are grown

V. Bolivian Ethnicity

- a. 60% Indian
- b. 30% Mestizo (Indian and Spanish)
- c. 10% White (includes European ethnicities)
- d. By 1950, ¾ of population couldn’t speak Spanish (used Indian dialects)

VI. Bolivian Land and Economy Problem

- a. Bolivia’s economy was based on tin
- b. ½ dozen families own all the big tin mines

VII. Bolivia vs. Paraguay War, 1935

- a. Paraguay took land from Bolivia
- b. As a result, the military was discredited

VIII. Paz Estenssoro – Leads Revolutionary Movement

- a. University professor elected in 1952, but then vote fraud is found
- b. As a result, Estenssoro and his reformists create national revolutionary movements
- c. They Revolt against the Army/government
- d. Tin workers who were paid cheap wages by the ½ dozen families who owned all the tin mines revolted in favor of Estenssoro
- e. Estenssoro's Movement wins the revolution

IX. Estenssoro's Reforms

- a. Offers universal suffrage
- b. Implements Agrarian land reform
- c. Ends Indian servitude in tin/gold mines (for cheap wages)
- d. The Army is eliminated
- e. Wages are raised
- f. Indians begin to have dignity and pride in themselves
- g. Estenssoro tries to end socio-economic obstacles to unite the population
- h. US government sympathizes with revolution and funds 30-40% of Estenssoro's budget

X. Estenssoro Needs The Military

- a. Estenssoro eventually realizes that he needs the military to help secure the country
- b. Estenssoro is then re-elected

XI. Army Overthrows Estenssoro, 1964

- a. In 1964, Army is recreated because Estenssoro needs help secure the country
- b. Soon after, they overthrow Estenssoro

XII. Castro's Mission For Che Guevara

- a. Castro tells Che Guevara (in Argentina) to run a revolution in Bolivia
- b. However, Guevara nor Castro understand the political situation in Bolivia
- c. In the midst of the military dictatorship, Guevara tries to rally the poor peasants, but they don't support a revolution against Estenssoro because of all of his reforms

XIII. Peasants Inform Army About Guevara, 1967

- a. Peasants go to the Army and inform them about Guevara's activity
- b. Army tracks down Guevara and shoots him dead

XIV. Hugo Banzer

- a. In early 1970s, there is a military coup
- b. 1972-73 – Banzer (Air Force General) takes power

XV. Cocaine in Bolivia

- a. During Banzer's reign, the international community begins using cocaine, including the US
- b. Cocaine is based on supply and demand
- c. US became interested in Bolivian coca industry
- d. Coca growing becomes a flourishing business
- e. Bolivian entrepreneurs buy coca leaves (going to the front doors of coca farmers), then they add chemicals and have them refined
- f. Refineries moved to jungle areas after US put pressure on Bolivia to crack down on them
- g. The average coca grower (farmer) earns between \$5-10,000 (a phenomenal amount for a poor peasant family – & narcotraffickers pick coca leaves up at their doors)

XVI. Bolivian Tin Industry Collapses, Late 70s, Early 80s

- a. Bolivian tin is processed in mines
- b. However, it became impossible for tin industry to compete with strip mining in Malaysia
- c. As a result, tin industry collapses, leaving all the miners who took over the tin mines after Estenssoro's revolution out of work
- d. Gonzalo Sanchez De Lozada then goes out of office

XVII. Unemployed Miners Move Into Coca Field

- a. After losing their jobs in the tin industry, miners went to work in the coca fields
- b. Each family has its own 4-5 cane crop
- c. Narcotraffickers pick up coca at their door and pay them for it
- d. From the coca growers stand point, chewing coca leaves has been part of Andean-Indian culture for thousands of years (serving as a food substitute)

XVIII. Government Changes

- a. Banzer is then coup'd out of power
- b. Next guy kicks US embassy out of La Paz (capital) – US then calls Bolivia a pariah state
- c. Military then goes through coups and counter-coups
- d. New government, 1980s – comes to power and decides that he wants to get US back on Bolivia's side, which the US accepts, as long as Bolivia agrees to go after coca growers
- e. US wants Bolivian Police Force to threaten to arrest coca growers

XIX. Paz Estenssoro – Returns to the Presidency, 1985

- a. Estenssoro runs for President and is elected
- b. Faces \$3.7 billion debt, 2000% inflation (takes bushels of pesos in order to get a loaf of bread)
- c. Estenssoro comes in and liberalizes the economy
- d. He allows the private sector to lead; Gets government out of running the economy
- e. Army doesn't do anything against him because they are embarrassed over exposed narco-trafficking links in the past five years
- f. US tells Estenssoro that it is necessary to be strong against narco-traffickers
- g. US tells Paz about "Blast Furnace" operation

XX. "Blast Furnace"

- a. Helicopter force inserted in areas of laboratories in the rural outback to attack them in all season
- b. There was also an aerial copter to shoot down people who tried to smuggle drugs out of Bolivia
- c. Estenssoro tells US ambassador that he wants in Bolivia, including operation Blast Furnace
- d. Estenssoro allows Blast Furnace as a thank you present for financing his revolution in the 1950s
- e. This operation caused the whole narco-trafficking system to collapse within 6 months
- f. However, because there were no follow-up mission, the narco-trafficking system re-established itself
- g. High profits are the motive for narco-traffickers worldwide

XXI. Junior Narco-traffickers Very Important To Narco-trafficking System

- a. 5 years after operation Blast Furnace, US brings reconnaissance, signals, and aircrafts into Bolivia
- b. They bring down entire narco-trafficking families and their laboratories
- c. But, because of high profits, junior partners step in to keep the market going

XXII. Andean Initiative, Early 1990s

- a. In early 1990s, President George HW Bush comes up with *Andean Initiative* to try and quash narco-traffickers, but it doesn't work
- b. US criticizes Peru, Bolivia, and Colombia for growth of narco-trafficking, but the US gave up trying to quash marijuana production in California (highest producer of marijuana in the world)

XXIII. Gonzalo Sanchez De Lozada, Elected 1993

- a. Tries to work with US for coca bush reduction
- b. But it was not easy because cocaine industry put hundreds of millions of dollars into Bolivia's economy

XXIV. Hugo Banzer – Becomes President

- a. Ran a dictatorship in 1970s – where he was involved in the cocaine field
- b. But at the present time, a member of his family dies from cocaine overdose
- c. This results in Banzer declaring a war on drugs
- d. Banzer reduces cocaine by 90% in 5 years
- e. Banzer then becomes ill later in his administration and his VP has to take over

XXV. Gonzalo Sanchez De Lozada, Re-elected 2002

- a. He ran against Evo Morales

XXVI. Evo Morales

- a. Morales is an Indian and a coca leader who got himself elected to the Bolivian Congress
- b. His party has 35 seats out of the 154 member Congress

XXVII. Lozada Tries to Jump Start Economy, September 2003

- a. To improve the economy, Lozada takes natural gas assets that were recently discovered and sells this gas to Chile in exchange for using their port (this deal comes to fruition by 2008)

XXVIII. Felipe Quispe

- a. Indian leader who wants to create an independent Indian nation in Bolivia and topple the government

XXIX. Vice President Carlos Mesa - Comes To Power

- a. He offers a referendum on where and whether people want gas to be exported
- b. Mesa knows he has to go after cocaine problem and get referendum
- c. Summer 2004 Referendum – People say that it is okay to export gas, but that it can't be sold to Chile, unless they give Bolivia a piece of land
- d. Bolivia - #2 in the world, behind Venezuela, in natural gas

XXX. Future of Bolivia

- a. Indian population has been aroused, taking advantage of 1952 revolution and now are starting to assert themselves via educated Indian leaders, such as Evo Morales
- b. Can Morales (narcotrafficker) in a future election lift himself to power, so that cocaine producers can get into power? (It shouldn't be forgotten that from the coca growers stand point, chewing coca leaves has been part of Andean-Indian culture for thousands of years (serving as a food substitute)
- c. Morales has a very youthful appearance, so he'll be around for a long while, which makes things in Bolivia's political situation very lively
- d. Mesa is trying to buoy up the economy, but he's under a lot of pressure

Peru

I. Topics

- a. Fernando Belaunde
- b. Sendero Luminoso
 - Abimael Guzman – “Red Sun”
- c. Alberto Fugimori
- d. Vladimir Montesinos
- e. Alejandro Toledo

II. Fernando Belaunde

- a. In 1960s, Belaunde is elected President
- b. Belaunde has problems with insurgency in highlands area
- c. He sends the military out to deal with the problem
- d. The military discovers that Belaunde has lost control of the situation
- e. As a result, the military coups him out of power
- f. But the military’s promises never come to fruition

III. Sendero Luminoso (Shining Path) Revolution

- a. Abimael Guzman, nicknamed the “Red Sun,” is a professor who forms cells in the Andes
- b. The professor’s students are called the Sendero Luminoso

IV. CIA Creates Drug Enforcement Agency

- a. CIA introduces fungus that cuts coca crop by 90%

V. Sendero Luminoso – “We’ve Been Deceived!”

- a. Sendero Luminoso tell their followers that they have been deceived by the white, capitalist leaders
- b. They tell their followers that they have to barter and not use Peruvian money
- c. This is somewhat successful as the Peruvian economy goes down

VI. Alberto Fugimori, Elected in Late 1980s

- a. Tries to run the country, but finds that he can’t
- b. As a result, he dissolves Congress and works as a dictator (like Stroessner in Paraguay)
- c. Eliminates bureaucracy (required contracts)

VII. Sendero Luminoso Surround Lima, But Are Captured

- a. Sendero Luminoso surround Lima
- b. Somebody then tells police where Abimael Guzman is and he is captured
- c. During the raid, police discover diskettes that unveil the Sendero Luminoso's whole operation and start picking them up and sending them to jail

VIII. Vladimir Montesinos

- a. Very powerful National Security Advisor for Alberto Fujimori
- b. Montesinos is corrupt – he had tapes that he used to bribe/blackmail the military, until this corruption was exposed by an honest congressman
- c. Montesino tried to go into exile, but was captured and brought back to Peru

IX. Alberto Fujimori Goes Into Exile

- a. After this corruption is exposed, Fujimori goes into exile in Japan

X. Alejandro Toledo, Elected 2002

- a. President Toledo still has people in his government who are connected to Montesinos
- b. He has a low approval rating (6-17%) because there is still a lot of poverty in the country
- c. How can Toledo govern with such a low approval rating?
- d. Scandals also keep coming up

XI. Sendero Luminosos Regrouping

- a. Sendero Luminosos were almost wiped out, but they are trying to exploit the poor

XII. Scandals in Toledo's Administration

- a. He's had 5 cabinets, making people think he's indecisive and incompetent
- b. He raised his salary from \$6-18,000 (when in comparison, the poor are only getting a \$50-\$60 monthly salary)
- c. As a result of the outrage, he was forced to lower his salary

XIII. Peru's Poverty

- a. ½ the population is poor
- b. Peru has never gotten a thriving economy to benefit the whole country
- c. It is unknown whether Toledo will be able to finish out his term b/c he only has a 6% approval rating

Ecuador

I. Topics

- a. National Indian Confederation of Ecuador
- b. Lucio Gutierrez
- c. Issues

II. Geography

- a. Small compared to Colombia and Brazil, but bigger than Nicaragua, Honduras combined
- b. Mountainous country
- c. Central Andes – run into Peru
- d. There's a tropical amazon

III. Ethnic Make-up

- a. Ecuador has an Indian population similar to Peru and Bolivia
- b. Inca Civilization – ran from Colombian border to the end of Chile

IV. Economy

- a. Oil was discovered in Napal region
- b. Produce bananas along the Pacific coast - # 1 banana producer in the world
- c. Oil – ½ of government's export earnings (\$2 billion/year industry)
- d. Bananas/shrimp - 30% of government's export earnings)
- e. 60% of country lives in poverty

V. Ecuador Gives Land to Indians, 1992

- a. In 1992, Government decided to offer 27 million acres of land to 100 Indian communities in the country
- b. They did this in response to a 4000 Indian march to Quito (capital) so that the government would pay more attention to them
- c. Indians have only been allowed to vote within the last 20 years

VI. Ecuadorian Politics

- a. Ecuador politics are very confusing because of all the scandals they have that force presidents to resign
- b. As a result, we're looking at Ecuador's issues

VII. Ecuadorian Issues

- a. Small Plurality For Governing (9/77 Congressional Seats)
- b. Narcotrafficking
- c. Lost 1942 war to Peru – losing access to the Amazon River (fighting over boundary dispute)
- d. Ecology Problem
- e. Corruption

VIII. Democratic Electoral Process Since 1990

- a. Initially all parties could run in an election and would be represented proportionally to their elected percentage in the Congress
- b. This often resulted in a party only holding 9/77 seats in Congress to win a plurality and put their man as President
- c. This small plurality made it very hard to govern, having to excessively compromise will all the other groups.

IX. Narcotrafficking

- a. Ecuador – border Colombia/Peru – two top Cocaine producers
- b. Traffickers cross over river, live in Ecuador, produce their products there, and then ship them out (\$1 billion/year business)
- c. Traffickers buy real estate in Ecuador
- d. US wants Quito to focus more on traffickers
- e. 30 metric tons of cocaine go through Ecuador's border every year
- f. Narcos are exploiting Ecuador
- g. Narcos have laboratories in Ecuador

X. 1942 War Loss to Peru Loses the Amazon River

- a. War was fought over a boundary dispute
- b. Rio De Janeiro Protocol said that Ecuador lost access to the Amazon River

XI. 1995 War with Peru

- a. Short war over definition of border
- b. Cost Ecuador \$500 million
- c. Paid for w/ taxes, leading to teacher/student demonstrations

XII. Ecology Problem

- a. Texaco Oil Company runs pipelines to Pacific Coast
- b. There are a lot of law suits against Texaco, involving oil spills and contamination that are still pending
- c. International groups and Indian groups are trying to close down Texaco's operation; 1 group is suing for \$5 billion dollars

XIII. Andean Pact

- a. Free Trade Area between Peru, Venezuela, Colombia, Bolivia, and Ecuador

XIV. Corruption

- a. There has been corruption with every single presidential administration since 1980s
- b. There has been one scandal after another, involving bribes over public works projects, judges, embezzlement of funds
- c. As a result of the seemingly never-ending scandals, Congress and Supreme Court have now passed laws to take away Congressional immunity from prosecution (This has been done to try and get rid of corrupt officials)

XV. "EL Loco"

- a. In 1996, someone campaigned in a Batman costume and he won the election
- b. But people turned against him afterwards

XVI. Armed Forces Won't Intervene

- a. Armed Forces haven't wanted to step in
- b. They're fed up with the political problems in Ecuador

XVII. Jobs Outside Country

- a. 1 million Ecuadorians live outside the country, but put \$1 billion dollars into Ecuadorian economy by sending money home to relatives in the country

XVIII. National Indian Confederation of Ecuador

- a. 21 Indian Groups have banded together under the banner, National Indian Confederation of Ecuador to put political pressure on the government to protect their interests
- b. Indians have been involved in oil lawsuits and are pressuring the government to get more involved because they stand to gain from them

XIX. Lucio Gutierrez, Elected 2002

- a. Elected with 53% of the vote
- b. Inherited \$90 billion dollar debt (he tried to make deals with International banking community b/c Ecuador can't pay \$90 billion)
- c. Has been criticized that his cronies have been found to run key government offices
- d. 2 Indigenous Indians were put into the government to placate to their interests
- e. April 2004 – Minister of Energy stepped down over corruption charges

XX. Gutierrez's Future

- a. He has a 20% popularity rating now
- b. He's been called inept
- c. There have been scandals with members of his party over narco-trafficking
- d. He is losing Indian support
- e. What will Indians do?
- f. It's estimated that Gutierrez will finish his term and then somebody else will get elected.

Colombia

I. Topics

- a. National Front (El Apacguacimiento)
- b. Thoumi Theory
- c. “Plato o Plomo”
- d. FARC – “sureshot” (Manuel Marolanda)
- e. ELN (National Liberation Army)
- f. AUC (United Self Defense Forces of Colombia)
- g. Andean Initiative
- h. V. Barco (a President of Colombia)
- i. Pablo Escobar
- j. Ernesto Samper (a President of Colombia)
- k. Andres Pastrana (a President of Colombia)
- l. Alivero Uribe (Current President of Colombia)

II. Geography

- a. Runs along the Caribbean and Pacific Ocean
- b. Bigger than all of Central American combined
- c. 40 million people
- d. Geography plays a major role in Colombia
- e. There are 3 tiers of mountain ranges that make up the Andes
- f. Mountain Rangers are divided by valleys (rivers) that provide fertile farm land for growing coca leaves
- g. There’s a vast tropical plane to the East (1000 rivers and tributaries)

III. History of Violence in Colombia

- a. There is one big paradox in Colombia
- b. It is one of the oldest democracies in Latin America, but it has a history of bloody violence (endemic violence)
- c. 100 years ago was the War of 1000 days
- d. 50 years ago was “LaViolencia” War
- e. Since early 1980s – 1990s, 30,000 people a year have died violent deaths
- f. Every 2 years, 60,000 people are killed (the equivalent of America’s nine-ten years in Vietnam)

IV. National Front, 1958, Alternates Government

- a. Liberals and Conservative parties got together to create a unification (peaceful approach in dealing with each other, hoping to end the violence between them)
- b. The National Front, El Apaciguamiento, would alternate Presidents every 4 years between the two parties and would work together to appease each other's interests
- c. This would bring a status quo to the government

V. National Front Excludes Every Other Party

- a. If the Liberals and Conservatives are sharing power, that means that other parties and groups have no power
- b. By excluding other political parties, this caused a number of groups to go to war to pressure the Colombian government to change its system and to recognize the needs of other political groups

VI. Poverty in Colombia

- a. On the surface, Colombia looked good
- b. \$6 billion in export/foreign exchange
- c. But 70% of rural population lived in poverty
- dl 30% of the urban population live in poverty

VII. Narcotrafficking, 1970

- a. Unfortunately for Colombia, it has been the one dynamic that has done a lot of good for some and has been bad for others
- b. Focused US attention on Colombia has created disruptive situations for an honest, open government on behalf of the people
- c. Currently, 5-600 metric tons of cocaine pass through Colombia, going into North American markets, Europe and other places in the world
- d. 10 years ago, academics asked why was Colombia the cradle of narcotrafficking in the Americas?

VIII. Thoumi Theory, 1992-93

- a. Helps to better understand Colombian politics
- b. Ease of production and risk to narcotraffickers are reduced in Colombia in comparison to other countries:

A. Weakness of State and Its Institutions

- a. State is not responsive to the needs of the population
- b. Thoumi said there is a lack of respect for the laws of the land dating back to Spanish colonialism (Yo Obedezco pero no cumplo – I understand, but will not comply)
- c. There was a gap between written law and socially accepted action
- d. Some criminals could get away with what they were doing – money would be exchanged to reduce or eliminate sentences
- e. In rural outback, the law of the gun ruled

B. Contraband Tradition

- a. Stems from Colonial influence where people didn't want to pay taxes to the crown b/c all they did was get involved in wars
- b. People tended to operate in an illegal or use quasi-legal maneuvering to avoid paying taxes and to avoid inconvenient laws – this meant that Colombian goods were often smuggled out of Colombia to avoid import/export duties
- c. Money laundering – money goes out of the country to a foreign country, where it is invested, then the money flows back into Colombia to purchase property, build hotels
- d. Contraband tradition lends itself to be a professional guerilla (bandallero) – Someone living in the outback makes a living from kidnappings and robbing banks

C. Government Lost Control Over Its Territory

- a. Colombian government controls the major towns in Andean region
- b. But the rural part, the government has little or no control of
- c. There are different paramilitary and guerilla groups trying to overthrow the government
- d. Using Colombia's plentiful supply of rivers, Narcotraffickers can bring into Colombia the chemicals they need to make cocaine
- e. There is a hand to mouth existence in the rural outback

D. Violence and Coercive Threats

- a. “**Plata o Plomo**” mentality – take my money or take my bullet (in order to gain influence)
- b. There is a certain aspect of intolerance in a business negotiation where somebody is blocked from doing something, resulting in one party wanting to eliminate the competition (don’t want to share a market)
- c. So, one party applies ruthless violence to resolve its problems (no consensus, so they can’t mediate disagreements)
- d. 16 million people have been kidnapped
- e. An entire political party of 6000 members has been wiped out
- f. 200 judges have been killed
- g. ½ of the Supreme Court members have been killed
- h. Each month in Colombia, the deaths exceed the number of deaths on 9/11 (3000 deaths)
- i. Narcotrafficking and cartel groups eliminate competition
- j. Colombian wiped out Cuban narcotic groups in Miami because they didn’t want to share the market

E. Narcotraffickers Home Are Ethnically Oriented

- a. Narcotraffickers like to deal with Colombians and are a close-knit family
- b. 100 million Colombian migrants in US
- c. These migrants set up narcotrafficking operations in major US cities
- d. It is very difficult for the CIA/FBI to penetrate these networks
- e. Now, with the Patriot Act, bank accounts and phones can be tapped into, making it easier to combat narcotrafficking

- Thoumi theory sets up the stage for the rest of Colombia

IX. 3 Causes of an Insurgency

- There have been 2-3 insurgencies over the past 50 years
- a. **You have been excluded from the political process** (In late 1950s, people saw Castro overthrow a government, making them believe they could too)
 - b. **Economically Marginalized** – a person finds themselves in a situation where they are poor and there is no opportunity to break out of that
 - c. **Quashed Aspirations** – people have nothing to look forward to in the future (people like to have a goal to move towards in life, bettering their economic situation, but if they see that there is no opportunity, that too can influence them.
 - Often times, they were kept down by ruling government, which offered a deal to friends, but applied the law to everybody else
 - This frustration can be tapped by a revolutionary organization

X. 4 Components of an Insurgency

- a. Government doesn't provide a method for the people to improve their lives (This sets up a just cause for an insurgency organization)
- b. Having presented to people and getting them interested in solving their problems (Guerilla organization finds a solution and undertakes the project – Overthrowing the government)
- c. This project must be relevant to the people
- d. Must have leadership – sometimes it revolves around a charismatic leader (Mussolini, Castro)

XI. Insurgencies within Colombia

A. FARC (Armed Revolutionary Forces of Colombia)

- a. Operating for 45-50 years now
- b. Operates in Central and Southern Colombia

B. ELN (National Liberation Army)

- a. Operate towards the Caribbean, along the major pipelines – out towards the coast

C. AUC – United Self Defense Forces of Colombia

- a. Private Armies that were formed to fight against the guerillas and against the government

XII. Guerilla Government

- a. Guerillas have tried to establish their own system of control in the outback
- b. Protect rural farmers
- c. Regulate prices
- d. Set up police
- e. Institute taxes
- f. Protect people from narcotraffickers who try to exploit them for their coca leaves
- g. In some areas, they reduced crime, told husbands that they must be faithful, prohibited drinking on weekends
- h. They tried to create an element of stability
- i. All these guerilla organizations want government reforms, to protect the poor (campesino) farmers, work against corrupt government officials

XIII. 1991 Constitution Liberalizes Government

- a. In 1991, government created a new constitution to open the government to any political party that wanted to participate
- b. So, part of the just cause for the guerillas was no longer in play
- c. Government said it would try to start reaching out to the people

XIV. Guerilla Frustration

- a. The reforms of the 1991 constitution began to frustrate the guerillas because people began moving away from them
- b. As a result, they started bombing raids, which has undermined their credibility

XV. FARC

- a. Initially, in the 1980s, FARC had 27 areas of control – now they have 100 areas of control

XVI. ELN

- a. The ELN is about 1/5 size of FARC
- b. Attack and blow-up pipelines to exploit petroleum producing countries, demanding a “war tax”
- c. They also resort to kidnapping
- d. Leader of the ELN was a catholic priest

XVII. M19

- a. Eventually folded up and became a political party after 1991 constitution became the law of the land

XVIII. AUC – United Self Defense Forces of Colombia

- a. Army and Police are supposed to control insurgencies, but they aren't strong enough
- b. As a result, narcos, which bought land, started to have paramilitary organizations to protect themselves against guerillas
- c. With a large amount of money available to purchase weapons, they are able to outfight guerillas any day of the week
- d. AUC gets a bad reputation because they kill civilians when they are mixed in with guerillas
- e. If an individual is suspected of being a guerilla, he will be killed
- f. They have expanded in the South
- g. Colombian military likes AUC because they are able to wipe out guerillas (even though they resort to violent actions)
- h. US has discovered that AUC have gotten involved with narcotrafficking

- i. FARC pays every guerilla - \$300/month – good salary for an impoverished person
- j. Both guerilla and paramilitary are involved in narco trafficking

XIX. Narcotrafficking Pays Good Money

- a. Originally began in jungle areas, where people would grow coca leaves in mom and pop laboratories
- b. It was a good business
- c. Average family could make \$2-5,000 (unheard of amount of money for someone in the outback)
- d. Colombia doesn't have an indigenous coca chewing population, like Peru

XX. Big Cartels Become Small Cartels

- a. There were 5 major cartels initially
- b. All of these cartels have fallen over the last 5-10 years
- c. Now there are 120 mini-cartels

XXI. US War on Drugs

- a. US spends \$20-25 billion/year (today) to fight narco trafficking
- b. But Narco traffickers just increase their production to counter the amount that is caught
- c. Traffickers have killed Colombian presidential candidates and members of the judicial system who target them

XXII. Pablo Escobar

- a. Richest man in the cartel
- b. Spends lavishly to build estates, zoos, among other things
- c. Has support of the local population because his building projects bring jobs
- d. With building estates, came political ambition
- e. Escobar has even been elected to Congress

XXIII. Andean Initiative

- a. Money spent by US on behalf of Bolivia, Peru, and Colombia to fight drugs
- b. It has been successful in Bolivia and Peru
- c. However, Colombia has replaced their production in the world market
- d. Army comes in, kills the coca bushes of farmers, but by that time, narco traffickers have moved to another area
- e. *** High Profits/high demand are the reason that narco traffickers continue on ***

XXIV. Government Amnesty Offered

- a. Government has offered amnesty for anyone who wants out of a paramilitary or guerilla group and who wants to rejoin Colombian Society

XXV. Alivero Uribe, Elected 2002

- a. Elected President of Colombia in 2002
- b. Hard-liner in the war on drugs
- c. Wants to give weapons to 100,000 people around Colombia so that they can defeat narcos

XXVI. Future of Paramilitary/Guerilla Groups

- a. Army has gotten its act together and can now defeat guerillas b/c of US weapons/technology
- b. Things aren't looking up for paramilitary/guerilla groups
- c. They are trying to find a way out to rejoin Colombian society, to make sure that they don't get extradited to the US
- d. Coca leaf production has been cut by 1/3
- e. US government plans to spend \$1 billion to fight narco-trafficking in Colombia
- f. For every \$1 US spent, Colombia spends \$5 battling narco-trafficking

XXVII. Colombia's Economy

- a. Colombia's economy has been declared stable by Standard and Poor's (S&P)
- b. This increases foreign investment in the country
- c. With increasing oil prices, the Colombian government has more money it can use to fight narco-traffickers
- d. For every \$1 US spent, Colombia spends \$5 battling narco-trafficking

XXVIII. Corruption Has Restricted Government's Functioning

- a. Continuous problems with corruption have undermined the Colombian government's ability to function

Venezuela

I. Topics

- a. AD – Democratic Action
- b. COPEI – Social Christian
- c. Romulo Betancourt (AD)
- d. Rafael Caldera (COPEI)
- e. “Partyarchy”
- f. Hugo Chavez (5th Republican Movement & Bolivarian Military Movement)

II. Chavez Runs a Populist Regime

- a. Represents the interests of various classes/groups
- b. Relies on charismatic leadership of President
- c. Tends to be semi-authoritarian form of government
- d. Excludes, represses groups who the regime feels are working against its best interests
- e. Rule by referendum (bring their case to the public to see if public supports its policies)

III. History

- a. Over the last 30 – 40 years, there have been 2 dominant political parties:
Democratic Action (AD), and **Social Christian (COPEI)**

IV. Oil in Venezuela

- a. Oil provides Venezuela with hundreds of billions of dollars a year
- b. Yet, over the last 50 years and 7 elections, there is a 50% poverty rate
- c. Into this situation came Chavez

V. Chavez Gets Into Power, 1998

- a. In 1992, Chavez was an Army-Colonel who tried to run a coup, but it failed
- b. In 1998, Chavez wins an election, then has the Constitution rewritten
- c. 2000, Chavez wins another election after Constitution is rewritten

VI. Bolivarian Military Movement

- a. One movement behind Chavez uses the name Simon Bolivar to unite the military behind him

VII. 5th Republican Movement

- a. A coalition of 13 parties with him – he invokes people’s power to rule by referendum
- b. Chavez sees himself as the people’s defender

VIII. Chavez’s Promises

- a. Promises housing, water, electricity, health services, sanitation, food, education, urban development, transportation, and Social Security
- b. All of these programs are funded by oil dollars
- c. That’s his fundamental position today
- d. Some will say that before Chavez, Venezuela was a governing democracy and today, it is a fragile democracy

IX. Venezuelan Geography

- a. Twice the size of the state of California (very big country)
- b. Extension of Andes mountains out to the coast
- c. Apart from its urban focus (85-90%), Venezuela is also an agrarian country

X. Military in Venezuela

- a. Military had been involved with governing Venezuela in the 1950s
- b. 1958 – there was a call for elections

XI. 1958 Election

- a. Rafael Caldera (COPEI) vs. Romulo Betancourt (AD)
- b. AD and COPEI share power and stability to the country, so initially everything looks good

XII. High Oil Prices, 1970s

- a. B/C oil prices went up in 1970s, there was plenty of money for everybody

XIII. “Partyarchy”

- a. With AD and COPEI running the country, political scientists called their system, Partyarchy
- b. Partyarchy controlled 80-90% of the vote
- c. There might be other parties on a national ballot, but an AD or COPEI party member would win

XIV. Partyarchy Penetrated Into Labor Groups

- a. Any time a labor group formed, government would try to penetrate into it and gain their allegiance
- b. AD and COPEI saw the electoral process as a way to legitimize the 2 party rule

XV. Importance of Party Loyalty

- a. Party loyalty was very important within the partyarchy
- b. If a candidate wasn't loyal, he would be thrown out

XVI. Partyarchy Wanted Consensus

- a. Controversial issues, other than defense and oil were not allowed to jeopardize the democratic process or joint regime
- b. 2 parties save oil dollars to keep the military happy
- c. Money for military was approved by the government and upheld by the Supreme Court
- d. Government provided protective tariffs for private sector
- e. Wealthiest families in Venezuela could influence finances in government by helping to select the finance minister

XVII. Dual Rule Loses Direction

- a. Over time, this dual rule began to lose direction
- b. There was never a debate over policy or new goals
- c. Just the maintenance of the status quo
- d. No issues were debated and parties were all that counted
- e. Voters couldn't distinguish between the 2 party groups

XVIII. Corruption

- a. Once in a while, media would highlight individuals who were taking advantage of their position
- b. When it was exposed, they would go into temporary exile in Puerto Rico

XIX. Oil Prices Plummet - Crisis, 1983

- a. Then there was an oil crisis that took place
- b. Oil fell from \$36/barrel to \$16/barrel
- c. This meant that there were fewer resources for patronage
- d. Public services declined
- e. Maintenance of roads began to deteriorate
- f. Living standards declined
- g. Disenchantment began among the poor (resentment, bitterness)
- h. People realized that the country's tremendous advantage in wealth had been frittered away

XX. Andres Perez

- a. President of Venezuela
- b. May 1993 – accused of misappropriating \$17 million
- c. This caused Venezuela to go into a depression of sort
- d. Perez is forced to resign

XXI. Interim Election, 1992(3)

- a. After Perez resigns, an interim President came into play
- b. In an interim election, Rafael Caldera came back to power, at 80 years old
- c. Caldera is elected, keeping the political machine of the AD/COPEI strong
- d. Despite that the democratic society seems stronger, society is more polarized than ever

XXII. Narcotrafficking in Venezuela, 1990s

- a. Media uncovers narcotrafficking inside Venezuela
- b. As efforts in Colombia to battle narcotrafficking increase, the number of Venezuelan Army Generals found to be involved, increases
- c. Even priests get in on the action
- d. Ministry of the Treasury is accused of laundering money
- e. Russian/Italian Mafias are discovered to be operating inside Venezuela
- f. 2 Venezuelan brothers ship 200 tons of cocaine through Venezuela and make over \$1 billion in profit
- g. Narcotrafficking brings double the revenue of oil

XXIII. Government Banks Collapse – Leading to Capital Flight

- a. A dozen government banks collapse
- b. Government finds it has to use its oil dollars to buy the banks
- c. A panic takes place – massive capital flight
- d. Government borrows wildly to sustain its efforts
- e. 30% of budgets is spent just to pay off interest on national debt

XXIV. Hugo Chavez Provides Hope

- a. People are not happy since the country is in chaos
- b. 1997-98, Chavez exploits the seen
- c. Chavez was a rural teacher, 44 years old
- d. Uses charismatic personality to its full advantage
- e. Wins support of the masses, not the economic elite
- f. People love Chavez (he is the Peron/Castro of Venezuela)
- g. 2/3 of Venezuelan population is only earning \$2/day – that is why people support Chavez, hoping that he can turn the situation in their favor
- h. Chavez is elected with 56% of the vote, AD gets 40%

XXV. Chavez's Referendums

- a. Chavez promises the people that his interests are their interests and there will be no obstacles to achieving their will
- b. Promotes ruling through popular government (referendum)

XXVI. Chavez Re-Writes Constitution

- a. AD/COPEI controls Congress, so Chavez bypasses Congress
- b. In 1999, through a referendum, Chavez creates a Constitutional assembly to write a new constitution
- c. Chavez has a 75% approval rating
- d. New Constitution allows two 6 year terms (for Chavez, 13 years with his previous year in office)
- e. Constitution prevents state subsidies for political parties (AD?COPEI were cut off)
- f. Through Referendum, laws can be repealed
- g. National Assembly (Congress) can delegate unlimited decree power to the President if they want to
- h. Chavez asks for decree power

XXVII. Chavez Gets Unlimited Decree Power from National Assembly

- a. Chavez asks for decree powers
- b. Promotes by decree, 37 laws

XXVIII. Chavez's Rule

- a. As time goes on, Chavez put military personnel into government positions (because he trusts the military)
- b. Chavez fires 1/4 of 1400 (350) serving judges through Venezuela, replacing them with his own
- c. Chavez controls 1/2 of 23 governorships
- d. If labor unions are not happy with his policies, he works to undermine and eliminate them

XXIX. 1999 Floods

- a. In 1999, there are some major floods and 400,000 people lose their homes
- b. Chavez spends \$15 billion to reconstruct housing
- c. Tries to relocate 200,000 people in slums into the outback, giving them land
- d. But there are allegations of corruption taking place

XXX. Capital Flight

- a. Oil jumps up \$23/barrel, giving Chavez more money to deal with country's problems
- b. Industrial elite are worrying that Chavez will establish a dictatorship
- c. Capital flight takes place (\$10 billion leaves the country)
- d. 800 companies declare bankruptcy

XXXI. Election, 2000

- a. Elections take place in 2000 after the constitution is rewritten
- b. Chavez wins again

XXXII. Chavez's Programs

- a. State-run banks lend money to poor
- b. Public works programs
- c. Disaster relief
- d. Has the Army repair schools and hospital
- e. Sets up grocery/marketing system to sell goods at low prices for the poor
- f. Poor believe that Chavez is their defender

XXXIII. Negatives About Chavez

- a. In public works jobs, there was no legal procedure for awarding contracts
- b. Lots of Chavez's cronies get overpaid contracts
- c. Disaster relief funds – some money is given twice to victims who filed with 2 different government agencies
- d. Corruption becomes more pervasive

XXXIV. Catholic Church Turns Against Chavez

- a. Catholic Church turns against Chavez, saying that his government is incompetent and corrupt

XXXV. Life in Venezuela

- a. 15-20% unemployment
- b. 60-100 people getting killed everyday
- c. Teacher strikes (leave students out of school as many days as they're in school)
- d. Lots of crime
- e. 70% of students drop out of school by the end of 8th grade
- f. Life is not good
- g. Large percentage of population are unskilled b/c they drop out of school and there are only so many menial, unskilled jobs for the people

XXXVI. Chavez's Censorship

- a. As media criticizes government, Chavez threatens to close TV stations and newspapers

XXXVII. Capital Flight

- a. As a result of the censorship, which leads many to believe that Chavez is beginning to establish a dictatorship, economic elite start taking their money out of the country
- b. 2000-2001 - \$200 billion taken out of Venezuela

XXXVIII. Retired Military Attempts Coup, June 2001

- a. 80 military officers are involved
- b. They catch Chavez for 40 hours
- c. Coup leaders thought about shooting Chavez and taking over the country, but realized that it could create a civil war,
- d. Instead, they have Chavez mend his ways and create a peaceful solution to economic problems in the country

XXXIX. Chavez Reformed?

- a. Chavez comes back into power stronger than ever
- b. Calls for a referendum
- c. Spends 40% of budget in favor of public works projects

XXXX. Government Paralysis, 2003

- a. In 2003, government nears paralysis in the country (pro/anti-Chavez split)
- b. Military goes back to barracks, saying they'll support whoever is in power
- c. Chavez doesn't want a referendum to decide b/c it could bounce against him
- d. Chavez said that any act to replace him must be legal, otherwise he would bring about a civil war
- e. All throughout 2003-04, there are various strikes, work stoppages between pro and anti Chavez opposition groups

XLI. US Doesn't Like Chavez

- a. US doesn't want to see Chavez in power because he is a friend of Fidel Castro
- b. Chavez provides oil to Cuba and has even told Castro that he would write-off the cost, if necessary
- c. Chavez said that Cubans swim in a sea of happiness

XLII. Electoral Council Pushes for Referendum

- a. An electoral council is formed to decide on whether there should be a referendum to decide Chavez's fate
- b. Council says that there needs to be several million signatures to go for a legal referendum to see if people want Chavez to stay in power

XLIII. Chavez – Criticized by Dominican Republic, September 2003

- a. Dominican Republic says that Venezuela is undemocratic
- b. As a result, Chavez cut off their oil supply
- c. Dominican Republic now purchases oil from Mexico

XLIV. Venezuelan – Colombian Tensions

- a. Populist government tries to constantly rally people on issues, especially if Chavez's policies are being questioned
- b. January 2004 – Chavez said that every Venezuelan would be part of an informal militia (everyone is a soldier)
- c. Scapegoat – Colombians passing back and forth across the border
- d. President Uribe of Colombia is worried about this – he doesn't want Venezuelan Army to enter Colombia

XLV. 2004 Referendum to Decide Chavez's Fate, August 2004

- a. Through August 2004, opposition groups to Chavez try to figure if there is legality for a referendum (not wanting to cause a Civil War)
- b. With several million signatures, there is a referendum
- c. Chavez wins the referendum

XLVI. Why Did Chavez Win the Referendum?

- a. Chavez spent \$1.7 million on social welfare projects (food subsidies and scores of poor received \$160 every month)
- b. This was buying votes
- c. Helping Chavez through this point in time are record oil dollars
- d. Oil dollars helped to bring the money that Chavez used to give the poor, who helped him win in the referendum
- e. Chavez won 55% - 52% in the referendum

XLVII. Opposition to Chavez is Disarray

- a. Opposition is left asking, how can Chavez as a disasterous leader, who has seen poverty increase on his watch, still be able to win a referendum to keep himself in power

XLVIII. Chavez's Future in Power

- a. Chavez is reasonably assured of staying in power to run in the 2006 election
- b. Does it mean more of the same?
- c. Does Chavez become more Authoritarian? Chavez now controls Congress and Supreme Court
- d. Says he wants to be in power until 2021, so they're would have to be a referendum to enable him to have more terms in office
- e. It remains to be seen how Chavez spends oil dollars on the population
- f. If oil dollars continue to stay high, Chavez will probably stay in power
- g. There are a lot of frustrated people in Venezuela, but Chavez seems to have enough control of the situation

II. Venezuelan Exiles in Miami

- a. Chavez staying in power is disconcerting to Venezuelan exile community in Miami (people who are not happy with Chavez)
- b. Chavez could care less about their opinions
- c. Chavez's regime is a prime example of a populist government in Venezuela
- d. There is not a lot of US investment in Venezuela
- e. Chavez further cements his links with Castro

Panama

I. Topics

- a. Hay – Bunau Varilla Treaty
- b. Omar Torrijos
- c. Manuel Noriega
 - Barletta
 - Del Valle
 - Solis Palma
 - Duque
 - Rodriguez
- d. Mireya Moscoso
- e. Martin Torrijos

II. 3 Stages in its History

- a. Stage 1: 1543 – 1740
- b. Stage 2: Beginning in 1821
- c. Stage 3: Conspiracy of 1903

III. Stage 1: 1543 - 1740

- a. Involved Royal Road (trail or two going up isthmus up to north coast)
- b. Riches from Peru flowed into Panama
- c. There were great fairs held there every couple of years
- d. Panama became a fulcrum in transcontinental trade (Spain's connection was through Panama)
- e. Panama was the key in colonial trade

IV. Stage 2: Beginning in circa 1821

- a. After the liberation of the America, Panama became a province of Colombia
- b. With the advent of the 1849 Gold Rush in California, US was trying to figure out how to get people from New York to California without going through the Mid-West because they were subject to Indian attacks
- c. US took a steamship from Panama to California
- d. After they started using a ship, the idea of building a railroad was born
- e. Cornelius Vanderbilt had a railroad constructed
- f. Colombia agreed to the building of the railroad
- g. Bandits tried to raid railroad – this got to be a problem
- h. US Marine Sharp Shooters protected Trans-Isthmus Railway for 30 years, while American passengers used it on their way to California

V. Stage 3: Conspiracy of 1903

- a. Teddy Roosevelt's government in the US was divided in terms of what the Trans-Isthmus route for shipping should be
- b. In 1893, at the Chicago World Fair, French entrepreneurs began lobbying for a Nicaraguan route for a canal (they had a pamphlet, showing that it would be a good idea)
- c. However, in 1903, people began saying that there were volcanoes in Nicaragua that could destroy the canal
- d. So, the focus turned to Panama
- e. People in Panama City wanted independence from Colombia
- f. Colombia had been going through the War of 1000 Days
- g. French had investments they were losing because French route (Nicaragua) wasn't going anywhere
- h. To save their investment, the French entrepreneurs worked with the US to allow Panamanians to gain their independence by holding off Colombia and thus allowing Panama to separate
- i. US helped Panama gain independence
- j. French company sold the rights to build the canal to the US for \$40 million
- k. Panama's revolutionaries declare independence, then they sign a treaty w/ the US, giving them the right to build the canal through Panama
- l. 1902 – a year before the Panamanian revolt, US offered Colombia \$10 million to build a canal, but they rejected it (b/c they were involved in a civil war)
- m. Colombia didn't think about the problem clearly
- n. As a result, TR supported Panamanians
- o. Had US-Colombian deal worked out, French entrepreneurs would have been left out

VI. Hay – Bunau Varilla Treaty, 1903

- a. US Treaty with Panama that gives US the right to build canal through Panama
- b. US gave Panama \$10 million up front
- c. Once the canal was operating, Panama would get \$250,000/year
- d. Panama accepted the treaty and the \$10 million dollars because they didn't believe that the US could get through Panamanian swamps that were plagued with malaria because the French couldn't get through them (and they built the Suez Canal)
- e. Panama agreed that the US would have control of the Canal Zone, which was 10 miles wide (5 miles on either side)
- f. There was a Canal Zone government set up under US laws and the Canal Zone was treated as US territory
- g. US guaranteed Panamanian independence as part of the treaty (if Colombia tried to intervene, US would defend Panama)
- h. US wrote into Panama's Constitution that the US had the right to intervene to create peace and order (US would determine what this meant)
- i. It cost \$500 million to construct canal – 30,000 lives were lost to malaria (yellow fever)

VII. Constructing the Canal, 1903-1914

- a. It cost \$.1/2 Billion to construct canal
- b. 30,000 lives were lost to malaria (yellow fever)
- c. 50 small towns (225 square miles) of land were flooded to make canal
- d. Water for Canal came from rain
- e. In 1914, the Canal opened
- f. Opening of Canal was a big event in the US

VIII. US Compensates Colombia, 1922

- a. In 1922, US compensated Colombia with \$25 million (for good will) for the loss of Panama – this was done by President Warren G. Harding

IX. Panamanian Politics

- a. Inside Panama, US territory was bisecting the county
- b. As a result, Politics tended to focus on Panama City
- c. To be elected in Panama requires an alliance (families)
- d. Socio-economic and family relations determined how alliances worked out and who would be a presidential candidate
- e. It was the individual who counted, not the political party
- f. A charismatic person was advantageous in politics
- g. Vice Presidential candidate could be chosen by opposing factions, so the Vice President sometimes couped the President (this happened 4 times)
- h. These were populist type presidencies

X. US Intervention in Panama

- a. US intervened in politics to put down mob demonstrations and election disputes
- b. US sent troops in 1818, 1921, and 1925
- c. Panamanian government wanted US to supervise elections in 19018, 1912, and 1918

XI. Panama's Coins and Currency

- a. US dollar circulated as Panamanian currency from its inception, although, Panama would call it the "Balboa,"(figure in Panamanian history) instead of the "dollar"
- b. Panama had its own coinage produced by the Denver Mint (Silver Dollars and lower denomination coins w/ Balboa's picture on it are produced in Denver)

XII. US Southern Command (in Panama)

- a. Over time, especially during WWI and WWII, there was cause for the US to drill a tunnel in Panama for use as the US Southern Command
- b. A series of bases were established throughout the Canal Zone
- c. Air bases were spread throughout Panama during WWII, fearing that the Japanese would attempt to attack the Canal (so the US felt it had to protect it)

XIII. Competition for Power

- a. 1920s – 30s, there began to evolve a competition for power
- b. Commercial class – ethnically based on descendents from Spain
- c. Afro – Panamanian group – English speaking people from Barbados and Jamaica who were used to construct Panama Canal and then chose to stay after the canal was built
- d. Mestizo class – people who had intermarried w/ Indian groups and/or who had intermarried with Afro-Panamanian groups

XIV. Ernesto Arias, 1940 elected

- a. Panamanian economy dropped because of the Great Depression
- b. Out of this, evolved an anti-US candidate in 1941, Ernesto Arias
- c. Arias led a civilian populist movement
- d. US encouraged a coup, fearing that Arias would side with Hitler
- e. Military Removed him from power

XV. Military coup

- a. Military overthrows Arias and assumes control of the Presidency
- b. At this time, Torrijos, a younger colonel, says that Panamanians are lackeys to America because the Panama Canal is a thriving enterprise that Panamanians should be benefiting from
- c. FDR increased share of money to Panama
- d. By the early 1950s, Torrijos was elected President with military backing

XVI. Panama Canal – A Non-Profit Organization

- a. Canal was run as a non-profit organization
- b. As more ships used the canal, money was reinvested in the canal infrastructure so that the towns in the Canal Zone would look like American towns
- c. In Canal Zone, US replicated American living conditions
- d. Arias did not like this

XVII. General Omar Torrijos Overthrows Arias, 1968

- a. 11 days after Arias won the presidency, he is overthrown again
- b. Torrijos quickly built a populist political base among marginalized groups, in both Panama City and the countryside
- c. Torrijos assumed dictatorial control

XVIII. Torrijos Wants to Regain Control of Panama Canal

- a. Charismatic, populist, military leader
- b. Wants to gain control of Panama Canal
- c. US feared that Arias was so charismatic that he could declare a civil war with the US over the Panama Canal
- d. Torrijos took the opportunity to get into power and get the US on his side
- e. LBJ was in charge at the time in the US
- f. Stability in the Caribbean was important, but US Congress as they learned that Torrijos was trying to get US to create a new Canal Treaty, said maybe over time, but that the US wouldn't turn the Canal over to a dictator

XIX. Torrijos Was Popular in Panama

- a. Eliminated Congress and re-established it with 500 candidates elected from throughout Panama
- b. Wanted people throughout Panama to have a say in how the country operated
- c. Got involved in social and sanitation projects
- d. His picture was on billboards everywhere
- e. He was a fairly popular person in Panama

XX. Jimmy Carter Agrees to Give Panama the Canal, 1977

- a. In 1976, Carter becomes President of the US
- b. Torrijos is the right person, at the right time, with the right person in charge of the US
- c. Carter wanted to give the Canal back to Panama
- d. Carter entered into a treaty with Torrijos, even though most Americans didn't want to give the Canal back
- e. Carter had to negotiate with the Senate to get them to approve 2 Panama Canal treaties (1 dealt with canal territory and the other dealt with defense of Canal in the future)
- f. Senate approve Canal Treaty - said that Canal would be turned over to Panama on December 31, 1999 (It was presumed that there would be a transition from a populist-authoritarian government into a democratic country; US would then train democratic Panamanians to take over the Canal)
- h. Through 1990s, US started phasing out its operations in Canal Zone
- i. 2000 – canal was given back to Panama

XXI. Torrijos Becomes a National Hero

- a. 1977 Treaty with Carter made Torrijos a hero in Panama
- b. Tolls on the canal were also raised to \$75 million/year

XXII. Torrijos Promises a Reformed Government

- a. Torrijos promised Carter that political exiles and political parties would be allowed to return to Panama
- b. He said that there would be freedom
- c. Announced that there would be elections in 1984
- d. In 1978, Torrijos steps down to prove that he's serious about democratic reforms
- e. **Torrijos turns the government over to his political party – PRD – Democratic Revolutionary Party**
- f. 1981 – Omar Torrijos dies in a plane crash
- g. This turns the whole political equation upside down because elections were not going to be held until 1984

XXIII. Rotating Colonels in Power

- a. In 1982, the 4 top military officers try to agree on how they should run the country until the 1984 elections
- b. They decide to rotate power between different colonels

XXIV. Manuel Noriega – in the Torrijos regime

- a. Crony of Torrijos from the 1960s
- b. Torrijos made him Director of Intelligence for Panamanian National Guard (military)
- c. Noriega knows everything that is going on
- d. If anyone gave Torrijos a problem, Noriega made sure they disappeared or went into exile
- e. Quashed opposition

XXV. Noriega's Turn in Power, 1983

- a. Selected in rotation to be interim president, 1983
- b. 1st election in 1984 takes place under the Noreiga regime
- c. Has **Barletta** elected to the presidency (ballot box is rigged)
- d. With Barletta in power, Noriega becomes the power behind the scenes
- e. 1985 – Barletta is kicked out after a disagreement with Noriega
- f. Noriega controlled Congress and put Del Valle in power

XXVI. Noriega Helps the US

- a. Noriega is helped the CIA get information about Castro
- b. He is also helping the DEA target Colombian cocaine activities in Panama
- c. So, Noriega is appreciated by the US
- d. Over time, however, Noriega is found to be supporting certain cartel activities, while quashing others (a deal for my friends, the law for my enemy)

XXVII. *New York Times* Articles, 1986

- a. Seamore Hirsch writes a series of articles about Noriega, saying that he's involved with narco-trafficking
- b. Says that Panamanian banks are involved in money laundering
- c. Despite reports, US government says that Noriega is helping with information on Cuba, supporting anti-communism in Nicaragua, and cooperating with the DEA, so maybe he's not such a bad guy after all

XXVIII. US Federal Court in Florida indicts Noriega, 1987

- a. A year after the newspaper articles appeared, US federal courts in Florida indict Noriega on a series of charges
- b. This was the first time a foreign leader had been indicted by a federal court
- c. Noriega is accused of:
 1. Narco-trafficking
 2. Money laundering
 3. Getting kickbacks from narco-traffickers
 4. Providing security for the transfer of narco-trafficking funds
 5. Selling ether and ethanol (used to produce cocaine) to narco-traffickers
 6. Providing a safe haven for narco-trafficking barons
 7. Making illegal profits

XXIX. Indictment Embarrasses Reagan Administration

- a. Indictment embarrasses Reagan and soon to be president, Bush
- b. Noriega made fools out of the Reagan administration
- c. George HW Bush says enough is enough
- d. US court in Florida has forced the government's hand

XXX. Panamanian Press

- a. Panamanians play up the indictment
- b. Panamanians feel disappointed that they have a puppet president with Noriega pulling the strings
- c. Del Valle falls out of favor with Noriega
- d. Noriega then appoints Solis Palma

XXXI. National Civil Crusade

- a. Panamanians form the National Civil Crusade
- b. This organization is working to get Noriega out of office
- c. It is supported and backed by Businessmen, Churches, and Universities – It is a joint crusade)
- d. At their rallies, Noriega has his own people rally in support of him

XXXII. US Encourages a Coup against Noriega

- a. Noriega is captured by young military officers
- b. General Noriega, with a gun pointed at him, is told that he has to reform
- c. Noriega agrees to reform
- d. The young major is delighted at Noriega's reaction
- e. However, Noriega says that to reform, he has to stay in charge of the Panamanian military
- f. Noriega wanted the Major to give him his gun as a sign of loyalty
- g. The Major agrees to give Noriega his gun
- h. Noriega subsequently shoots the Major
- i. This ends the coup d'etat attempt

XXXIII. 1989 Elections

- a. Noriega promotes elections in 1989
- b. Duque wins, but then there is a falling out between him and Noriega
- c. Noriega then appoints Rodriguez

XXXIV. George HW Bush Wants to Defeat Panamanian National Guard

- a. Bush doesn't recognize Rodriguez's presidency
- b. Bush then tells JCS Chairman Colon Powell to come up with a plan to take out Noriega and defeat his National Guard
- c. Noriega's forces are on the old Canal Zone, so they could easily capture elementary schools (holding them hostage), so it had to be a surprise attack
- d. US needed an excuse as well to invade Panama

XXXV. Marines Killed in Panama, December 1989

- a. US Marines came out of a restaurant
- b. They turn the wrong way and are approached by guards that have been drinking
- c. The guards ask the Marines for identification
- d. But the US Lieutenant (who is driving) refuses to show ID
- e. The Marine then continues
- f. The guard shoots at the Marines and kills the driver (lieutenant)
- g. The passenger is able to gain control of the car

XXXVI. Noriega Says – There is a State of War with the US

- a. Two hours after the Marine was killed, the report reaches Washington
- b. At the same time they receive that news, Washington receives information that Noriega has told someone at a conference that Panama is really in a state of war with the US

XXXVII. Operation Just Cause

- a. George HW Bush tells Colon Powell that the Panamanians are killing American citizens and they could disrupt the locks on the Panama Canal
- b. As a result, Operation Just Cause is launched
- c. Points around Panama are attacked by the US
- d. Operation is a success
- e. 90% of Panamanians support the operation
- f. Noriega is captured and is in jail to this day in Florida on narco-trafficking charges

XXXVIII. US Builds Democracy in Panama

- a. After Noriega is captured, Panama has no government
- b. US rebuilds democratic condition, spending billions of dollars in the process
- c. Things are turbulent at first
- d. After 8 years, things solidify and stabilize

XXXIX. Mireya Moscoso, Elected 1998

- a. Elected president after things stabilized in the country
- b. 1st female president of Panama
- c. Her husband was Ernesto Arias (who helped project her into politics)
- d. Sees the transfer of the Panama Canal into Panamanian hands
- e. Problem in Cuba under her administration over 4 men who attempted to assassinate Castro – she pardoned the 4 men
- f. Inherited debt problem
- g. Unemployment level didn't decrease
- h. **Moscoso also proposed improving the infrastructure of the Canal**

XXXX. Martin Torrijos

- a. Son of Omar Torrijos
- b. Recognized by his family as a full-fledged family member
- c. Irony – he comes in as a democratically elected leader, whereas his father was a dictator
- d. Had to determine what to do with the people in land that **President Moscoso** wanted to use to improve the infrastructure of the canal
- e. This has come to fruition

Costa Rica

I. Topics

- a. Rafael Calderon (Social Christian Reform Party) - SCR
- b. Jose “Pepe” Figueres (National Liberation Party) - PLN
- c. Oscar Arias (PLN)
- d. Jose Maria Figueres (PLN)
- e. Miguel Angel Rodriguez (Social Christian Party) - SCP

II. Geography

- a. Lies to the west of Panama and to the south south-east of Nicaragua
- b. Home to 4 million people

III. Government

- a. Fundamentally, Costa Rica has had a representative government with regime changes according to the constitution
- b. Costa Rica has let the rest of Latin America alone when it was going through dictatorships
- c. Costa Rica has a fairly defined border and there are not many domestic security problems – This has resulted in stability for the country

IV. How Costa Rica Handles Excited Demonstrations

- a. If it looks like people are getting excited in a demonstration, water hoses are used to disperse crowds

V. Costa Rica’s International Role

- a. Costa Rica has been a mediator in international disputes, especially those in Central America
- b. Has a positive and ironic fate of not being a Cold War interest of the US

VI. Why has Costa Rica, as opposed to the rest of Central America established a relatively civil society?

- Political Scientists have gone back to the Spanish conquest, but there were other impacts
 - A. Geography**
 - a. With its various mountain ranges, it was isolated in colonial times from Guatemala (colonial center)
 - B. Not on any Central Transportation Routes**
 - C. No Mineral Resources**
 - a. Costa Rica didn't have any mineral resources (gold, silver) for Spanish colonialists
 - b. As a result, Costa Rica was isolated from the thrust of Spanish colonization of the America
 - c. Since Costa Rica didn't have any minerals, they were forced to become an agricultural society
 - D. Only 500 Spanish families settled in Costa Rica**
 - E. No Forced Labor**
 - a. There was a small indigenous population, which the Spanish attempted to exploit for labor, however they ran off
 - b. So, the indigenous population was wiped out
 - c. As a result, there no system of forced (Indian) labor was established
 - F. They were Poor, but had Plenty of Land**
 - a. There was more than enough land for the 500 families who settled there, even though they initially lived a hand-mouth existence
 - b. They were poor
 - c. This had a leveling effect on society
 - d. They were isolated, hardly rich, and were considered a poor Creole aristocracy
 - e. As a result, feudalistic hacienda system never developed b/c there were no Indians to exploit
 - f. Since they didn't have any forced labor, they couldn't produce large amounts of food for export, so they lived on their own

G. No Post-Colonial Wars of Independence

- a. They didn't have any post-colonial wars for independence
- b. It was as if the wars of liberation left them high and dry, not attached to Spain
- c. Out of this resulted liberal and conservative party struggles until 1900

VII. Liberal Party

- a. In latter years, the liberal party dominated
- b. There was a strong emphasis on education
- c. Then, after 1900, political parties began to multiply

VIII. Increase in Exports

- a. With the advent of steam shipping and refrigeration, it enabled Costa Ricans to export coffee and bananas

IX. Banana Industry Railroads

- a. Bananas were not something original to Costa Rica
- b. They were brought there by other exporting countries, who believed they would grow well there
- c. In the years leading to 1900, railroads were constructed by the banana industry to move their product from the field to ports
- d. Because of their Spanish background, many Costa Ricans don't want to build railroads
- e. As a result, banana industry hired Chinese and Afro-Caribbeans (Trinidad, Barbados)
- f. As phenomena of increased exports takes place, labor unions emerge in these new industries

X. Coffee Plantation Owners Establish Direct Popular Election, 1913

- a. Coffee plantation owners, who are becoming wealthy because of their exports figure that the workers could cause a problem
- b. So, the owners do the smart thing and open up the political situation, establishing a direct popular election in 1913
- c. This is an elite oligarchy solution
- d. But there was also a certain element of tranquility in Costa Rica that allowed this to happen

XI. The Great Depression Affects Costa Rica

- a. With the advent of the Great Depression, coffee prices dropped 50%
- b. This had an effect on elites, taking away a great amount of their wealth
- c. This forced plantation owners to release peasants from their jobs
- d. Many of these peasants who lost jobs moved into the cities
- e. So, an urban working class is established during the 1930s

XII. Costa Rican Workers Confederation

- a. This organization was socialist/communist founded
- b. It was responsible for many banana workers strikes

XIII. Rafael Calderon, elected President, 1940

- a. Liberal party became known as the Social Christian Reform Party
- b. Calderon of the SCR party is elected in 1940
- c. Reform minded
- d. SCR party pushed for equal pay for men and women
- e. 1941 – Social Security plan is established
- f. 1943 – Labor codes are strengthened
- g. Labor courts are organized to review strikes and collective bargaining agreements
- h. Progressive income tax is implemented

XIV. Calderon Coalition – 1944 Election

- a. Someone else comes in to power from the SCR party, as part of the Calderon Coalition
- b. However, there are accusations of voter fraud

XV. Jose “Pepe” Figueres Revolts Against Government

- a. Accuses Calderon Coalition of fraud
- b. During 1948 election, Calderon Coalition, which control the Congress try to annul the vote – preventing a Social Democrat from assuming the presidency
- c. As a result, Figueres leads a revolt against the government
- d. Costa Rican Army, which only has 300 people, is defeated by unorganized militias
- e. This is called the **Quiet Revolution**

XVI. Figueres/National Liberation Punta in Power

- a. Figueres puts National Liberation Punta in power (changed to PLN)
- b. US supports Figueres
- c. Figueres rules for 18 months
- d. He retains social programs
- e. He puts banks under national control
- f. Abolished the Army and the Communist Party in Costa Rica
- g. He realized that people joined the Communist part for many reasons, so he wanted to make the government the primary actor for reform

XVII. Economic Prosperity, 1950 – 1980

- a. 1949 – coffee prices go into a boom, from \$.50 /pound to \$1.35/pound
- b. This is a windfall amount of money for owners
- c. All industries increase, including coffee, bananas, and cattle industry
- d. 1950 – 1980 – 6% GDR growth every year

XVIII. Beginning of the Democratic Process, 1949-50

- a. 1953 – Figueres steps out of office, putting the person who Calderon’s Congress had prevented from taking power into power
- b. This initiates a democratic process

XIX. Figueres Wins 1953 Election

- a. Figueres runs for President in 1943
- b. He wins 2/3 of the vote

XX. Peaceful Transfer of Power, 1958

- a. Unity Coalition Party defeats National Liberation Party in the 1958 election
- b. There is a peaceful transfer of power
- c. This begins the process of a tradition of abiding by liberal-democratic rule

XXI. Executive Power – in Constitution

- a. If President wants to take a vacation or go on official business outside the country, Congress has to agree to it

XXII. Supreme Court

- a. Judges are appointed by legislative assembly for a 2-year term

XXII. Large Amount of Government Control

- a. Government controls electricity, telephone, water, agrarian reform programs (which take up much of its budget)
- b. So, while Costa Rica does have a democratically elected system, its government also has a large role in society, running a large bureaucracy
- c. Government monopolies increase over time to include railroads, oil...
- d. So, Costa Rica rocks along for a while

XXIV. Samosa Family in Nicaragua Hates Figueres, 1950

- a. Samosa family in Nicaragua hated Figueres because he was promoting a democratic system and Samosa was ruling by an authoritarian dictatorship
- b. Costa Rica's successful revolt gave Nicaraguans hope for a democratic state
- c. So, there were 30 years of prosperity in Costa Rica

XXV. Civil Wars in Latin America, 1980s

- a. Civil Wars began in Nicaragua in the late 1970s
- b. El Salvador and Guatemala had Civil Wars in early 1980s
- c. All countries in the region were caught up in these Civil Wars, even if they were not having a War in their country because trade mechanisms were closed off
- d. Bridges were blown-up, trucks were destroyed
- e. As a result, Central America's economy was stagnating because of a lack of markets

XXVI. Oscar Arias, elected President in 1980s

- a. Arias saw that Reagan was trying to overthrow a revolutionary government in Nicaragua (US was supporting Contras and military government in exile in Honduras who were battle Nicaragua's government)
- b. Wars go on until the latter part of the 1980s
- c. Arias steps in as a moderator
- d. Arias offers a peace plan in 1985-86
- e. His peace plan is known as *Esquipulas*

XXVII. Esquipulas – Arias’ 5 Point Peace Plan

- a. Organized a meeting between warring countries in order to negotiate a solution
- b. In negotiations, a cease-fire is declared, along with the opening of talk dialogue amongst warring countries
- c. Each country would prevent the use of its territory from being used for attacking other countries
- d. All countries must cease aid to regular forces and insurgent movements (US would have to cut off support for Contras, who were working out of Honduras, to overthrow the Nicaraguan government)
- e. In every single country, there would be free elections and an open democratic process for all countries involved

XXVIII. Impact of Esquipulas on the US

- a. Esquipulas is important to other countries and the resolution of their Civil Wars
- b. Reagan administration did not like Esquipulas and was embarrassed that countries banded together against the US for supporting the Contras
- c. However, the Esquipulas plan worked to accomplish US objectives in Latin America because free, democratic societies were formed

XXIX. Arias Wins the Nobel Peace Prize

- a. As a result of his Esquipulas plan, Arias receives the Nobel Peace Prize
- b. This increased Costa Rican prestige
- c. Costa Rica could not have been able to resolve the wars if it was caught in Civil Wars, which it would have been if it were not for their democratic process

XXX. Jose Maria Figueres, elected 1994

- a. Son of “Pepe” Figueres
- b. 39 years old when he runs for President
- c. Wins with 52% of the vote
- d. Makes a lot of campaign promises typical of what Costa Rican politicians always says
- e. He has a major problem to deal with, involving Nicaraguan refugees

XXXI. 200,000 Nicaraguan Refugees Go To Costa Rica and Begin Crime

- a. After Civil War period (after 1980), Nicaragua had troubled administrating its government
- b. Poverty drove 200,000 Nicaraguans into Costa Rica
- c. These were people who were at the bottom of the barrel
- d. They took jobs on farms
- e. However, for the 1st time in Costa Rican history, in the 1990s, crime became a major problem
- f. There were kidnappings and bank robberies
- g. Costa Ricans mistreat Nicaraguans
- h. Costa Rica becomes part of the narco-trafficking shipping channel
- j. Also, for the 1st time in Costa Rican history, the availability of land is not sufficient to support the demand of the gradually increasing population

XXXII. 1998 Election Issues

- a. Crime
- b. Violence
- c. Corruption
- d. Narco-trafficking
- e. Hong Kong-China Mafia (working inside Costa Rica)

XXXIII. Apparel Industry Brings Jobs

- a. Apparel Industry, including Tommy Hilfiger and other companies, open up shop inside Costa Rica
- b. This brings jobs to the Costa Rican community
- c. Economy begins to expand as a result
- d. Costa Rica has a cattle industry, so they ship meat, too

XXXIV. Eco-Tourism Begins

- a. Somebody figured out that Costa was more tranquil than the rest of Central America, so it increased tourism
- b. However, while people were looking at Costa Rican plans, Mafia begins a prostitution ring

XXXV. Prostitution in Costa Rica

- a. Because of open system, Mafia begins prostitution ring
- b. Mafia used young girls, selling their services to tourists
- c. US and other non-governmental organizations have tried to pressure Costa Rica to deal with this problem

XXXVI. Miguel Angel Rodriguez, elected 1998

- a. Leader of the Social Christian Party
- b. Costa Rica has a high education level – 90% of the population is well educated (completed elementary and high school)
- c. Costa Rica has one of the highest University enrollments in Central America

XXXVII. Problems for Rodriguez

- a. 1/3 of the University graduates don't have sufficient employment after graduation
- b. Many public workers are demanding higher wages
- c. Government found that within bureaucracies, government workers kept increasing their wages; Congress would also increase its wages
- d. So, because the government was spending more in salaries, it was not able to foster a high quality of living
- e. Government services began to decline in quality and people began to complain

XXXVIII. Government Borrows from International Banks

- a. In 1990s, people voted for presidents and saw that nothing changed
- b. People began to get frustrated
- c. So, the government borrowed money from International banks to help improve social programs
- d. Rodriguez found out that 40% of his national budget was going to pay interest

XXXIX. Economic Situation

- a. 20% of the country was discovered to be living in a state of poverty
- b. Costa Rica began importing basic staples that used to be produced in Costa Rica
- c. At first, the government was taxing these imports, then stopped after receiving complaints
- d. Computer chip industry has begun to evolve for exports
- e. There are 400 textile assembly plants in Costa Rica
- f. Costa Rica has tried to promote foreign investment to offset social problems

XXXX. Abel Pacheco, elected 2002

- a. Pacheco won a runoff election
- b. He found that there were problems that needed to be addressed
- c. He reduced tax evasion
- d. Helped to stimulate small businesses
- e. Increased foreign investments
- f. Established a Free Trade agreement with Canada
- g. To slim down bureaucracy, he eliminated the Vice Presidency position
- h. Reduced some of the lavish parties that his supporters threw
- i. His popularity began at 85%, but has dropped to 45%

XLI. Formed Constitutional Commission

- a. Pacheco formed a Constitutional Commission to allow presidents to run for re-election, which had been prohibited in the 1960s
- b. So, Pacheco obviously wants to run for re-election

XLII. Telecommunications Strike, 2003

- a. There were major strikes by telecommunications workers (federal workers)
- b. Government offered to privatize the industry to alleviate their troubles
- c. However, the workers said that all they wanted was \$100 million upgrade

XLIII. Teacher Strikes, 2003

- a. Teachers went on strike because they were not being paid on time

XLIV. Pacheco's Fundraising Scandal

- a. Pacheco was accused of getting illegal campaign funds for his election run

XLV. People Are Not Happy with Pacheco

- a. Pacheco tried to please every person in Costa Rica, but wound up pleasing nobody
- b. People don't believe he can solve the country's problems
- c. In the last several months, people have taken money from Social Security
- d. Also, in the last few months, the allegations of illegal contributions to his party have come out
- e. Rising petroleum prices have become a problem for middle class (Costa Rica has a \$34 tax on every barrel of oil making food and all other prices higher)
- e. While Costa Rica is considered a democratic model for Latin America, some are totally disinterested to apathy and to despair

XLVI. Rodriguez Scandal Discovered – After he left the presidency

- a. After Rodriguez left the presidency, he was nominated to be president of the Organization of American states
- b. OAS – created in 1940s to be a mini-United Nations, but concentrating exclusively on Latin America
- c. Its headquarters are in Washington DC
- d. OAS has no real power, but has influence
- e. Every country provides delegates to OAS, but these delegates can't make decisions for their country
- f. So, Rodriguez heads OAS
- g. A few weeks ago, a scandal was discovered that Rodriguez, when he was president, awarded a French cell phone company a \$150 million contract in exchange for \$140,000

XLVII. Pacheco Asks OAS to Remove Rodriguez's Diplomatic Immunity

- a. Rodriguez is forced to resign the leadership post of the OAS at Pacheco's insistence
- b. Rodriguez is forced to stand trial
- c. He is currently under house arrest

XLVIII. Arias Scandal Unveiled

- a. When Arias was president, Noriega (Panama) gave him money to support his political campaign
- b. This has come out now
- c. The case has not gone to court yet: Arias may have to give some money back if the court rules against him, or he may not have to give anything back
- d. This corruption is not good for the concept of democracy in Costa Rica

II. Iberian Politics in Play

- a. The Pacheco, Rodriguez, and Arias scandals show that some of the holdovers of the Iberian politics are in play
- b. This includes getting rich in office at the expense of the public's treasury
- c. This probably began several decades earlier, but wasn't particularly noticed
- d. It became a problem in the 1990s

L. Aids in Costa Rica

- a. Pacheco has asked the World Bank for a donation to help the AIDS problem in Costa Rica
- b. However, there are only 450 new AIDS patients reported each year
- c. Costa Rica's government says that while there are only 450 reported each year, there are others who are not coming forward to the hospital
- d. Costa Rica has said that AIDS problem could become unmanageable in Costa Rica if it is not addressed

LI. Electricity Institute Threatens Eco-Tourism

- a. Electricity Institute is building a dam to divert water from the Rio Grande
- b. This project would provide electricity for $\frac{1}{4}$ of Costa Rica's population
- c. However, the project has a negative effect on the environment and on fishing tourism

US Foreign Policy in Latin America

I. Topics

- a. Monroe Doctrine
- b. Platt Amendment
- c. Roosevelt Corollary
- d. Dollar Diplomacy
- e. Wilson Policy
- f. Good Neighbor Policy
- g. Rio Treaty
- h. Organization of American States (OAS)
- i. Alliance for Progress
- j. Jimmy Carter
- k. Ronald Reagan

II. Latin American Liberation

- a. US foreign policy in terms of Latin America, especially the Caribbean, got its start after Simon Bolivar's wars of independence against Spain
- b. As the wars of liberation ended in 1825, the US Department of State began recognizing South and Central American countries
- c. 13% of American trade at the time was with these countries
- d. However, the US feared that the collapse in Spanish rule could open the door for France or England to take advantage – this is why Monroe issued his doctrine

III. Monroe Doctrine, 1823

- a. American approach to dealing with the Americas
- b. Prevented European colonization of the Americas
- c. Claimed that the major powers would be confronted by the US if they attempted to establish colonies in the Americas
- d. US was focused on the Eastern Coast of North America
- e. There was concern that the Russians, who controlled Alaska, were starting to move in the direction of Mexico, which included California (so the US felt that if it didn't check European colonization now, that it would be a threat in the foreseeable future)
- f. US feared that foreign intervention in the Americas could then threaten the US
- g. Monroe Doctrine had no legal power
- h. US would also have been hard pressed to maintain the policy if it was challenged
- i. After all, ten years earlier, the British had landed in Washington and attempted to burn down the White House

IV. US Refuses Alliances

- a. In 1822, Brazil made a request to the US to unite Brazil with the US
- b. But the request was rebuffed because Brazil had slavery, lasting until the 1880s
- c. In 1824, Samuel Adams wanted to purchase Cuba from Spain, but they rejected
- d. Later attempts to purchase Cuba also failed
- e. In 1824-25, Mexico and Colombia wanted to enter into a military alliance with the US, but the US rebuffed it because the US didn't want to get involved in their wars
- f. In 1840s-50s, US worked out a deal with Panama to cross the Isthmus of Panama for the Gold Rush – also building a railway there

V. French Invade Mexico, 1862-1866

- a. During the American Civil War, Prince Maximilian of Austria was placed into power in Mexico by the French
- b. Abraham Lincoln, in 1862, could do much about this because things were not looking good in the war
- c. By 1866, Maximilian was thrown out of power when they were confronted by Benito Juarez
- d. When the Civil War ended, the US threatened to end relations with France if they didn't leave Mexico – but Juarez solved the problem

VI. Manifest Destiny

- a. US since its inception was continuously increasing its territory (Louisiana Purchase, Mexican-American War: US took Arizona, California, New Mexico from Mexico)
- b. As the Industrial Revolution goes into its next big stage, based on petroleum and steel, the phenomenon of Manifest Destiny begins
- c. Americans in the 1880s see European power colonizing, so the US feels it has the right to have colonies
- d. US wanted to have colonies by China so that the large Chinese population would buy American products

VII. Spanish American War – Teller Amendment

- a. In the War Appropriations Bill to pay for the war, the Teller Amendment is added to prevent Cuba from being added as a colony of the US
- b. The Teller Amendment was added because there was a sugar beet lobby in the US, which feared that if the US seized Cuba (territory or annexation) that Cuban sugar cane would compete with beet sugar
- c. As a result, Cuba would not become a US territory after the Spanish American War
- d. But the bill never mention anything about Puerto Rico or the Philippines, which did become US colonies

VIII. Platt Amendment – Cuban Constitution

- a. It was felt that if Cuba wasn't a territory or state of the US, it would affect their independence
- b. The US worried that the German or British Navy could invade Cuba
- c. To prevent Cuba from being penetrated into, the US forced the Platt Amendment into the Cuban Constitution, giving the US the right to intervene in Cuba for protection and maintenance of its government and to look out for the benefit of Cubans
- d. This type of amendment is what Cuban liberation fighters feared would happen – They gained independence from Spain, but were now controlled by the US
- e. From time to time, the US would send soldiers/Marines in to run elections
- f. From 1906-09, the US supported presidential candidates in Cuba with financing
- g. In six cities, the US put in a potable water system to ensure they had clean water
- h. The US also put in place a constitution, which ensured free elections, because it worked well for the US
- i. The US forced Cubans to take on a democratic system of government
- j. At this time Teddy Roosevelt came up his corollary to the Monroe Doctrine

IX. Roosevelt Corollary to the Monroe Doctrine

- a. Enhancement to the Monroe Doctrine
- b. Exclaimed that only America could intervene in the Western Hemisphere
- c. Said that chronic wrong doing, leading to a loosening of ties in civil society might lead to US intervention
- d. This began the Big Stick policy towards Latin America

X. Panama Canal

- a. Security for the canal became a driving force for US foreign policy
- b. US feared that if Latin American countries didn't pay their debts, then European banks might convince their country to take over a Latin American country
- c. US also feared that Latin American countries might sell a European country a coal firing station, in exchange for eliminating their debt
- d. As part of the Roosevelt Corollary, the US said it would intervene to bring political and financial stability so that the security of the canal would be ensured
- e. At Panama's request, the US supervised early elections after their independence

XI. Dominican Republic

- a. From the onset, in 1904-05, Dominican Republic went into a \$32 million debt
- b. Business interests requested that the US administer financial control of the Dominican Republic
- c. Dominican Republic signed a treaty with the US, giving the US power to intervene
- d. From 1916-24, there were considerable problems with bloodshed in the Dominican Republic, forcing the US to send the Marines into the country

XII. Problems with Nicaragua

- a. In 1909, Nicaraguan dictator Jose Zelaya realized that the US was really going to build a canal through Panama
- b. Zelaya wanted to take advantage of the Sanwan River to build a second canal
- c. Zelaya negotiated with Germany, Great Britain, and Japan to build a second canal so that Nicaragua would financially benefit
- d. Zelaya didn't get along with his neighbors
- e. US encouraged rebel fighting forces in their fight against Zelaya
- f. Rebel forces overthrew Zelaya
- g. Two years later, the US Marines were sent in to install a new leader
- h. Two years after that, William Jennings Bryan negotiated a treaty with Nicaragua, giving the US all the rights to construct a canal, using the Sanwa River route
- i. This treaty gave the US exclusive rights to the canal route for 99 years
- j. US gave Nicaragua \$3 million dollars

XIII. Dollar Diplomacy

- a. Taft established Dollar Diplomacy
- b. US could intervene in Latin America anytime to guarantee that US capital investments were protected
- c. US has set itself up as a dictatorship in Latin America

XIV. Wilson Doctrine

- a. Promotion of democracy as a world duty
- b. Wilson demanded that every country had to have a democratic political process, otherwise the US was not going to recognize them
- c. Wilson believed that this would help prevent revolutions
- d. Wilson wanted to teach South American republics to elect good men
- e. This policy went against international practice, which was that if a country was stable and met its obligations, there was no reason to intervene
- f. Promoted democracy for the people, but not by the people
- g. It promoted democracy by using authoritarian means to accomplish liberal goals
- h. US demanded law and order
- i. US allowed local military/police to use authoritarian measures as necessary to maintain law and order

XV. Haiti, 1915

- a. In 1915, Haiti went bankrupt
- b. Haiti owed billions to French and German companies
- c. They had no democratic tradition
- d. President of Haiti was murdered by a mob
- e. US Marines landed in Haiti and started a 19 year occupation
- f. Marines forced elections
- g. FDR, the Assistant Secretary of the Navy, said he wrote the Haitian Constitution and really, it's very good.
- h. US Marine Corp/Navy imposed a Constitution on Haiti
- i. US would not allow any increase in their debt without US military approval
- j. US made sure that all debts were paid to European powers
- k. US had to make sure it replicated American institutions inside Haiti
 1. Brought potable water
 2. Invited Missionaries from the US to help build public schools
 3. US Marine Corp set up a road system in Haiti
 - Marines went door to door taking strong males out of their homes
 - Marines lined up all the male population and used the biggest/strongest to be on the work force, building roads (this was corvet labor – they were not paid)
 - Haitians resented this treatment, but the Marines said, “Don't you want to have roads?”
 - Demonstrators or objectors to road creation were shot

XVI. Honduras, 1924

- a. In Honduras, a number of rebel groups were operating against the government
- b. As a result, in 1924, US warships landed in Tegucigalpa (Honduran capital)
- c. Marine Commander called for elections within 3 weeks
- d. This must have been a real problem because Honduras was a rural country without a communications system
- e. A US backed candidate was the only candidate running for election because others refused to participate
- f. The US supported candidate was sworn in on the bible
- g. Marines invited US Missionaries into Honduras to establish missionary school
- h. Paul Menzel established a missionary school there

XVII. US Role in Latin America by the 1930s

- a. By 1930s, any and all countries in the region were virtual satellites of the US promise of liberal freedom and material awards
- b. US military established education systems, fulfilled cultural missions, established communication system, sanitation system, implemented public works projects
- c. Investors were told that they would at least get their investment back, but most likely earn a lot more
- d. US policies helped to develop a Middle Class, which evolved over time, becoming a catalyst for change

XVIII. Good Neighbor Policy, 1933

- a. In 1933, FDR removed all US troops from Latin America
- b. To maintain law and order, a local police/military force was created
- c. Marine Corp. General Butler, in 1931, published an article in the *New York Times*, saying that he was a muscle man for capitalism in Latin America for 33 years
- d. Butler felt that the US had sacrificed the Marine Corp. and not accomplished much for Latin America

XIX. Emergence of Dictators in Latin America

- a. After the Good Neighbor Policy was implemented, dictators came to power in each country that the US had intervened in
- b. These dictators came out of the military force that the US Marine Corp. and Army left behind to establish law and order
- c. Dictators were usually generals who couped the President out of power
- d. Then, when they were in power, they used Congress to appoint them as President

XX. Why did Democracy Collapse in Latin America?

- a. US tried to impose democracy by undemocratic means
- b. Dictatorial occupation was not a good example for democracy to root and then grow
- c. US was inconsistent in support for democracy: When a candidate was in favor with the US, it was good, but when the US didn't like a candidate, it substituted candidates
- d. Settled for form over structure (value system was not necessarily in play) – established a democratic system, but didn't convince the people to support democracy
- e. Cultural traditions in play were authoritarian, going back to colonial times
- f. Elites in power didn't mind occupations as long as they could pursue their business interests
- g. US occupations were autocratic and paternalistic
- h. US believed that Latin Americans were racially inferior, so their tendency to look down on Latin Americans tended to undermine what they tried to promulgate as liberal views

- i. FDR intended Good Neighbor policy to help Latin America, but it created a power vacuum, where generals manipulated the system to gain power

XXI. World War II Security Treaty

- a. As part of the worldwide effort against Japan and Germany, the US tries to get all of Latin America behind the Allied effort
- b. During WW2, a security treaty is established with every South American country, except for Argentina, who had fascist leanings, but they were neutralized anyway
- c. Brazil provided a 15,000 man infantry division to fight in Italy

XXII. Rio Treaty, 1947

- a. At the end of World War II, the RIO Treaty was established
- b. Under this treaty, the US was able to get all Latin American countries to support the US in its confrontation with the Soviets
- c. Any state within the Americas that was threatened by a foreign country (meaning the Soviet Union), all states in the Americas would band together against the foreign aggressor
- d. To be a member of the Rio Treaty didn't require a democratic government
- e. US supported viscous dictators in South America because they supported the US

XXIII. Organization of American States, 1948

- a. In the late 1940s (1948), OAS is formed as an equivalent of the United States, but concentrating exclusively on Latin American relations
- b. It has its headquarters in Washington DC
- c. Every Latin American country would send a representative to discuss important issues in Latin America
- d. US intended to use OAS to learn what Latin America was interested in and what their problems were, so that the US could get the OAS to support American actions
- e. OAS had no power; Delegates could make decisions for their country
- f. An OAS position was considered a reward
- g. Of about 20 Latin American countries, 13 of them had dictatorships

XXIV. US Economically Builds Up Latin America

- a. In 1959, Fidel Castro comes to power in Cuba
- b. Eisenhower's administration takes a look at the situation and concludes that Castro can spread Communism through subversion because so many countries in Latin America are under dictatorships
- c. As a result, the US tried to economically build up Latin America and to help reform efforts in the region
- d. Department of State encourages banks to provide assistance to Latin America
- e. But it wasn't until JFK's Alliance for Progress that this approach became more serious

XXV. Alliance for Progress

- a. JFK put \$20 billion into Latin America to promote political and economic reform
- b. Promoted investment of American companies in Latin America
- c. This resulted in economic growth for Latin America
- d. Alliance for Progress, however, included a counter-subversion program to help governments overcome rebel groups who were trying to overthrow the government
- e. Ruling elites saw counter-insurgency as a way to stay in power
- f. Counter-subversion program tended to support the military and undermine democratic initiatives in play
- g. Of the Constitutional governments, there were 9 military coups under the guise of promoting national security
- h. JFK was assassinated in Dallas, Texas on November 22, 1963

XXVI. Lyndon Johnson and Latin America

- a. VP Johnson becomes President after JFK's assassination
- b. Johnson said that the US will support anybody as long as there is law and order

XXVII. Jimmy Carter and Latin America, 1977

- a. Carter said that by supporting dictators, the US is supporting the very things that we are against: authoritarian rule and oppression
- b. Carter came up with a human rights imperative
- c. The US would deal with every country on the basis of their human rights
- d. Panama Canal Treaty came about to give Panamanians reasonable sovereignty over their nation
- e. In 1979, the US turned its back on the dictators in Nicaragua
- f. Nicaragua subsequently faced a revolution, where the dictators were overthrown

XXVIII. Ronald Reagan and Latin America

- a. Saw a Communist Revolution in Central America
- b. Reagan promoted US values, but he wanted to work with whoever was in power
- c. Nonetheless, the Carter Human Rights Approach has had a big impact in Latin America
- d. Human Rights Approach motivated *Esquipulas* in the 1980s

XXIX. US Foreign Policy in Latin America Since the End of the Cold War

- a. 1989-1991 – Soviet Union Collapses, Warsaw Pact Collapses, Cold War ends
- b. Since the end of the Cold War, US foreign policy in Latin America has promoted democratic and human rights to improve hemispheric conditions so that all nation could thrive
- c. However, it makes it hard for Latin America to deal with its policies because US policy towards L.A. has been inconsistent from administration to administration

Nicaragua

I. Topics

- a. Somozas: Antasio : 1956 – 56
 Luis : 1956 – 67
 “Tachito”: 1967 – 79
- b. Pedro Joaquin Chamorro and Violetta
- c. Daniel Ortega (FSLN – Sandinista)
- d. UNO
- e. Arnaldo Aleman – 1995
- f. Enrique Bolanos – 2001

II. Geography

- a. South – San Juan River
- b. Northeast – Mosquito Indians – have had a semi-autonomous lifestyle for centuries

III. Marine Intervention

- a. US Marine Corps intervened in Nicaragua until 1933
- b. US government perceived the Marine Corp as providing stability, but in reality the opposite happened because their authoritarian nature didn’t allow for the growth of democracy
- c. They left for a year in 1925, establishing a national guard before they left
- d. Marines came back in 1926

IV. Sandino Guerilla Insurgency Develops

- a. In 1927, an insurgency began, believing that Marines would be in the country forever
- b. Sandino, the guerilla commander, fought against the US

V. Marines Attempt to Fight Guerillas, then Pullout of Nicaragua

- a. It was a cat and mouse chase between the Marine Corp and the Guerillas
- b. Guerillas were able to pick their battles because the cigarettes that the Marines were smoking, left a smell, allowing the guerillas to know where the Marine Corp was at all the time
- c. Nobody was winning the cat and mouse chase
- d. US declared victory in 1933 after FDR announced his Good Neighbor Policy and then withdrew

VI. Somoza – Commander of National Guard

- a. Since 1925, when the National Guard was created, Somoza was working his way up
- b. By 1933, when the Marines left, he was the Commander of the National Guard

VII. Somoza Overthrows Democratic Government and Becomes Dictator

- a. There were open elections in Nicaragua, but by using family ties, Somoza was able to overthrow the Democratic government and get himself into power
- b. So, the Marine dictatorship ended, while the Somoza dictatorship was just beginning

VIII. Somoza Kills Sandino, ending guerilla insurgency

- a. Somoza called a meeting with Sandino, the head of the guerilla movement against the US
- b. Somoza felt that if Sandino was a problem for the US, he would be a problem for him
- c. Just as Sandino was leaving the meeting, Somoza has him shot by the National Guard
- d. Sandino's death caused the collapse of the guerilla force and led to his reign a dictator

IX. Somoza Dynasty

- a. In 1956, Somoza was killed by an assassin
- b. Luis Somoza takes over for 10 years (1956 – 67)
- c. In 1967, "Tachito" Somoza takes over the presidency (1967 – 79)

X. Liberal Nationalist Party (PLN)

- a. The Somoza ruled through their Liberal Nationalist Party (PLN)
- b. Through the party, they distributed patronage, and got what they wanted from Congress
- c. After each Somoza came to power, they dispersed the previous Congress and created a new one
- d. This left Somoza with the real power

XI. Somoza Land and Business Ownership

- a. In the 1960s, cotton and coffee production increased, squeezing out the small land holders
- b. The Somoza family owned 20% of the best land in Nicaragua
- c. They owned shipping, airlines, auto dealerships, credit cards, many of the banks...
- d. So, nothing economical could really be done in the country without Somoza approval and to get their approval, you had to pay a bribe

XII. National Guard Stops Peasant Revolts

- a. There was a feudal-type system in Nicaragua
- b. If peasants revolted against land owners, the National Guard would shoot the ring leaders and intimidate the others
- c. Through the 1960s, 3000 peasants were shot for not cooperating with plantation owners

XIII. Reform Movement Grows

- a. In this ambience, with peasants being shot for not cooperating with plantation owners, an inequality of land ownership, and an inability to improve one's social status, a reformist movement began
- b. But the problem was that the Somozas had an excellent intelligence network to quash any insurrection
- c. Castro's revolution in Cuba in 1959 inspired the masses to believe that they could overthrow a dictatorship
- d. Inability to create change within the Somoza government led to a militant struggle

XIV. Sandinistas

- a. A new group, the Sandinistas was formed in the 1960s as a guerilla group, who wanted to overthrow the Somozas
- b. The group was named after Sandino, the failed insurrection leader of the 1930s
- c. Today, the Sandinistas are a political party in Nicaragua, under the banner, FSLN, that has some power and influence
- d. In the 1960s, the Sananista insurgency tried to use small peasant groups in the outback as the basis of their revolution
- e. However, Somoza's National Guard was effective in the Outback and was able to contain the guerilla's power
- f. Beginning in the 1970s, the guerillas saw they weren't doing well in the Outback because the Somozas had started to give the peasants their own land
- g. So, the Sandinistas turned to the student population in universities in the cities for support in their revolution
- h. Sandinistas continued to train in the rural area, but recruited in the cities
- i. Guerillas kidnapped high government officials to get money through extortion
- j. But there was still a stale mate

XV. 2 Big Events That Led to the End of Somoza Dynasty**A. Earthquake, 1975**

- a. In the early to mid-1970s, there was an earthquake that destroyed “old” Nicaragua
- b. US sponsored relief efforts
- c. However, it turned out that Somoza was stopping the population from getting US food supplies and was charging the population for the supplies
- d. This didn’t help Tachito Somoza’s image in the eyes of the US

B. Jimmy Carter Becomes US President, 1977

- a. In 1977, Carter became President of the US
- b. Carter judged countries on the basis of their human rights in the world to decide whether countries were friendly or confrontational
- c. Somozas had been dictators, so Carter put pressure on Tachito Somoza to open up the political process

XVI. Pedro Joaquin Chamorro is Shot, 1978

- a. In 1978, a popular newspaper editor, Pedro Joaquin Chamorro is assassinated
- b. He was one of the obvious candidates to run for office if Somoza stepped down
- c. It’s still not known whether the Sandinistas killed him in order to create a martyr or whether it was Somoza, trying to eliminate a possible rival
- d. Chamorro’s death, however, caused the Middle Class to feel insecure because his death meant that anybody was open to retribution
- e. As a result, the Middle Class turned its allegiance to the Sandinistas
- f. Sandinistas were training in Cuba

XVII. Multiple Guerilla Assaults Spread National Guard Troops Thin, 1978

- a. Daniel Ortega, the Sandinista leader, led an assault on the National Palace in Nicaragua, taking people inside hostage
- b. Ortega told Congress that this was a revolution and that they better do the right thing
- c. Ortega subsequently fled to the US to escape capture
- d. Then, the Sandinistas attacked Southern Nicaragua
- e. This caused the National Guard to spread itself too thin, leaving them vulnerable

XVIII. Somoza Flees Nicaragua

- a. Since the National Guard was spread too thin, they couldn't defend against Sandinista attacks
- b. This resulted in Somoza fleeing Nicaragua and going to Florida
- c. But Carter kicked Somoza out of the US
- d. Somoza then went to Paraguay
- e. In Paraguay, a hit team from Argentina went there and assassinated him
- f. With Tachito Somoza dead, it ended the Somoza era

XIX. Sandinistas Consolidate Power and Promise Reform

- a. With Somoza gone, into the political vacuum came the Sandinista leadership
- b. Carter wanted the Sandinistas to hold open elections, but they said that they needed to consolidate power first, to make sure that the remaining Somoza elements were eliminated
- c. Sandinistas promised Agrarian reform – to give land to any peasant who want it
- d. They promised to give the people political and economic power
- e. They destroyed the economic foundation of the Somoza regime, giving away Somoza's land to peasants who wanted it, as part of agrarian reform (gave them land, but not a title)

XX. Sandinistas Solve Illiteracy Problem

- a. 50% of the people in the country were illiterate
- b. The Somozas had designed it this way to keep the people down and in line
- c. To deal with the illiteracy problem, the Sandinistas brought in 2,000 teachers from Cuba and doubled the number of schools within 4 years
- d. After 4 years, the illiteracy rate dropped from 50% to 12%

XXI. Sandinistas Improve Health Care

- a. Sandinistas brought in 800 Cuban doctors and medical technicians
- b. They were able to eliminate measles, euphoria, and polio in the country
- c. Infant mortality rate also dropped by 50%
- d. So, in education and in health, the Sandinistas took a cue from Castro's Cuba

XXII. Community Defense Organizations

- a. On the social level, the Sandinistas had a Community Defense Organization on every block
- b. These organizations had information on every person in every building
- c. This organization was responsible for issuing ration cards to individuals, so if an individual didn't behave, they wouldn't get one, meaning that an individual couldn't get food
- d. Children in schools were encouraged to report parental actions

XXIII. Collective Farming

- a. Government controlled 40% of the economy; private businesses controlled 60%
- b. In the 1980s, Reagan cut off economic links to Nicaragua because the Sandinistas had developed into a dictatorship, also following Marxist ideology – this contributed to Nicaragua's depression
- c. Peasants who were given land by the Sandinistas were allowed to farm on the land, but they weren't given a title to the land
- d. These new farmers had to work on the land as a collective farming enterprise (not for profit – for the good of the whole)
- e. As a result, farmers didn't produce much more than they needed for their survival because they didn't have the incentive

XXIV. Sandinista Economy

- a. Inflation went from 5.6% in 1978 when the Sandinistas took over to 15,000% in 1988 when they called for elections
- b. There were a number of factors that worked against the Sandinistas
- c. They came to power as heroes – they could do no wrong

XXV. Factors That Worked Against Sandinistas**A. Centralized Economy**

- a. Centralized economy was mismanaged – people who knew nothing about economics were running it

B. No Land Titles for Peasants

- a. There were no land titles given to the peasants who were “given” land, so they just shifted masters to the Sandinistas
- b. This caused many farmers to get together in masses and protest

C. Real Wages Decrease

- a. In 1989, it was found that real wages were 10% less than they were in 1981
- b. Per Capita of school teachers, farmers, and police decreased by 1989 to \$300/year – It’s an agrarian society that’s poor

D. Reagan and the Contras

- a. During the 10 year period that the Sandinistas were in power, Reagan was operating with the Contras, working out of Honduras, which raided NW Nicaragua, causing millions of dollars
- b. To deal with the Contras, the Sandinistas had to spend half of their budget on defense

E. US Trade Embargo

- a. The US also had a trade embargo on Nicaragua, so 50% of the money that Nicaragua previously received for their budget, by exporting to the US, they were no longer getting – this included perishables
- b. This meant that Nicaragua had to look elsewhere for trade and the US got all other Central American countries to place an embargo on Nicaragua as well
- c. This meant that the US could only sell to Cuba or the Soviets
- d. Soviets provided \$4 billion in aid, but it wasn’t enough to change the overall condition

F. Food Shortages

- a. Sandinistas implemented price controls, which created food shortages, because farmers didn’t have an incentive to farm more than they needed for survival

G. Threat from US

- a. In terms of national defense, Cuba began to provide Nicaragua with \$4 billion in military aid, in addition to economic aid, forming a 60,000 man Sandinista Army
- b. Sandinistas brought in 250 Soviet Tanks for Defense and Offense
- c. Formed 100,000 man militia in Nicaragua
- d. Declared that the US was a major threat to their national security

H. Pressured Autonomous Indian Tribes

- a. Sandinistas put pressure on Mosquito Indian Tribes
- b. The Indians semi-autonomous status was challenged, forcing them to head to Honduras (where the Contras were operating out of)

I. Sandinistas Relocate Farmers

- a. Sandinistas relocated 150,000 farm families so that the Contras and the Mosquito Indians couldn't get food and water as they entered Nicaragua from Honduras to conduct attacks
- b. This relocation makes farmers angry with the Sandinistas

J. Youths Put into Army

- a. Sandinistas put youths into the Army
- b. As young Nicaraguans die, this weighs heavily on their families

XXVI. Sandinistas Announce Elections, 1984

- a. As a result of all the problems the Sandinistas have caused, they find themselves under heavy pressure to announce elections
- b. Elections are called and they take place, but the Sandinista party is the only party running, so they win

XXVII. Sandinista Political Gangs

- a. There were no other parties running in the election because if a group was demonstrating against the Sandinistas, they used political gangs to run counter demonstrations
- b. These political gangs came armed with clubs to interfere with demonstrations

XXVIII. Sandinista Beliefs

- a. Used schools and newspapers to spread their ideology
- b. They disdained the Mosquito Indians and the Catholic Church
- c. They wanted to spread Marxism
- d. Their anti-religious nature thended to make people question where they were going

XXIX. Hurricane Mitch, 1988

- a. Hurricane caused destruction to crops, houses, and bridges
- b. It did far more damage to Nicaragua than the Sandinista or Contra Wars
- c. The damage left by this hurricane, along with all of the other problems from 10 years of Sandinista rule, built up apathy and bitterness towards the Sandinistas, replacing the enthusiasm that they initially enjoyed when they came to power

XXX. Political Rumlblings

- a. Political change was inspired by the Esquipulas peace accord of 1987
- b. Sandinistas thought about Esquipulas because it gets Reagan to stop supporting the Contra invasion and because they feel that they could win an election
- c. Sandinista run in 1990 – they have their block system (Community Defense Organization)
- d. There were 14 political parties running in opposition to the Sandinistas

XXXI. Violetta Chamorro

- a. Violetta Chamorro, wife of Pedro Joaquin Chamorro (popular newspaper editor who was shot)
- b. She united all 14 political parties against the Sandinistas, forming **UNO – National Union Party**
- c. Election takes place
- d. Economic problems come together against the Sandinistas as part of the criticism that UNO lays against th Sandinistas
- e. Violetta wins the elections

XXXII. Sandinistas Have the Real Power in Congress

- a. Sandinistas win 39/92 National Assembly seats (a little less than half)
- b. Once Violets gets power, the 14 parties comprising UNO, break up again
- c. The remaining seats are divided amongst the 14 parties
- d. So, the Sandinistas have the real power because their group has a majority in the National Assembly

XXXIII. Violetta Chamorro's Strategy of National Conciliation

- a. Violetta wants to bring everybody together in a happy, peaceful state
- b. She wants to pacify the country, stabilize it, and extend democratic values throughout the country
- c. Contras are demobilized – 22,000 return to Nicaragua by 1990 to rejoin society
- d. Armed Forces are reduced in strength by 85% to the size it was during the Somoza era
- e. But unfortunately, Violetta was not a good administrator
- f. Sandinistas, which were well organized in Congress, were always able to moderate her policies

XXXIV. Daniel Ortega

- a. Ortega had been the Sandinista president during their reign in power
- b. He became the head of the FSLN political party and would constantly obstruct Chamorro's legislation, but there were some mitigating factors

XXXV. Nicaraguans Railroad Competes with Panama Canal

- a. Chamorro wanted a railroad route going to the Pacific Coast that could compete with the Panama Canal
- b. World Bank gave them \$750 million in loans over 3 years
- c. US provided \$1 billion over 4 years
- d. US was rewarding Nicaragua for opening the democratic process

XXXVI. 1995 Election Issues

- a. There were 300 labor union strikes because they were controlled by the Sandinistas
- b. A major issue was in the 1995 election was malnutrition – affected 70% of country
- c. Illiteracy rate went from 12% under the Sandinistas to 35% under democratic rule
- d. 1 million school age children were not in school
- e. 50% of Nicaraguans were not employed or only partially employed
- f. Poverty rate was 70%
- g. ¼ of Nicaraguans flooded into Costa Rica looking for jobs
- h. They Nicaraguans went to work on Costa Rican farms, taking jobs for little pay

XXXVII. 1995 Election Race

- a. Arnaldo Aleman (former Mayor of Managua) vs. Daniel Ortega
- b. Aleman – 51% of the vote
- c. Ortega – 37% of the vote
- d. Liberals now had more seats in the National Assembly than the Sandinistas
- e. This election marked the first democratic transfer of power in Nicaraguan history
- f. As a result, the World Bank, the International Monetary Fund and the Inter-American Development Bank give Nicaragua \$3 billion over the next 3 years

XXXVIII. Arnaldo Aleman Becomes President

- a. Aleman's administration was inept, inefficient, and corrupt
- b. One scandal involved an \$80 million bank fraud, where everyone involved was exonerated by the courts
- c. Aleman's net worth in 1990 was \$109 million
- d. After being Mayor – his net worth rose to \$300 million
- e. After 2000, when he left office, he had \$1.2 billion
- f. The tremendous increase in his net worth, when a president only makes \$7,000/year exemplifies his corruption
- g. He had 4 houses, 3 summer homes, lots of cars

XXXIX. Aleman Wants a Nicaraguan Canal

- a. There was an idea within Aleman's administration to construct a Nicaraguan Canal through the San Juan River Route that had been discussed a hundred years earlier
- b. Aleman felt that Nicaragua and Costa Rica would benefit from the canal, but they needed someone to construct it for them
- c. So far, they haven't found anybody to build it for them
- d. It's possible that America has discouraged potential investors

XXXX. Aleman Distracts Nicaraguans from their Problems

- a. To distract Nicaraguans from all their problems, Aleman tried to focus attention on an island that was controlled by Colombia
- b. Aleman tried to get the OAS to mediate the crisis, but nobody was interested
- c. Another distraction attempt from a dispute along the Nicaraguan-Costa Rican border, over control of the San Juan River
- d. This was an excuse to get people riled up against Costa Ricans

XLI. Aleman's Corruption Increases Sandinista Power at Local Level

- a. With the immense amount of corruption in Aleman's administration, the Sandinistas began to win more and more races at the mayoral level
- b. Inhibiting the Sandinistas from further increasing their power was an Ortega family sexual abuse scandal

XLII. Enrique Bolanos, elected 2001

- a. Upon being elected President in 2001, Bolanos accuses Aleman of embezzling \$250 million into Panamanian banks

XLIII. Aleman and Ortega Team Up

- a. After the Aleman scandal is uncovered Ortega and Aleman team up against Bolanos
- b. But it's to no avail as Aleman is prosecuted and imprisoned for corruption and embezzlement

XLIV. Bolanos Wants a Trans-isthmian canal

- a. Just like Aleman, Bolanos is looking for a way to build a canal

XLV. Problems in Bolanos Administration

- a. High unemployment – 40%
- b. Lack of healthcare
- c. No credit for farmers
- d. Narcotrafficking
- e. Illiteracy – 50%
- f. Nicaragua is a debtor nation, living off of handouts – As 1 administration comes and goes, the next says that they didn't request the loan, but they need more money to run the government, so they are given the money (They probably hope that the loans will be forgiven one day)
- g. Because of international debt, Nicaragua is trying to attract foreign investments to help unemployment in the country
- h. However, in 2001, 8 local banks declare bankruptcy
- i. Petroleum prices increases, as coffee prices drop
- j. Foreign investment drops because of high level of corruption

XLVI. Scandal in Bolanos Administration

- a. Prosecution of Aleman boosted Bolanos' prestige, but it has also made the courts more aggressive
- b. Bolanos has a possible corruption scandal of his own for failing to disclose the origins of his 2001 campaign funds
- c. Bolanos claims that he has told Congress all it needs to know, but support for him is falling following a stagnation in the economy
- d. Bolanos began with an 88% popularity rating, which has now dropped to 40%
- e. If 56/91 members of the National Assembly vote against Bolanos he will be forced to resign

XLVII. Ortega Builds On Scandals, Hoping to Regain Power

- a. Ortega is trying to build on all these scandals to bring the Sandinistas back to power

Honduras

I. Topics

- a. Col./Gen. Oswaldo Lopez Arellano
- b. Robert Suazo
- c. Jose Azcona (LIB)
- d. General Gustavo Alvarez
- e. Rafael Callejas (NAT)
- f. Carlos Reina (LIB)
- g. Carlos Flores (LIB)
- h. Ricardo Madero (N)

II. Geography

- a. Honduras is referred to as the keystone in the Roman Arch
- b. It has 6 ½ million people (same as El Salvador, but Honduras is six times the size of El Salvador)
- c. Honduras is the size of Tennessee
- d. Tegucigalpa – nation's capital
- e. To the west – mountainous
- f. To the east – tropical plane by the coast

III. Economy

- a. Honduras is one of the poorest and backwards nations in Latin America
- b. 70-80% live in poverty
- c. Average person earns \$65/month
- d. Millionaires – top 2% of the country

IV. Inequality of Land Ownership and Feudal Farming

- a. 40% of the good farm land is owned by 1% of the population
- b. Farming structure is feudal – landowners are the boss
- c. Farmers export coffee, beef, and dairy products

V. US Embassy Influence

- a. In Honduras, the US embassy is the most important external influence on the country
- b. If the embassy supports a government, it gives that government more legitimacy
- c. US embassy provides a great deal of resources to Honduras, including helping them get international loans
- d. Honduras lives off of international loans – they get loans to pay off loans

VI. Illiteracy and Unemployment

- a. 44% of Hondurans are illiterate
- b. Only 13% of the student population graduates from high school
- c. Has the lowest percentage of university graduates in Spanish Latin America
- d. Has the highest percentage of university graduates in Latin America that leave the country because they can't find jobs

VII. US Encourages Reform in Latin America (1950s-60s)

- a. Reform efforts in Costa Rica and Guatemala resonated in Honduras
- b. In the 1950s, American labor unions began developing the *Free Labor Movement* in Latin America
- c. These unions set up American institutes for free labor in Central America
- d. This encouraged reform
- e. JFK's Alliance for Progress in the 1960s further encouraged reform

VIII. Praetorian Guard Military

- a. Honduran military was well entrenched
- b. A Praetorian Guard Military is an institution which is as a whole highly involved in politics, influencing directly or indirectly the political functioning and processes of the government. It is not adverse to ignoring the established democratic process to take full power and control of the government, given that it distrusts politicians, civilian rule and assumes the worst in people, looking at its own institution as the only alternative to perceived political disorder. Obedient unto itself and indifferent to the population, the institution prefers to make the rules. Unbridled power, self-aggrandizement, ambition and overriding self-interest characterize its values. Any means that protect the institution from criticism, protect its privileges, and preserve its autonomy within society are acceptable. Power and influence in society are its ends. This type of military believes it is above the law and that it should be immune from prosecution.

IX. Oswaldo Lopez Arellano Takes Over

- a. When JFK offered money to Honduras to help the country reform, the military, headed by Lopez Arellano, overthrew the democratically elected government
- b. Lopez Arellano became dictator of the country in 1963
- c. Lopez Arellano said that he would take Kennedy's money, but he would institutionalize it, through him (and his cronies)
- d. As a result, Kennedy didn't send money to Honduras
- e. Lopez Arellano abolished the Constitution and created a new one in 1965
- f. He then had a new National Assembly formally appoint him as president

X. Salvadorian Workers Flood Honduras, 1968-69

- a. In 1968-69, Salvadorian workers who couldn't find work, went to Honduras to find work
- b. This resulted in Hondurans hiring more Salvadorians than Hondurans because Salvadorians were harder workers (Hondurans are more easy-going people)

XI. Lopez Arellano Drives Salvadorians Back to Honduras

- a. Unemployed Hondurans put pressure on the government because Honduran workers weren't able to get jobs
- b. As a result, Lopez Arellano drives the Salvadorians out of the country
- c. Salvadorian government didn't like this and so, it resulted in a confrontation

XII. 1969 Soccer War: Honduras vs. El Salvador

- a. In 1969, a war broke out at a soccer match between Honduras and El Salvador
- b. Honduras has a good Army and a weak Air Force
- c. El Salvador has a good Air Force and a weak Army
- d. Hondurans were undermined when El Salvador invaded
- e. El Salvador's Air Force conducted air strikes
- f. War only last 100 hours
- g. Soccer war having failed, disgraced the Lopez Arellano government
- h. As a result, elections were called in 1971

XIII. 1971 Elections

- a. In the 1971 elections, Lopez Arellano made sure that one of his cronies was in power
- b. After a disagreement over policies with the crony he helped to put in power, he ran a coup and took over again

XIV. Agrarian Land Reform

- a. Land reform in Peru resonated on the Honduran military
- b. Military wanted to do the same thing for the poor in Honduras
- c. They granted agrarian reform to provide 120,000 farm families with 1 ½ million acres of land over a 5 year time period
- d. The land for this reform was taken from owners who weren't using the land
- e. Land owners didn't resist this measure because Lopez Arellano was a ruthless dictator

XV. Land Owners and Government Stop Worker Unrest

- a. Work system was feudal – Land owners took brutal actions for worker revolts, including baking people alive
- b. Banana companies, like the United Fruit Company built railroads to get their product from the farm to ports
- c. This and other companies looked to the government to bring in troops if there was worker unrest
- d. These companies gave stipends (bribes) to the president to stay on the government's good side
- e. One United Fruit Company official said that it was more expensive to buy a mule than to bribe a government official

XVI. Government to Implement Banana Export Tax

- a. Honduran government said it was going to raise the banana export tax by fifty cents
- b. Companies like the United Fruit Company didn't like this because it meant that they would have to raise their prices in the supermarkets, making them less competitive
- c. As a result, banana companies spend \$1 million to bribe Lopez Arellano's government so that they wouldn't implement the measure

XVII. Bribes Exposed, February 1975

- a. Someone in the media found about the banana companies' bribe to the government
- b. This resulted in a scandal after they exposed it

XVIII. Junta Comes to Power, March 1975

- a. During the Banana scandal, it gave other competing people in the military a chance to take power
- b. Military junta comes to power
- c. At the same time in Nicaragua (south of Honduras), the Somoza dynasty begins to crack

XIX. Junta Calls for Elections, 1979

- a. US State Department goes to the junta in 1979 to tell them to call for elections, otherwise their government would fall (as was happening in Nicaragua)
- b. So, in 1979, the junta step down from power and call for elections

XX. Robert Suazo Wins Election, 1979

- a. There was an 80% voter turnout for the 1979 election
- b. 2 Parties running: Liberal Party (socialists) vs. Nationalist Party (conservatives)

XXI. Suazo's Agrarian Land Reform

- a. As Suazo comes into office, he announces more agrarian reform to benefit 52,000 more agrarian families
- b. However, Suazo exempts coffee producer's land from being used for reform measure
- c. Just like Lopez Arellano, Suazo goes after the large land owners to get their unused land
- d. But while they give this land to new families, the population growth increases at a faster rate than they can provide land

XXII. Sandinistas (Nicaragua) Support Salvadorian Revolutionary Groups, 1981-82

- a. In 1981-82, the Sandinistas in Nicaragua, began supporting Salvadorian revolutionary groups

XXIII. Sandinistas Don't Want a Revolution in Honduras

- a. Sandinistas knew that there were Communist organizations/groups within Honduras, but they didn't want a revolution in Honduras because they saw Honduras as a rest stop to get to El Salvador
- b. So, the Sandinistas didn't want a hostile Honduras

XXIV. Honduran Communist Party Wages War Against Suazo

- a. However, inside Honduras, the Communists disagreed with the Sandinistas and went forward with a Communist revolution attempt
- b. Communist party begins waging war against Suazo

XXV. Guerillas Blow up Power Grid, 1982

- a. Communist guerillas in Tegucigalpa, taking a cue from El Salvador, blow up the city's power generators, effectively shutting the city down
- b. They figured that this would get the message out to the people about their revolution
- c. It was their opening shot in their insurgency to contest control of Honduras

XXVI. Housewives Angered at Having No Power

- a. Insurgents, however, forgot about the consequences of blowing up the power grid, especially if this was going to be a long war
- b. With the power off, what happens to hospitals (surgeons can't see), supermarkets can't open, and food in the family refrigerator spoils
- c. Insurgents didn't realize that by paralyzing Tegucigalpa, they angered housewives
- d. These housewives tell their husbands in the military and in the police to do something

XXVII. Military and Police Reach Out to People to Catch Perpetrators

- a. After being pressured by their wives to do something, the military and the police reach out to the people to tell them where the insurgents are hiding
- b. 1-2 cells are subsequently pinpointed (they are killed or captured)
- c. This leads to a dozen more cells being captured, breaking the back of the insurgency

XXVIII. US Ambassador John Negroponte Gets Honduras a New Power Generator

- a. In 1982, at the same time that the perpetrators are captured, US Ambassador to Honduras John Negroponte, calls Washington for help
- b. One week after the explosion, the State Department gives Honduras a new generator
- c. As a result, Negroponte is hailed as a hero by Hondurans

XXIX. Nobody Was Sure About US Policy for the Region

- a. US embassy and State Department stabilized Honduras, but nobody was sure about the US policy for Central America
- b. Was the US working to overthrow the Sandinistas?
- c. Was the US pressuring the Sandinistas to change their government by supporting the Contras?
- d. Was the US building up Honduras' military to put pressure on the Sandinistas?
- e. Why did they cut off the flow of arms into El Salvador?

XXX. US Encouraged Democratic Process in Honduras

- a. Inside Honduras, the US encouraged a democratic process
- b. US spent \$500 million to help Honduras' economy
- c. US spent \$500 million to build up Honduras' military

XXXI. General Gustavo Alvarez

- a. Alvarez is a politician at the same time that Suazo is in power
- b. Alvarez realizes that by working closely with the US military, he can gain power
- c. Working with the US military, Alvarez disregards Suazo and starts giving orders as if he were in power
- d. Alvarez promotes a number of his cronies into positions of power
- e. This upset other military academy classes, leading them to overthrow Alvarez in 1984

XXXII. Dissident Honduran Communist Guerillas Invade Honduras, 1983

- a. In 1983, 300 dissident Honduran Communist guerillas that were training in Cuba, made their way back to Honduras
- b. They went from Cuba to Nicaragua and into Honduras
- c. They were supposed to work with guerillas already in the country, but they didn't know that
- d. They ran out of food on their voyage back to Honduras
- e. A special Honduran Command Force stopped the Hondurans who were returning through Nicaragua

XXXIII. 100,000 Hondurans Volunteer for Army

- a. When it was announced that people were coming from Nicaragua into Honduras, Hondurans thought that it was an invasion
- b. 100,000 people volunteered for the Army, even though they only had 10,000 guns
- c. Hondurans were aroused at the threat of an invasion
- d. But when the Honduran population finds out that the force was wiped out, nationalism goes back down

XXXIV. US Trains People in El Salvador

- a. As time goes on, the Salvadorian insurgency was starting to get the upper hand on El Salvador's government
- b. US was training people in El Salvador
- c. So, if Regan wanted to invade Nicaragua, he could have done it

XXXV. Jose Azcona (LIB), elected 1986

- a. By 1986, Suazo leaves power and Azcona is elected president
- b. Azcona is President of Honduras until 1990

XXXVI. Rafael Callejas (NAT), elected 1990

- a. In 1990, Callejas, representing a different party than Azcona, comes to power
- b. This shows that the democratic system is functioning
- c. Esquipulas goes into effect
- d. Honduras goes back to a state of peace
- e. Callejas is a rich man
- f. He is confronted with food shortages, forcing him to import rice and corn from Costa Rica (because it was cheaper than growing them)
- g. A medical team finds that 70% of children under 5 are suffering from Respiratory Disease

XXXVII. Corruption in Honduras under Callejas

- a. Experts don't paint an optimistic view of Honduras' future because of the massive corruption in the country
- b. Callejas studied economics in the US, but then went back to Honduras and continued Honduran legacy of self-enrichment while in power
- c. He used US money for a construction project, but that project was never completed because most of the money wound up in people's pockets
- d. Callejas' wife required her signature on a form for Hondurans to be able to adopt a baby – she received money from this
- e. Chinese businessmen also had to pay bribes to be able to enter Honduras

XXXVIII. Carlos Reina (LIB), elected 1994

- a. Elected President in 1994
- b. Promised a moral revolution
- c. Scaled back military budget to regain control over them
- d. There was resentment in the country over the military's immunity from prosecution
- e. The US Ambassador worked hard to make sure that people in the military were prosecuted for corruption

XXXIX. Reina Refocuses Military

- a. The military was found to be involved in many areas outside of their intended purpose
- b. The military was involved in agriculture, sea ports, customs, insurance companies...
- c. President Reina wanted to refocus the military so that they would focus on their objective (defense of the country)

XXXX. Carlos Flores (LIB), elected 1998

- a. Governments come and go in Honduras, but things tend to remain the same
- b. Flores is elected in 1998
- c. The economy started to get better; Investments started to come in
- d. But then, Hurricane Mitch happened, destroying 80% of Honduras' banana crop
- e. Hurricane Mitch left half the people in the country homeless
- f. The hurricane didn't just blow things around – it rained and rained, creating a buildup of water against the mountains, leading to large floods that took out whole villages

XLI. Ricardo Madero (N), elected 2002

- a. Born in Panama, but gained Honduran citizenship through his mother's bloodline
- b. Three big problems facing Madero are a bad economy, healthcare problems, and gang problems

XLII. Madero's Economy

- a. 28% Unemployment
- b. 53% Poverty
- c. 57% of GDP pays for interest on their national debt
- d. Experience a 2% GDP growth (lower than the world average of 3%)

XLIII. Healthcare Problems

- a. There are long delays to get into hospitals because of a physician/nurse's strike
- b. However, they do cover extreme emergencies
- c. Patients have had to wait 2 hours to get into hospitals
- d. Conflicts have worsened

XLIV. Gang Problem

- a. In the mid-1990s, in Los Angeles, California, there was a major crackdown on gangs
- b. These gangs went back to Honduras and Nicaragua
- c. 100,000 young people are in gangs
- d. The Army used to absorb a lot of youths in gangs because they had a draft
- e. However, now there is a volunteer Army
- f. Gangs rob and kidnap people for ransom
- g. As a result, the local population feels a lack of security

XLV. Narcotraffickers

- a. Narcotraffickers also take advantage of Honduras
- b. They launder money in Honduras
- c. Coast Guard can't stop Narcotraffickers

XLVI. 3 Reasons Why Hondurans Don't See Democracy Working to their Advantage

- a. No tradition of public interest that can be defined, beyond trying to exploit your position within the government for your own personal gain
- b. Personal power and authority only helps the interests of the person in power and their friends, not the public (jobs are seen as rewards for support)
- c. Poverty, corruption, and lack of security because of gangs tends to undermine democracy

XLVII. Some Hondurans Desire the Old Days of Security

- a. Some Hondurans look to the good old days of the dictators, where there was security
- b. But there were many problems with dictatorships as well

El Salvador

I. Salvadorian Politics

- a. El Salvador today lives in the context of its immediate political past (1980s)
- b. 1980s was a decade of chaos, attempted revolution, hardships, human rights violations by the thousands, and civil war
- c. It was so traumatic that today there are 1 million Salvadorians who live in the US
- d. Salvadorian politics today reflects the players of the 1980 Civil War
- e. Civil War was the catalytic event (backdrop) for conditions in the country today

II. What is a Revolution?

- a. To overthrow a system to reconstruct something that has gone wrong, replacing it with something else
- b. Typically, revolutions are bloody and brutal

III. What Causes Revolution?

Failure of Social Contract: lack of security and safety, everybody included in politics

weakness and incompetence (including corruption) and/or
viciousness = Repression (could be a military regime)

IV. 4 Components of a Revolution

- a. Just Cause (reason for a revolution)
 - People Excluded from Political Process
 - Marginal Economic Conditions (insiders have money, but outsiders live a minimal hand/mouth existence with no hope of breaking out of their economic condition – no schools, no car, no TV)
 - Aspirations Quashed (the harder people try to get some benefit out of the system, nothing seems to change – dreams don't come to fruition)
- b. Charismatic Leadership
- c. Plan to Resolve Problem
- d. Plan Acceptable to people (People accepting the plan put their lives on the line)

V. Failure of Social Contract

- a. Viciousness = Repression
- b. Students were shot at
- c. Military machine gunned people on the steps of a church
- d. People who criticized the government became suspects, were put on a list, and eventually shot

VI. People Excluded from Political Process

- a. By 1972, the Middle Class has enough leverage to call for elections
- b. In Duarte's 1972 run for the presidency as part of the opposition coalition against the military, he seems to be winning the votes
- b. The power then goes out and the military's candidate is the winner
- c. Even when the juntas were formed to ameliorate the polarized situation, people on the junta were told that they were there because the military put them there and they could be removed at any time
- d. So, people realized that they were being excluded

VII. Marginal Economic Conditions

- a. 400 families had cotton plantations
- b. For those families, who had workers pick cotton and coffee, they were well stocked
- c. The Middle Class in El Salvador began after WW2 and was further helped by the Alliance for Progress
- d. In 1972, the Middle Class supports Duarte
- e. Breaking out of their economic condition was difficult
- f. The best land was taken up by plantations (1/2 of 1% had 90% of country's wealth)
- g. El Salvador had 6 million people, like Honduras, but was only 1/6 size of Honduras
- h. Mechanization of farming had also caused many peasants to lose their jobs, causing peasants to lose their jobs and forcing them to go to cities and take menial jobs

VIII. Aspirations Quashed

- a. First Junta was supposed to reform, but folds up
- b. After the first Junta folded up, Guillermo Ungo, Duarte's running mate from the 1972 election gave up any hope of reform
- c. His aspirations had been quashed (his brother had been murdered)
- d. As a result, Ungo throws his hat into the revolutionary pot
- e. So, friends of the 1972 campaign became enemies: reformists vs. revolutionaries

IX. Robert Pastor, *National Security Council Staff Member*

- a. Pastor tries to work a solution to convince revolutionary forces to work within the system, like Duarte
- b. But Revolutionaries say that the military always prevents their reforms and so it is impossible to work within the system (they need to get rid of cancer in the system)

X. Charismatic Leadership

- a. There's not really any one charismatic leader
- b. There are 4 groups that band together to form the FMLN
- c. FMLN is still a party in El Salvador today
- d. Castro forced the 4 groups to unite into the FMLN because he said that he would only support one group, saying that they have to have unity of command to overthrow a government
- e. Students, professors, doctors, and businessmen all joined in the revolutionary effort
- f. There is also leadership from the church, which encourages the peasants to rebel against the military
- g. Sandinistas in Nicaragua also energize Salvadorian revolutionaries

XI. Plan to Resolve Problem

- a. Overthrow the government one way or another
- b. This meant that the military system would be quashed
- c. To do that, they had to defeat the El Salvador Armed Forces (ESAF)

XII. Was the Plan Acceptable to the People?

- a. Before the first junta came to power, there were ¼ million people on the streets
- b. So, there was an acceptance
- c. Demonstrations showed the power of the masses
- d. Guerillas of the FMLN realized that Reagan might side with the military, so they speed up the revolution
- e. First Junta was supposed to reform, but didn't

XIII. Promises of Second Junta

- a. 2nd Junta was more effective under Duarte
- b. Promised elections, land reform, credit from banks, and help marketing products

XIV. Guerillas Didn't Notice Reform Efforts

- a. Guerillas don't sense what has happened
- b. They remember the ¼ million people on the streets
- c. They fight the Army over the next few months
- d. Salvadorian Army hangs in there, but is brought to its knees

XV. El Salvador – Cuba Link Discovered

- a. Just as the Salvadorian Army is brought to its knees, documents are captured by the US embassy in El Salvador, showing links between the guerillas in El Salvador and Cuba
- b. As a result, the FMLN guerillas realize they have to speed up their revolution before Reagan takes over, believing that he would support the military government because they were anti-Communist
- c. However, when they went into action, there was no welcome for them because many of the reforms Salvadorians wanted were being implemented by Duarte and the second junta

XVI. Carrot and Stick Approach

- a. Since the Salvadorian guerillas have links to Castro, Reagan sees it as a Marxist revolution
- b. This prompts Reagan to support the Salvadorian government (military)
- c. At this time, Robert Pastor (NSC staff) says tells the military government that they have to reform from within their system
- d. Pastor says if the military continues its repression, quashing people's aspirations, excluding people from the political process, and not helping the economic conditions in the country, then the US will pull the plug on them militarily and economically and let the guerillas take over

I. Topics

- a. Jose Napoleon Duarte (Christian Democrats), elected 1984
- b. Alfredo Christiani (Arena), elected 1989
- c. Shafik Handal (FMLN)
- d. Armando Calderon (Arena), elected June 1994
- e. Francisco Flores (Arena)
- f. Antonio Saca (Arena), elected March 2004

II. Salvadorian Population and Geography

- a. El Salvador is the size of Massachusetts
- b. 6 million people live in the country
- c. 1 million Salvadorians live in the US, sending \$2 billion/year back to El Salvador
- d. 1/3 of Salvadorian population lives off remittance from their relatives in the US
- e. There is a high population density, but not enough land for the people
- f. ½ the population has been impoverished for the last 15 years
- g. 30% of the impoverished don't finish elementary school, resulting in a 10-15% illiteracy rate
- h. Coffee and cotton are El Salvador's big exports
- i. They have a reasonably good road network

III. Political Players Today

- a. 75,000 people died in the 10 year civil war in the 1980s
- b. The civil war is the backdrop to the political situation in the country today

IV. 1972 Election

- a. Mechanization is responsible for a large amount of peasants, who picked cotton and coffee, losing their jobs
- b. In the 1972 election, Duarte runs for president to get reforms in the country
- c. He was winning in the vote count, but then the lights went out, and when they came back on, the military announced that their candidate was victorious
- d. Duarte then has his knuckles broken and is thrown out of the country
- e. This quashed the aspirations of many of the people in the country

V. Military Death Squads

- a. Military used death squads to keep power
- b. They went around shooting anyone who was suspected of being against them

VI. 1st Junta

- a. In the 1980s, young military guys realized that they would be the first to be put against a wall and shot if there was a revolution, so they staged a coup
- b. First Junta promises reforms, but falls apart because civilian leaders who were included, were told that they were only there because the military put them there and that they could be removed at any time

VII. 2nd Junta

- a. Second Junta brings Duarte back into the country to control the Junta
- b. Duarte attempts to reform the country from within (as opposed to the revolution that guerillas wanted)

VIII. Plantation Owners

- a. Plantation owners sometimes didn't pay peasants for 2-3 months at a time

IX. Guerillas Seek an Uprising, January 1981

- a. Guerillas see that Reagan will come to power on January 20, 1981
- b. So, on January 10, 1981, guerillas go into action to take over the government so that Reagan would have no choice but to support them (and give them economic and military aide)
- c. Guerillas go into the countryside and towns, bringing the military to its knees
- d. However, popular base of support was not there because Duarte was so respected that people took a wait and see attitude, rather than risk their lives

X. Why Did the People Support Duarte Over the Guerillas?

- a. People respected Duarte because he was a victim of the system who continued to belief in reform over revolution
- b. As a result, the people took a wait and see approach
- c. Duarte had implemented land reform and a democratic process, so aspirations for change were no longer quashed

XI. Duarte's Relations with the US

- a. FMLN seized parts of El Salvador in the interior
- b. Duarte became the provisional president of the country
- c. US tells him to enter into a democratic process and to stop the military's death squads that were killing a thousand people a month, killing suspected reformists
- d. US also told Duarte to make sure that the government was legitimate and that nobody was outside the law
- e. Duarte was also told to make sure that the Salvadorian Armed Forces would prevail over the FMLN guerillas
- f. US sent advisors and economic assistance to Duarte
- g. US spent \$1 billion on the Salvadorian military and \$2 billion on the economy over the course of the 1980s

XII. Shafik Handal

- a. One of the primary leaders of the FMLN
- b. He had a 5 point strategy to defeat Duarte's government

XIII. Shafik Handal's 5 Point Strategy to Defeat Duarte's Government

1. Break the Reform Process
2. Break the Salvadorian Economy
3. Break the Government's Control of the Countryside
4. Defeat the Salvadorian Armed Forces
5. Convince US Congress to Cut Off Aide to El Salvador

A. Break the Reform Process

- a. Break the land reform process and the democratic voting structure
- b. Threaten peasants who accept government land
- c. Disrupt elections by keeping voters from voting
- d. FMLN slogan – "Vote in the morning, die in the afternoon"

US Counter-Strategy to FMLN

Agrarian Reform

- a. Duarte passed agrarian reform – any land owner who has over 650 acres must turn the rest over to the government to redistribute it
- b. 400 families resist land reform, getting lawyers by the dozens
- c. These lawyers hamstring every attempt by Duarte government to pass land on to peasants
- d. This ironically puts the land oligarchy on the guerilla side (disrupting the process)
- e. However, ¼ of peasant population receives land
- f. Government gave credits to the peasants from the banks
- g. Government owned export market to give them a market
- h. As a result, Duarte is hated by elites

Elections

- a. Over the next 10 years, there are 5 elections
- b. There is an 80% turnout for 1984 presidential election
- c. Duarte runs for president and wins
- d. This legitimizes the government in terms of social contract
- e. In 1985, there are municipal (mayoral) elections
- f. In 1989 Presidential Election – Conservative Party wins elections, further legitimizing the democratic process because there is a peaceful transfer of power between parties (although Conservatives are still aligned with the military)

B. Break the Salvadorian Economy

- a. Take away the economic base of the government
- b. Destroy crops
- c. Blow up bridges
- d. Bring down electric pylons (learned techniques from Sandinistas)
- e. Interrupt communication and transportation lines
- f. Attack and burn sugar cane and coffee
- g. This caused coffee to drop off to 1/3 of 1979 amount
- h. Keep food from getting from farms to the market
- i. FMLN shut down 1/2 of the economy, creating 50% unemployment

US Response

- a. US puts \$2 billion into the country
- b. US then gets international organization to further help their economy
- c. Brought in military tactical bridging to fix destroyed bridges
- d. Provided helicopters so that electrical repair teams could repair electrical lines – Salvadorian Air Force had to accompany them because guerillas were waiting for these teams and shooting down helicopters
- e. There was also a vaccination attempt to improve health in the country – 1/2 million people were inoculated in the mid-1980s

C. **Break the Government's Control of the Countryside**

Destroy Records

- a. Raid towns, go into village halls and destroy the archives
- b. FMLN destroy birth, marriage certificates and people didn't always have their own certificates – so important, original documents were destroyed

Threats to Mayors

- a. Terrorized 262 serving mayors in towns, threatening 214 with death
- b. Some mayors were forced to spend the nighttime in the garrisons with the military, fearing that they would be assassinated
- c. Some mayors that spent the night in their own city were killed

Anti-personnel Land Mines

- a. FMLN plant mines into the ground – booby traps
- b. Anybody who steps on them gets their legs blown up, crippling them for life
- c. This backfires when kids step on land mines and get injured or killed
- d. Hundreds of people are killed by the land mines, half of which were kids
- e. Government then puts billboards up along highways, demonstrating the effects of guerilla actions – this get the people attention, showing them that the guerillas were a direct threat to them
- f. The Army became seen as more of a friend as time went on because of new humanitarian initiatives

US Counter-Strategy

Government Civil Defense Operations

- a. Government had civil defense operations to defend towns
- b. Village militias are formed to defend against guerillas and to protect mayors
- c. They build wells, schools, US brings in potable water...helping to improve life
- d. Military becomes less menacing over time
- e. Military started to treat peasants in the rural area much better, so they started to gain support from the population

D. Defeat the Salvadorian Armed ForcesUS Counter-Strategy

- a. Guerillas were consistently able to defeat the military
- b. So, the American Green Berets open a training center for Salvador Armed Forces (ESAF) in Trujillo, Honduras
- c. Green Berets train people, sending battalions back into the battlefields
- d. At the same time, some guerilla commanders began to question their revolution because Duarte had already accomplished the reforms that they wanted
- e. US military aide is in play because the military was seen as more supportive of the interests of people
- f. Because of US insistence, military promotes human rights
- g. Military's human rights makes public side with the military over the guerillas
- h. As a result, military recruiting picked up, offsetting their major casualties
- i. ½ of the military force had to be replaced every year, so they were able to sustain their efforts

E. Convince US Congress to Cut off Aide to El Salvador

- a. FMLN bypassed Reagan, going to the US Congress trying to convince them to cut off aide to Duarte's provisional government and later on, the Christian Democrats government
- b. FMLN tell Congress that the military/provisional government was unredeemable and was anti-human rights
- c. However, Duarte pleads with Congress to continue aide, showing reform process and how it will play out, so he gets the aide

XIV. Reagan's Contras

- a. During the period of turmoil, Reagan is running the Contras in Nicaragua

XV. Esquipulas

- a. At the same time, Oscar Arias in Costa Rica realizes that there has to be another solution than to beat everyone around
- b. He develops the Esquipulas peace plan
- c. With Nicaragua, Honduras and Guatemala accepting the program, it left the Salvadorian guerillas stalemated on the battle field
- d. Guerillas controlled certain portions of the countryside, but the people were still supporting the government
- e. The Salvadorian government also supported Esquipulas

XVI. FMLN Guerillas Attack 5 Cities, January 1989

- a. In January 1989, guerillas attack into 5 major Salvadorian cities, including the capital
- b. 6000 FMLN guerillas try to rally the people to their side
- c. Guerillas try to overrun the Salvadorian government by taking extra rifles for the people who they believe will join in their revolution
- d. In the capital, 30,000 people fled when the FMLN guerillas invaded
- e. This was not what the guerilla commanders were told was going to happen
- f. Guerillas knocked on people's doors, but the people didn't support the guerillas because reforms that the people wanted were already met
- g. This frustrated commanders
- h. Salvadorian Army finally drove the guerillas out of the cities

XVII. FMLN Accepts Esquipulas

- a. As a result of the failed takeover, FMLN conceded that their revolution attempt was over
- b. They subsequently joined Esquipulas
- c. However, the FMLN guerillas still called the invasion a success because they showed that they could get into any place in El Salvador
- d. In any event, the war was over and now the FMLN would have to become good Salvadorians

XVIII. 1989 Election – Peaceful Transfer of Power

- a. In 1989, Duarte's Christian Democrats are defeated
- b. Alfredo Christiani of the Arena Party is elected
- c. This election was the first peaceful transfer of power in Salvadorian history
- c. Duarte's Christian

XIX. FMLN Becomes a Political Party, 1994

- a. In 1994, FMLN becomes a political party, running formally
- b. They win 21/84 seats (25%) in the National Assembly
- c. So, they still had a following
- d. However, the Arena party (conservatives) would win another election
- e. People of the FMLN put in as candidates were former battalion commanders (part of the 21 people elected)

XX. Armando Calderon, elected June 1994

- a. Calderon of the Arena Party wins the election in 1994
- b. US still provides aide to El Salvador (\$200 million/year)

XXI. Investigating the Death Squads

- a. Human Rights Organizations have formed to investigate the military death squads
- b. United Nations realizes that the government was responsible for 90% of the 75,000 deaths, while the guerillas were responsible for 10% of the deaths
- c. However, nobody has been punished

XXII. FMLN Wants Army Abolished

- a. FMLN demanded that Calderon abolish the Army and establish a police department, with half of the police force comprising of FMLN members
- b. Calderon said no to this idea
- c. However, Calderon reduced the size of the Army from 60,000 to 10,000
- d. Guerillas were also forced to disarm
- e. Calderon tells the FMLN that members can be a part of the civilian police force, but they would have to go through a police academy
- f. US and other country helped trained the Salvadorian police men
- g. The Army also had to be sensitized to adhere to human rights
- h. The program that the US wanted Duarte to apply was the same program that Arbenz was implementing in Guatemala in the 1950s when the US helped to overthrow him

XXIII. Unemployment Problem

- a. After a large part of the military was deactivated and the guerillas ended their war, these participants needed jobs, which there were not enough of
- b. As a result, a crime problem developed in El Salvador, including bank robbing and kidnapping
- c. So, it's a hard transition to a peaceful, democratic society
- d. After the war, people had to shift back to normal societal relationships
- e. People had to be sensitized to know that killing was bad, which people had become desensitized to because of the massive number of deaths during the civil war

XXIV. Economy

- a. There was some land reform to placate the guerillas
- b. People who were released from the military received a one time payment
- c. With peace in the country, the economy grew at a 5% rate during the 1990s
- d. However, while exports were \$731 million, the country was importing \$2 billion
- e. The large importation resulted in a deficit, but that was offset by the remittance of money sent back to the country by Salvadorians living inside the US
- f. So, the country is beginning to stabilize
- g. However, the disparities in come and wealth are perceived as extremely bad

XXV. Corruption Problems

- a. Some government institutions are not as responsive as they should be
- b. People feel that laws are unevenly applied because lawyers help the rich get around laws

XXVI. Agrarian Reform Problems

- a. Agrarian reform continued throughout the late 1990s
- b. But at the same time, there was a population boom
- c. So, while there were 1 million Salvadorians in the US, there are still too many Salvadorians for the size of its territory
- d. Thousands still needed land and the government was running out of land to give them

XXVII. FMLN Increases Its Power

- a. In 2001, the FMLN political party is able to increase the number of seats it has in the National Assembly
- b. It increased to 34/84 seats, but that is not enough to become the leaders of the country

XXVIII. FMLN Party Splits, 2001

- a. In 2001, FMLN splits into three factions
 - 1. Orthodox – hard line former guerillas (Marxist)
 - 2. Reformist Element – more like the Christian Democrats
 - 3. Unionists

XXIX. Apparel Industry Brings Jobs

- a. The apparel industry has come into El Salvador and operates big time there (Hilfiger)
- b. The apparel industry gets cheap labor out of Salvadorians and they import materials there
- c. So, Salvadorian workers by the thousands have begun working in these apparel factories
- d. There are approximately 500-600 workers in each factory

XXX. Japanese Assist El Salvador

- a. Japanese have offered to build a major port facility to enhance Salvadorian exports to the world
- b. Japanese loan El Salvador \$94 million over 25 years to build terminals

XXXI. El Salvador/Mexico/Chile Trade Agreement

- a. El Salvador has entered a Free Trade Agreement with Chile and Mexico
- b. Chile is seen as the most viable economy in Latin America

XXXII. Earthquake Destroys Economy, January 2001

- a. In January 2001, an earthquake causes the economy to drop by 40%
- b. Bridges are destroyed and electricity is knocked out

XXXIII. Government Dollarizes the Economy

- a. Government decides to dollarize the economy
- b. US dollar can now be used as payment inside El Salvador
- c. The winners of a dollarized economy are those people who want to invite investment into the country
- d. The losers are the bottom of the population who have to figure out the exchange rate with their currency, Colones, and they're not well educated

XXXIV. Gang Problem

- a. There is a gang problem in El Salvador, just like in Honduras
- b. Problem stems from the Los Angeles Police Department, which a couple of years ago, cracked down on gangs, arresting members, finding out that they're illegal immigrants, then sending them back to El Salvador (usually youth High School dropouts who don't know what else to do besides steal)
- c. Now these gangs (30,000 people) are inflicted on the Salvadorian population
- d. In 2 hours, you can drive from one end of El Salvador to the other
- e. Police Force is overwhelmed – they arrest them, but under the Salvadorian justice system, unless they have positive proof of a crime, they have to be released within 3 days
- f. Finally in 2003-04, Congress said that if a gang member is suspected, he is going to get 12 years in jail
- g. El Salvador has to go to a Draconian measure

XXXV. El Salvador – A Dangerous Place

- a. 5 years ago, El Salvador was declared one of the five most dangerous countries in the world
- b. There are 170 lawyers practicing without law degrees and they were supporting gang members
- c. FMLN, as an opposition party to the ruling Arena Party, criticizes the government for their incompetence in handling the gang problem
- d. However, 80% of the population is happy with the peace and the situation in general, in comparison to the 1980s

XXXVI. Antonio Saca, elected March 2004

- a. In March 2004, Saca of the Arena Party wins election
- b. Shafik Handal runs in a runoff election with him, but loses
- c. Saca is the son of a Palestinian immigrant family
- d. Saca went to school in the US
- e. He was picked up by conservatives as a candidate
- f. Before entering politics, he was a sports commentator
- g. At 39 years old, he was the youngest person ever elected president in El Salvador

XXXVII. Coffee Farmers on Verge of Bankruptcy

- a. Agrarian reform recipients find that the small coffee plots they were given can't produce enough coffee and the coffee market is down, making coffee prices more competitive
- b. So, coffee farmers are on the verge of bankruptcy
- c. This is the worst coffee market in 30 years

XXXVIII. Government Challenge: Increase # of Jobs

- a. In order to improve the standard of living in the country and lower the crime rate, the government needs to find a way to increase the number of jobs in the country

XXXIX. Government Challenge: Get Kids to Go to School

- a. The government also has to get kids to go to school
- b. There is no law requiring that Salvadorian children attend school, so most poor families, even if they have a small plot, send their kids to work on a plantation to supplement the family income
- c. This keeps kids stuck in the same situation (continuing to farm, having their kids do the same thing, and not being able to get technical jobs because they don't have an education)
- d. A rural family makes \$90/month; A poor urban family makes \$143/month
- e. 31% of family households in El Salvador are run by single mothers
- f. These conditions bring down a large percentage of the Salvadorian population, compared to the rest who are able to get an education and progress
- g. There are still a lot of the same problems from the 1970s, but the people are now involved in the political process

Guatemala

I. Topics

- a. “Unholy Trinity” of the United Fruit Company
- b. UBICO
- c. Arevalo ----- reformer
- d. Arbenz ---- reformer
- e. Dulles Brothers (Allen and John Foster)
- f. Zacapa
- g. URNG
- h. Rios Montt
- i. Oscar Berger

II. About Guatemala

- a. Honduras is east of Guatemala
- b. Guatemala is fairly mountainous
- c. In the valleys is where cotton and coffee are grown
- d. Mayan civilization flowed through Guatemala
- e. Country has 11-12 million people (1/3 of Central American population)
- f. Until 1940s, it endured 3 centuries of cruelty, exploitation, and oppression

III. Problems for Indians

- a. Half of the Guatemalan population is made up of 22 distinct Indian Tribes with distinct dialects
- b. Since they speak Indian, they are considered illiterate because Spanish is the official language of Guatemala
- c. 40% of the country is illiterate
- d. Indians have had problems in colonial and in modern times
- e. They have been repressed and exploited, first by the encomienda system, then by forced labor
- f. However, there is still a strong sense of community amongst Indians
- g. Because of their oppression, Indians distrust the government – having always been treated like animals

IV. Coffee and Banana Exports

- a. In the 1880s, 1890s, coffee and bananas became the big transnational export crops of Guatemala

V. Indians Life of Debt Peonage

- a. As in El Salvador, there were some hundred of families in Guatemala that dominated the economy
- b. Coffee plantation owners required labor for their plantations
- c. As a result, land owners bribed the President to make sure that there were laws in place to force Indians to work for them
- d. Indians were forced into a life of debt peonage, getting paid 4 cents/day

VI. United Fruit Company

- a. In terms of the banana industry, the United Fruit Company established banana plantations in East Guatemala
- b. The UFCO built a railroad to get their product from the farms to the port for shipping
- c. UFCO then had ships take their goods around the world

VII. “Unholy Trinity” of the United Fruit Company

- a. Plantation (land)
- b. Ships
- c. Railroad
- d. (With these 3 things, the UFCO dominated the export business in Guatemala – if anybody else wanted to ship products on their rail road, they had to pay and if the UFCO filled up all the room on the railroad, others would have to wait

VIII. Unused Banana Land

- a. The banana industry provided 25,000 jobs and paid better than coffee pickers, but they still received low wages
- b. Out of 3 million acres of banana land, only 10% of that was under cultivation)

IX. Plantation Owners Bribe UBICO to Force Indians to Work

- a. During the 1930s, UBICO was the dictator of Guatemala
- b. Plantation owners gave UBICO a bribe to change the labor law
- c. The new law became that every landless worker would have to work 150 days/year
- d. Every worker had a little booklet that the foreman would sign to account for their hours
- e. This provided a ready supply of cheap labor for plantation owners
- f. Land owners also had unrestricted authority over labor – they could do anything they wanted (unlike during Spanish colonial times)

X. World War 2 Generates Reform Movements in the Country

- a. But then WW2 comes along
- b. WW2 generated a groundswell of reform, based on the “Four Freedoms”
- c. The middle class in Guatemala rallied and promoted the idea of elections
- d. Reformists wanted to get rid of the dictatorship and end the quasi form of slavery to make sure that everyone has equal rights and is included in the political process
- e. Reformists started the 10 years of Spring from 1944-1954

XI. Juan Arevalo, elected 1944

- a. Election of 1944 was the first time there had ever been an open and honest election in the country
- b. Arevalo was elected President as a reformist
- c. He abolished UBICO’s special labor law
- d. He rewrote the Constitution to give everyone the right to vote, access to health clinics, and rural education was promoted, a social security program was implemented, and the government would also arbitrate labor disputes
- e. Political party process opened up to everybody, without exceptions
- f. An effort was made to decentralize the government and give more power to municipalities
- g. Arevalo also wanted to fully utilize the land in the country, but left this issue for Arbenz

XII. Arbenz

- a. Arbenz was a military colonel, but also a reformist
- b. It was believed that if he became president, the Army wouldn’t disrupt land reforms because he was a colonel – he received 2/3 of the vote
- c. In the late 1940s, early 1950s, with Arbenz in power, rural wages increased
- d. However, Arbenz didn’t realize that while the reform process was going well, agrarian reform was going to be tough because US interests were involved and pro-UBICO conservatives were in control of the economy
- e. US ambassador accused Arbenz of harboring Communists in labor unions
- f. Arbenz countered this claimed by saying that the President of the US can’t control members of US labor unions because the labor unions elect their own members and it was the same way in Guatemala

XIII. Arbenz Wants a Class of Small, Capitalistic Farmers

- a. Arbenz wanted a small class of capitalistic farmers because he believed that diversifying what was being produced would raise production in the country because then the farmers would have an incentive to produce in order to earn a greater profit
- b. Arbenz provided government credit to these farmers to allow them to diversify

XIV. Arbenz's Land Reform

- a. 32 plantations were controlled by 100 ½ million acres, but only 1.4 million acres were being cultivated
- b. 2% of the population controlled ¾ of the land
- c. As a result, the government came up with a congressionally approved land reform measure
- d. If you had 500 acres or more, you would lose the excess above 500 acres, giving the excess to the government
- e. Under this reform 1 ½ million acres was freed up to give every family 10 ½ acres of land
- f. This infuriated land owners
- g. Arbenz family had to give up land as well
- h. It was discovered that because of the approaches under Arevalo and Arbenz, the export economy expanded 5 fold

XV. United Fruit Company Loses Land

- a. Plantation owners, the economic elite, usually associate with the US embassy in Guatemala City
- b. Owners express their discontent to the US embassy, saying that their land has been taken away from them and distributed to the workers, remarking that it was a Communist Revolution
- c. UFCO only had 15% of its land in use, so Arbenz expropriated 370,000 acres of unused banana land
- d. UFCO was given \$1.2 million, which was the equivalent of what the UFCO said the land was worth (for tax purposes, UFCO claimed that each acre was only worth 50 cents)
- e. Since UFCO couldn't go to the Guatemalan military because they supported Arbenz, they went to their fall back position at the US embassy

XVI. Dulles Brothers

- a. US Secretary of State John Foster Dulles and CIA Director Allen Dulles, who had both been lawyers for the UFCO in the 1930s support the UFCO
- b. At this time, reports are coming in from the US embassy in Guatemala, claiming that Arbenz's policies are Communist and that something ought to be done
- c. John Foster Dulles and Allen Dulles convince Eisenhower to agree to a secret invasion of Guatemala, based on what the US ambassador was saying

XVII. CIA Destabilization Campaign Brings Down Arbenz Government

- a. The CIA ran a destabilization campaign, operating out of Honduras
- b. CIA contacted anti-Arbenz elements in the Guatemalan military
- c. There was a split in the military between supporters and opponents of Arbenz
- d. CIA conducted a propaganda campaign on the radio, announcing that there was an invasion army of thousands of men who were armed and would be invincible (in reality it was only 160 men)
- e. As a result, Arbenz realized that everybody was against him, so he went into exile

XVIII. Effects of Arbenz's Overthrow

- a. With the collapse of the Arbenz government, came the collapse of the entire reform system
- b. What had been a flourishing economy, turned sour
- c. Food stuffs became insufficient, forcing Guatemala to import goods
- d. 90% of all rural families were now landless, living a hand-mouth existence
- e. Commander of 160 man force, Artime, was arbitrarily sworn in as president
- f. For the next 30 years, there were military dictators ruling the country

XIX. Aspirations Quashed

- a. In 1963, elections were announced
- b. Juan Arevalo announced his intention to run
- c. But then, the Army ran a coup de etat
- d. The Army then decided to cancel the elections
- e. As a result, people's aspirations were quashed
- f. People whose standard of living had been improving, had the benefits of the reform period taken away from them, along with land that had been given to them

XX. Cells of Resistance Form

- a. Since people's aspirations were quashed, cells of resistance formed (some resistance leaders included reform-minded individuals from the military)

XXI. Zacapa

- a. In Zacapa, revolutionary groups coalesced
- b. Military intelligence found out about the revolutionary groups in Zacapa
- c. The Army then surrounded the village of Zacapa and wiped out every man, woman, and child, killing 10,000 people
- d. Children were wiped out as well because the military feared that they would grow up and want revenge

XXII. Mestizo Reformists Train in Cuba, then Infiltrate Guatemalan Countryside

- a. At this time, 500 reformists went to Cuba to train revolutionaries, taking up Castro's offer
- b. These reformists were Mestizos (part Spanish, part Indian)
- c. After training in Cuba, they went back into Guatemala, disguised as coffee and cotton pickers, infiltrating into the countryside

XXIII. Plantation Owners' Sexual Rights to Workers Wife and Daughter

- a. Plantation owners had sexual rights to their worker's daughters and wives
- b. So, if the foreman to a liking to a worker's daughter or wife, he would tell them to meet him later
- c. This created friction between workers and owners
- d. Military shot anybody who complained about the policy
- e. As a result, an insurgency begins

XXIV. US Attempts To Train Guatemalan Colonels, 1970s

- a. In the 1970s, the US trains Guatemalan colonels to try to win the hearts and minds of the people
- b. US promotes human rights and treating people right in order to get them on their side
- c. Unfortunately, only the surface was scratched on this measure as the US embassy didn't have any more money it wanted to spend on psychological infiltration
- d. So, the military dictatorship continued

XXV. Military Rigs Elections, 1970s

- a. By the late 1970s, the military was rigging elections in order to make sure they would win
- b. In 1978, there was an election between 3 generals, so no matter who won, the military continued in power

XXVI. Military Responds to Insurgencies

- a. As insurgencies developed, the military responded, sometimes wiping out entire sections of a village if there was a demonstration

XXVII. URNG

- a. There were 4 guerilla groups operating
- b. Castro said he wouldn't help them unless they banded together
- c. As a result, URNG was formed
- d. Guerillas promised Indians that it would be a fast war, that they would all band together and overwhelm the government
- e. Seemingly, things were going against the government

XXVIII. Lieutenants in the Military

- a. For young lieutenants coming out of the military, they found themselves out in the countryside dealing with insurgencies, while colonels were off running the country
- b. Colonels controlled the economy, including banks...
- c. Lieutenants realized that the guerillas had momentum and that the military couldn't hold its own
- d. Lieutenants felt that they were just sacrificing themselves against the guerillas
- e. This resulted in lieutenants going to a former Guatemalan General, Rios Montt, who was forced out of retirement, to run a coup de etat
- f. Rios Montt then came to power

XXIX. Rios Montt's "Arms or Beans" Pledge

- a. Rios Montt said on a radio broadcast, if you're for me, I will take care of you, but if you're against me, I will wipe you out

XXX. "Arms or Beans Pledge"

A. Arms

1. Isolate Guerillas by Forcing Peasants to Relocate

- a. Montt forced peasants in the highlands to relocate to villages in order to cut the link between the guerillas and the people
- b. 4 million people were moved under Army control
- c. 400,000 villages were destroyed
- d. The idea was to get everyone into a village

2. Force Kids to Learn Spanish

- a. Teach every kid Spanish, so that there will be a unity of the national culture
- b. Archaeologists say that language is the most important link, holding the bricks of a society together
- c. Montt saw that and so children were taught Spanish
- d. Elders of Indian Tribes, who passed down Indian Heritage, were eliminated in order to create unity in the country
- e. Some 324 Indian village mayors were replaced by the military

➤ Village Militias Formed to Fulfill Arms Pledge

- Every village would also sponsor a militia to provide the Army with an additional set of eyes and ears to defend the village against guerillas
- This forced villages to make a commitment to the government
- 1 million males from 14 – 60 would participate in these patrols

B. Beans

1. Food Supplies and Government Credit Given to Population

- a. Water, food, and government credit for businesses was offered in exchange for support
- b. There was a system of benevolence, but if you don't comply, you're in trouble

XXXI. Guerillas Become Increasingly Isolated

- a. For a psychological effect, the military that that it was feeding and protecting the people
- b. Guerillas were offered amnesty as well, giving them the chance to rejoin society
- c. Guerillas found themselves more and more isolated
- d. As a result, the guerillas began kidnapping people and forcing them to work for them since they were having trouble getting food
- e. Life for the guerillas was getting tougher

XXXII. Army Overthrows Montt

- a. However, as time went by, Montt was seen as a nuisance by the Army and he was overthrown

XXXIII. Problems in Guatemala

- a. By mid-1980s, there were 160,000 orphans in Guatemala
- b. Another General, after Montt, tried working as a dictator, but couldn't deal with the economics side
- c. Then, the dictator was caught trying to smuggle \$30 million into the US

XXXIV. Military Government Breaks Down

- a. After the corruption scandal, the military government broke down and went back to the barracks
- b. The Democratic process then began
- c. The Democratic process meant that the military lost influence in the country
- d. A civilian government was then formed

XXXV. Esquipulas

- a. Once Esquipulas comes into play and the civil war ends, Guatemala accepts Esquipulas

XXXVI. Guerillas Surrender and Accept Amnesty, 1996

- a. In 1996, guerillas decide to surrender and accept the government's amnesty
- b. Guerillas were forced into surrender because after the Soviet Union collapsed and the Sandanistas were defeated and the Salvadorian guerillas gave up their war, the Guatemalan guerillas were left alone

XXXVII. Government is Not Punishing Military for Human Rights Violations

- a. In the 21st century, after going through highly corrupt, but democratically elected governments, the current government finds itself unable to punish human rights violations
- b. While human rights investigators find that the military is responsible for countless violations, nothing is being done to punish them

XXXVIII. Reform Efforts in Guatemala

- a. Oscar Berger is the current President of Guatemala
- b. Berger cuts the Army from 27,000 to 15,000 men
- c. In Guatemala, they are trying to get back to the level of the government that existed in the reformist period of 1944-54 and until they reach that level, there are going to be a lot of problems

XXXIX. Narcotrafficking Problem

- a. There are 490 clandestine airstrips in Guatemala
- b. Cocaine flows through the country
- c. Military is involved in narcotrafficking

XXXX. Economy

- a. Pay levels are low – 6/10 Guatemalans are poor
- b. There are 50 cars stolen everyday
- c. In terms of macroeconomics, business elites have thrived very well
- d. Exports from Guatemala to the US are \$2.8 billion
- e. Imports from the US over \$2.2 billion

XLI. Corruption Slows Reform

- a. Corruption is so pervasive within the government and society that it's going to be difficult for justice and honest government to take place in the near future
- b. Once people get into the government, the old Spanish tradition/value of plundering the treasury and giving deals to your friends, while applying the law to your enemies comes into play
- c. If you go to Guatemala, be careful!

Belize

I. Topics

- a. PUP = George Price
- b. UDP = Manuel Esquiuel
- c. Said Musa (PUP)

II. Geography

- a. Belize is just a little larger than El Salvador
- b. It has low tropical planes along the Caribbean coast
- c. There are lots of Mayan ruins in Belize
- d. It is a 75 minute flight from Miami
- e. Queen Elizabeth is the official head of state

III. Economy

- a. Exports \$30 million/year
- b. Population: ¼ million
- c. Size of Massachusetts
- d. Exports sugar, citrus fruits, rice, corn, cocoa, has garments produced in apparel factories
- e. Tourism is the #1 foreign exchange earning, followed by food processing and canning

IV. Belize – the British Colony

- a. British initially occupied the country in the mid-17th century (1668)
- b. British were interested in sending native Teak Woods and Mahogany back to England
- c. In 1862, the British officially gave Belize colonial status

V. Slaves in Belize

- a. British couldn't get Indians to work on plantations, so they were forced to import slaves
- b. So, land mining elites had slaves
- c. However, slaves were imported to the area before it became a colony of England
- d. The Spanish didn't bother the British too much
- e. So, Belize meandered along
- f. In 1838, all the slaves were freed

VI. Belizian Economy

- a. In 1859, the British and Guatemalans signed a treaty, whereby the British could export mahogany, citrus...from Belize
- b. Economy was always depressed, except for plantation owners
- c. WW2 helped revive the economy
- d. Post WW2, sugar exports increased

VII. Belizians Rebel Against Great Britain

- a. Belize went through a gradual democratic revolution
- b. Parliamentary system was in play
- c. People's United Party (PUP) was operating in 1950
- d. PUP won control of Congress and refused to hang a portrait of the Queen of England over the seats of Congress
- e. As retribution, the British dissolved the council, and new elections took place
- f. George Price became the leader

VIII. George Price – People's United Party (PUP)

- a. PUP was catholic and radical
- b. PUP's goal was total independence for Belize

IX. 1957 Election

- a. In 1957, an election took place and Price became the 1st Prime Minister of the Country

X. Belize – Politically Independent

- a. In 1964, a new constitution was written with a view looking towards full independence

XI. Belize's Problems with Guatemala

- a. In neighboring Guatemala, they didn't like the idea of an independent Belize because Guatemala was dying to win control of as much of Belize as possible
- b. Guatemalans were psyched up about the idea of war with Belize
- c. However, the British warned Guatemala that if 1 Guatemalan soldier crossed into Belize, the British would bomb Guatemala City
- d. Guatemalans still have their eyes on Belize

XII. Belize Granted Full Independence, 1981

- a. In 1981, Great Britain gives Belize full independence, but creates a defense treaty
- b. At this time, civil wars are breaking out in Central America

XIII. Migrants in Belize

- a. 25% of the Belizian population today is Spanish speaking because of refugees that fled into the country during the civil wars
- b. There are also some Chinese migrants in Belize
- c. Almost half of the population in Belize are migrants

XIV. George Price's Long Reign

- a. The initiatives that charismatic leader George Price brought into play allowed him to hold onto power for 24 years

XV. United Democratic Party (UDP)

- a. UDP is the opposing party to PUP
- b. UDP is a protestant party
- c. Caters to descendants of former West Indian slaves

XVI. Manuel Esquiuel (UDP), elected 1984

- a. In 1984, UDP under Mauel Esquiuel won an election, defeating PUP
- b. A peaceful transition of power followed

XVII. Transfer and Re-transfer of power

- a. In 1989, PUP won again, bringing Price back into power
- b. In 1993, UDP wins and Manuel Esquiuel is brought back to power
- c. At this time, in the early 1990s, 100,000 Belizians are living in the US (almost 1/3 of its population)
- d. Los Angeles and Brooklyn become major focuses

XVIII. Gang Problem in Belize

- a. In Belize, 2000 gang members were identified
- b. These were some of the Belizians who went to the US, mainly to Los Angeles
- c. These Belizians got involved in gangs in Los Angeles, got arrested, and were kicked back to Belize
- d. Once back in Belize, they formed new gangs in Belize
- e. Belizian police have a good handle on the situation

XIX. British Terminate Defense Treaty, January 1994

- a. In January 1994, the British officially terminated their defense treaty with Belize
- b. However, if they have any problems with Guatemala, the British will come back

XX. Belizian Economy

- a. There is 2 – 5% growth in Belize's GDR
- b. If there are problems with gangs, tourism falls off

XXI. An Offshore Financial Haven for Foreign Investors

- a. Since mid-1990s, Belize has become an offshore financial haven for shell companies
- b. 1000 companies have front companies there, so they don't have to pay taxes to the US government

XXII. Said Musa, elected August 1998

- a. In August 1998, Said Musa of the PUP party defeated Maneul Esquiuel
- b. 90% of registered voters turned out
- c. PUP won overwhelmingly (22/25 seats in Congress)

XXIII. Issues for Musa

- a. Improve agriculture, tourism
- b. and a 15% value added tax (unpopular tax)
- c. Musa promised new jobs and houses over a 5 year period

XXIV. Belize in the Caribbean

- a. Belize is a member of the Caribbean of American States
- b. It looks across the Caribbean for part of its commerce

XXV. US National Guard in Belize

- a. US National Guard has been rotating in and out of Belize to build roads, schools, and conduct medical treatments (vaccinations) in Belize
- b. US National Guard also serves to boost the morale of the Belizian government, especially with the pseudo confrontation with Guatemala

XXVI. Musa is Re-Elected

- a. Musa was re-elected, dominating Congress

XXVII. Passport and Scholarship Scandal

- a. A scandal took place involving passports and the selling of scholarships

XXVIII. Belize: A Desirable Tourist Spot

- a. Belize is considered one of the top 10 tourist destinations in the world
- b. 1 million or more visit the country each year, so environmental protection is important to them



I. Border Problem with Guatemala

- a. Belize was given independence from Great Britain on September 21, 1981
- b. This land given to Belize has been disputed with Guatemala since the 1800s
- c. As a result, Guatemala didn't recognize Belize's sovereignty until September 1991
- d. Guatemala still claims that half of Belize's territory is theirs
- e. Border dispute affects international trade, environmental protection, security, and law enforcement between the two countries
- f. There have been some advances in peace talks over the past few years, with the Organization of American States serving as the mediator between the two countries, but things are still tense
- g. Belize Prime Minister Said Musa is considering going to the International Court to solve the border dispute, having reassurances from international lawyers that he has a good case
- h. However, in September 2004, Musa said that he would conduct a national referendum before going to the International Court to determine if that's what the people want

II. Mayans Want a Homeland

- a. Mayans believe they have a right to a homeland because their people settled the land first
- b. They are angry that their people have to fight for land grants and that foreign investors come into the country and are quickly given land because they bring big dollars with them
- c. One Mayan community leader said that Mayans are "staying poorer and poorer" as a result of not having their own land
- d. In the Deep South, non-Mayans are angry for being excluded from land west of Punta Gorda

- e. Another Mayan community leader said, “Later on, it will be causing a war. I am serious.”
Prime Minister Musa has said, “I will not create a homeland just for Mayas...All of Belize belongs to all Belizeans.”

III. Poverty

- a. High unemployment level in the country
- b. 1/3 of the Belizean population is poor
- c. Majority of poor are indigenous Mayan children
- d. These children do not get the basic services needed for survival, including not getting enough food
- e. There are programs to deal with poverty such as the *Social Investment Fund*, which over the next five years, aims to give \$6.8 million for education, water sanitation, road construction, and to initiate training programs so that youth and women have the necessary skills to gain employment

IV. Increasing Drug Problem

- a. Belize has increasingly become exploited by narcotraffickers
- b. Colombian planes have crash landed into cane fields in Belize, at which time their drugs are emptied out and shipped to Mexico or Guatemala
- c. A small amount of cannabis is also being produced in Belize for the international market
- d. The narcotrafficking situation has also increased money laundering in Belize

Mexico

I. Topics

- a. Guadalupe Hidalgo
- b. Lazaro Cardenas (PRI)
- c. Carlos Salinas (PRI)
- d. NAFTA
- e. Ernesto Zedillo (PRI)
- f. EZLN = Cmdte Marcos
- g. Vicente Fox (PAN)

II. Geography

- a. 100 million people
- b. Country has mountainous hills and valleys
- c. To the north, are deserts
- d. To the south, it is very tropical

III. Mexico: So far from God, So close to the US

- a. Historically, there has been a lament about Mexico
- b. It has been considered “So far from God, so close to the US”

IV. Treaty of Guadeloupe Hidalgo, 1848

- a. In the Treaty of Guadeloupe Hidalgo in 1848, the US accepted half of Mexico’s territory
- b. Mexicans have always felt since that the colossus to the north took advantage of them

V. 1910 Mexican Revolution

- a. Mexico becomes a problem for the 1st time since Mexican War for the US
- b. Revolution had radical leaders and created instability in Mexico
- c. Led to lots of bloodshed
- d. In 1910, in jest, dictator **Porfirio Diaz** who had seized power in 1877, said that he welcomed a challenge to his power
- e. 1911 – **Diaz** is overthrown by Madero

VI. Francisco Madero (1st Stage of Revolution – Moderate)

- a. Leader of peasants – becomes leader
- b. Creates some stability
- c. Most Revolutions start moderate and become radical

VII. Victoriano Huerta

- a. Overthrows Madero
- b. Madero is taken prison until Jan-Feb 1913
- c. Shortly after, Madero is shot

VIII. Wilson – “Missionary Diplomacy”

- a. March 4, 1913 – Wilson becomes US President
- b. Wilson believes in Morality and righteousness
- c. Wilson refuses to recognize Huerta b/c he is not a moral leader
- d. Wilson believes it is his “mission”(from God) to make the world better
- e. US provides weapons to opponents of Huerta

IX. Carranza and Pancho Villa

- a. US helps these 2 overthrow Huerta

X. Tampico Incident, April 9, 1913

- a. US Navy ship is surrounded and arrested by Huerta’s crew and displayed through the streets
- b. US demands that Mexico apologize and are not going to stand for the embarrassment
- c. 12 days later, US invades Mexico and seizes Veracruz, Mexico
- d. Huerta is overthrown

XI. Carranza becomes leader

- a. Carranza replaces Huerta as leader
- b. US recognizes Carranza as leader

XII. Pancho Villa Becomes a Bandit

- a. Villa soon rises up against Carranza – wanting to be leader himself
- b. Villa becomes a bandit
- c. January 1916 – 18 American Mining Engineers are slaughtered by Villa b/c US is helping his enemy, Carranza
- d. March 1916 – Villa crosses into Columbus, New Mexico and burns the town and kills 17 Americans

XIII. Punitive Expedition - General John J. Pershing

- a. Wilson sends General Pershing into Mexico on a Punitive Expedition w/ 12,000 men
- b. Mexico protested that US broke international laws by invading
- c. US spends 1 year searching for Villa until early 1917
- d. US wants Villa arrested or killed, but never found him
- e. US withdrew from Mexico b/c of growing tensions w/ Carranza
- f. Trouble w/ Mexico was a factor why US got involved in WW1 – **Zimmerman Note**

VI. Mexican Distrust of America

- a. Since Mexicans feel that the US took advantage of them for taking half of their land in the Mexican-American War, there has always been a feeling of being dominated by the US
- b. This feeling translates into a distrust by Mexicans towards the US

VII. Mexico is 2nd Largest Trading Partner for US (next to Canada)

- a. In terms of connections, a great deal of the US' natural gas and oil comes from Mexico
- b. Mexico is the 2nd largest trading partner of the US, behind Canada

VIII. Migration Between US and Mexico

- a. 250,000 US citizens live in Mexico
- b. 20 – 30 million Mexicans have moved to the US over the last 25 – 30 years

IX. Mexican Economy

- a. North American Free Trade Agreement (NAFTA) has resulted in Mexico exporting 90% of its goods to the US
- b. 40% of Mexicans live in abject poverty
- c. Mexico, however, is considered to have the 8th to 10th largest economy in the world

X. Mexico's Constitution of 1917

- a. There was a civil war in Mexico between 1914-1917
- b. After the war, the Constitution of 1917 was written
- c. The constitution represents the political basis of the government in the country
- d. Under the Constitution, labor was protected, land reform was promised, church (Catholic) and state were considered to be separate
- e. Education was to be secular (no church influence)
- f. Constitution also asserted the governor of each state had full rights over all national resources under the soil, including silver, gold, and petroleum
- g. Governors asserted eminent domain over resources

XI. 3 Contradictions of Mexican Constitution

- a. On one hand, there is a representative, democratic state with an executive, legislative, and judicial branch
- b. At the same time the Constitution provides for presidential dictatorship – the executive by law is so strong that it dominates over the other 2 branches of government, to the point that the executive can rule and implement laws by decree if he wishes
- c. It is also seen as a corporate state – there are boards, commissions, and counsels to integrate the social classes, but cronyism has developed over time
- d. All around, the Constitution is fairly idealistic

XII. Lazaro Cardenas (PRI), elected 1934-40

- a. Cardenas' victory would be a historical turning point for Mexico
- b. Cardenas of the National Revolutionary Party was elected president
- c. Parted then changed its name to PRI (Institutional Revolutionary Party) and is so named today
- d. Cardenas implemented a constitutional mandate for land reform, dismantling the power of the large hacienda owners
- e. Cardenas distributed 41 million acres of land to families who needed land
- f. Many families joined collectives, called Ejidos

XIII. Ejidos (Collectives)

- a. People who entered into Ejidos, overall, had more land
- b. 1.7 million families benefited from the land reform in the Ejidos
- c. Since PRI is the party that gave these people land, in the future, they would continue to vote for PRI

XIV. Cardenas Expropriates US Oil Companies in Mexico

- a. In 1930, Cardenas also expropriated all US oil companies in Mexico
- b. FDR said that Mexican Constitution provided for subsoil rights, so he accepted the takeover of US businesses
- c. The long term impact of this takeover is that the government has oil revenue it can use in any way
- d. Ejidos (collectives) also became quasi-protected interests of the government

XV. PRI Dominates For 60 Years

- a. Over the next 60 years, PRI will dominate Mexican politics and the Mexican government
- b. PRI brings farmers, workers, entrepreneurs...and integrate them all into the party
- c. PRI recalibrates their strategies as they see situations changing
- d. Social unrest was avoided because everyone was represented

XVI. Factions Within PRI

- a. Marxist/Lenist
- b. Socialist – Leftists
- c. Social Democrats – Center
- d. Conservative – Right Wing

(These factions struggle for power during PRI's 60 years of dominance)

XVII. Mexican Industrialization, 1950s, early 1960s

- a. In the 1950s, early 1960s, Mexico begins to industrialize
- b. However as you begin to industrialize, the agricultural aspect gets left behind, including the Ejidos

XVIII. Mexican Banks Collapsing, 1980s

- a. In the 1970s, early 1980s, there was an oil price boom, so Mexico borrowed against its inflated oil prices
- b. But by the end of the 1980s, oil prices dropped from \$40 barrel to \$10 barrel
- c. This forced Mexico into a debt crisis
- d. During the Salinas government, banks are collapsing
- e. US provides \$20 billion to help Mexico
- f. US investors see this as a good investment opportunity
- g. Mexico continues with 40% poverty

XIX. Apparel Factories in Mexico

- a. Between Mexico and the US, 2000 apparel factories open up
- b. This provides ½ million jobs
- c. These are people who would have been working on Ejidos, who are trying to improve their lifestyle

XX. North American Free Trade Agreement (NAFTA), signed 1/1/1994

- a. NAFTA results in \$7 billion in foreign investment in Mexico
- b. So, there's a flood of cheap imports there
- c. US exports to Mexico quadrupled, leading into 1992

XXI. Zapatista National Liberation Army (Cmdte Marcos)

- a. When NAFTA went into effect on January 1, 1994, in Chiapas (a Mayan frontier), the Zapatistas protested, citing abuses by land owners against the Indian population
- b. Zapatista National Liberation Army subsequently declared war against the Mexico government
- c. This revolt was led by Commandante Marcos
- d. This group was the mouse that roared
- e. They had the media focused on them, sympathizing with the plight of the Indians, so it tarnished the image of Mexico, as being a fair country
- f. **Marcos that this his group perceived PRI as illegitimate because it dominated elections and couldn't be defeated, so that became the just cause for their revolt**

XXII. PRI Eliminates Ejidos, 1992

- a. Workers were also suppressed if they had demands
- b. In 1992, government formally eliminated the Ejido system
- c. Everyone would have to be a private property owner
- d. PRI was taking away the political clout that the system offered to poor farmers
- e. There was great disparity between the rich and the poor

XXIII. PRI Loses Congress – 1997 Election

- a. After Commandante Marcos proclaimed **freedom and justice** as the just cause, citing that he was looking to get land for peasants and to have clean elections, it shook up Mexico
- b. It was very embarrassing – How could a peasant revolution be going on when the 1917 Constitution had provided for the interests of ALL of the people
- c. So, in the 1997 election, PRI lost control of the Congress and another party took control
- d. This was the Democratic Revolutionary Party (PRD)
- e. This was the first time since 1929 that PRI lost control

XXIV. Vicente Fox, elected 2000

- a. In the 2000 election, Vicente Fox of the Nationalist Party (PAN) defeated the PRI candidate, taking office for 6 years
- b. It was quite an astonishing feat
- c. But the people rallied behind him
- d. He appeared to be a hard working farmer that was a man of the people
- e. He promoted honest government and to provide jobs

XXV. Fox Faces a Tough Situation

- a. ¼ of the population is earning \$1.50 or less per day (\$45/month income)
- b. Fox advocated a minimum wage of \$3.50/day
- c. In 1998, with oil prices dropping, it cost a billion dollar loss to the government
- d. So, when Fox came in, his programs weren't functioning
- e. In Southern Mexico, Zapatistas had inspired 14 other groups to take up their cause
- f. Government study found that because of inefficient tax collection, the government was losing \$50 billion/year

XXVI. Apparel Industry Employs Mexicans

- a. There were 5000 apparel industry factories along the US-Mexican border
- b. They produce electronics, TVs, spare parts, along with many other things
- c. Apparel factories employ 15% of the Mexican population

XXVII. Narcotrafficking Problem

- a. Narcotrafficking is a major problem for Mexico
- b. Colombian cartels looked for other avenues after coming under fire
- c. Mexican narcotraffickers saw this as a way to coordinate the flow of drugs into the US and garner the profits
- d. There are now a dozen cartels operating in Northern Mexico
- e. Narcotraffickers have managed to corrupt the police and the military
- f. It's pretty easy to move things across the US border because there are thousands of trucks every day that come into the US from Mexico
- g. So, narcotrafficking flourishes in Mexico

XXVIII. NAFTA Results in US Banks Investing in Mexico

- a. Free Trade Agreement has confidence of US banks
- b. 8/10 US banks have loaned capital to US investors who want to open and operate businesses in Mexico
- c. Investment folks feel that Mexico is relatively stable – one of the top 20 markets in the world

XXIX. Urbanization in Mexico

- a. Lots of the rural population has shifted to urban areas, so Mexico now has to import beans and corn
- b. Mexico City is also very congested with 18 million people
- c. Unfortunately, the work force is expanding faster than the availability of jobs
- d. 1 million new people enter the work force every year
- e. Fox could not get away from the deep resentment of Mexicans that the rich are above the law because they can hire lawyers to get them out of trouble

XXX. Mexicans in the United States

- a. 20 – 30 million Mexicans in the US transmit \$2 billion to their families back in Mexico
- b. This money helps to offset socioeconomic problems
- c. But Fox hasn't been able to fully deal with poverty
- d. 40% of the country remains impoverished

XXXI. Guerillas in Southern Mexico

- a. An Indian Rights bill was passed to defuse guerillas in the South
- b. It's a land reform program, which helps provide jobs
- c. However, insurgent leaders don't like the plan

XXXII. Mexico – United States Relations

- a. 9/11 attacks in the US cause the US to increase security along its borders
- b. This slows down the passage of vehicles going into the US
- c. 5-7,000 vehicles a day back up
- d. Things are improving though, with new x-ray technology that has been introduced
- e. Fox is criticized for providing no real vision for the country
- f. Mexico depends on good relations with the US because 90% of its trade is with the US

XXXIII. Education in Mexico

- a. Compared to Mexico, China spends 10 times more per person on education than Mexico

XXXIV. Fox is Unpopular in Mexico

- a. Fox's popularity rating has dropped off because there is too much corruption and crime, despite all of his promises to crack down

XXXV. Marta Fox Considers Running for President

- a. Since presidents in Mexico are limited to one 6-year term and can't run again, Vicente Fox's wife, Marta Fox decided that she would be the next president
- b. However, Mexicans didn't like this

XXXVI. PRI Could Make a Comeback in 2006

- a. It looks like the PRI will make a comeback in the 2006 elections
- b. If the PRI comes back, does that introduce more constitutional dictatorship or is the economic system in Mexico so entrenched that things can't be improved?

Cuba

I. Topics

- a. Jose Marti
- b. PLATT Amendment
- c. Batista
- d. Fidel Castro
- e. (Brother Raul)

II. Cuba

- a. Because Cuba is only 90 miles south of Key West and 750 miles long, dominating the Caribbean, it has a certain relationship with the US
- b. How does Castro continue to hang on to power?
- c. Castro has the longest dictatorship in Latin American History (45 years and counting)

III. US Market in Cuba

- a. Over time, Cuba emerged as a major market for US products
- b. Cuba also became dependent on the US market
- c. US was the source of consumer goods and capital
- d. US defended status quo and stability in Cuba

IV. US Considers Annexing Cuba, 1898

- a. In 1898, during the Spanish-American War, annexation of Cuba was considered
- b. However, since Cuban sugar cane would compete with US beet sugar, it didn't happen

V. Jose Marti Wants "Cuba Libre"

- a. Beginning in the 1880s-1890s, Jose Marti advocated independence from Spain, by force if necessary
- b. It was "Cuba Libre" that they wanted
- c. They wanted social justice and a free Cuba – concept of self-determination

VI. Spanish-American War

- a. In the Spanish-American War, 1898 – US invades Cuba, defeating the Spanish
- b. At Treaty of Paris, where a peace settlement is signed, there are no Cuban leaders represented
- c. It's like if the US went to Paris with its diplomat

VII. Platt Amendment

- a. In 1901, at the point of the US Army bayonet, begins the development of the Cuban Democratic process
- b. Constitution is written
- c. Platt Amendment is written into the Constitution, giving the US the right of intervention in Cuba to guarantee political and domestic security of the island
- d. At the same time, it quashes Cuban aspirations for complete sovereignty
- e. US capital and commercial enterprise gain a stronghold on the island

VIII. US Restricts Cuban Foreign Policy

- a. US also imposes a restriction on the conduct of Cuban foreign policy
- b. Cuba was not allowed to cede any of its territory to other countries, except for Guantanamo Bay, which went to the US
- c. Guantanamo Bay – good naval base that could help protect the Panama Canal
- d. So, this is an insult to Cuban national honor

IX. FDR Terminated Platt Amendment, 1933

- a. In 1933, as part of the Good Neighbor policy, the US terminated the Platt Amendment to the Cuban Constitution
- b. FDR frowned on occupations and invasions of Caribbean countries
- c. Congress is also irritated by invasions

X. US Dominance of Cuban Economy

- a. By 1933, US has 3 million acres of land in US commerce inside Cuba
- b. There are also 6,500 North American residents in Cuba
- c. Important technical and managerial functions in factories are conducted by US and Cuban personnel (in oil factories, nickel factories, copper mines, airline industry...)
- d. So, the US had developed dominance of a major portion of the Cuban economy
- e. It was a popular place to visit

XI. Sergeant Batista

- a. But then Batista became the dictator in the country in the 1930s until 1959

XII. Reformist Movement in Cuba, post WW2

- a. With the advent of WW2, as in other countries, reformist groups became more impassioned in their involvement in politics (human rights, open government)

XIII. Castro on Trial

- a. When Castro was being tried by Batista, he stood up in a court room and said that Cubans were living poorly
- b. Castro said that people's retirement funds were being stolen
- c. He said that Cubans couldn't get land and that 90% of rural children have parasites in their stomach
- d. Castro called for a revolutionary government to improve the general welfare of the Cuban people
- e. Castro was found guilty and sentenced to jail

XIV. Castro' Amnesty

- a. Under an act of amnesty, in the mid-1950s, Batista released Castro from jail
- b. Castro subsequently went to Mexico

XV. Castro's Revolution

- a. While in Mexico, Castro organized a group of revolutionaries
- b. His group overthrew the Batista government in 1959
- c. So, an unpopular leader was removed and the Batista government and all its branches were discredited

XVI. Castro's Interests

- a. US had supported Batista dictatorship so much
- b. But Castro was not interested in promoting US interests
- c. He was willing to link himself with the Soviet Union
- d. The attitudes with dictators throughout Latin America began changing afterwards

XVII. Castro's Reforms

1. Free Education (Kindergarten – University)
 - a. With a free education, poor peasant children could now become doctors or lawyers for free
2. Free Medicine/Healthcare
 - a. This included free medical clinics and free hospitalization
3. Land Reform
 - a. The largest amount of land anyone could have was 3.333 acres of land
 - b. This cut some American ranches in Cuba down to 1/16 its previous size, some to 1/10 of its previous size
4. Expropriates US Land
 - a. Castro expropriated lands of the 400 largest US lands in Cuba
 - b. 2.5 million acres of this land was given to poor farmers and peasants

XVIII. Soviet Trade with Cuba

- a. A year after Castro's revolution, the Soviets promised to purchase sugar from Cuba
- b. In exchange, Cuba would receive crude oil, which would ensure Cuba's economic survival

XIX. CIA Counter-Revolution Development Begins

- a. US cuts off aid to Cuba
- b. CIA starts training Cuban exiles to develop a counter-revolution in Cuba
- c. Other exiles went to Florida and other places until the US was able to get rid of Castro

XX. US Isolates Cuba

- a. US isolated Cuba to disrupt its economy
- b. To increase domestic distress
- c. Encourage internal discontent for counter-revolutionary activity

XXI. CIA Sabotage in Cuba

- a. Isolation of Cuba had an initial impact
- b. CIA also tried to destroy sugar mills with sugar that was intended for the Soviet Union
- c. CIA sabotaged farm machinery as well
- d. But Castro cracked down on the local community to stop any counter-revolution
- e. Subsequently, more professional Cubans emigrated

XXII. Professional Cubans Emigrate

- a. After crackdowns on counter-revolutionary activity, professional Cubans emigrated
- b. Castro saw this as a good thing because he was eliminating the base of a counter-revolution
- c. As people left, Castro accused them of abandoning the homeland, as a propaganda tool to strengthen his revolution

XXIII. Committee for the Defense of the Revolution

- a. At the time Castro comes into the presidency of Cuba, he is looked at as the George Washington of Latin America for overthrowing an unpopular dictator
- b. Castro then began organizing society
- c. Within every building, there was the Committee for the Defense of the Revolution
- d. Committee was founded so that 1-2 people within each area would know what was going on building, block, and street
- e. These people would be the eyes and ears of the revolution
- f. If an individual didn't join the Committee, it made it seem like something was wrong with you because you weren't interested in the promotion of Cuba

XXIV. Castro Gives Cuba Sovereignty

- a. As the US invoked more sanctions on Cuba, Castro said that it was the Yankee imperialism trying to undermine Cuba's sovereignty
- b. Castro threw all the foreigners out of Cuba, resulting in Cuba gaining its sovereignty
- c. Because of Castro's actions in giving Cuba sovereignty, he had a special place in many Cubans' minds
- d. A deep national sentiment was invoked every time he expressed American threats to Cuban sovereignty
- e. US didn't understand this and kept digging deeper and deeper at Castro

XXV. Soviet Union Collapses

- a. But in 1990, Soviet Union collapses, resulting Cuba losing its major market
- b. Soviet Union was supporting Cuba with \$3 billion/year

XXVI. Castro Seeks Foreign Investment

- a. To replace Soviet funds, Castro tried to bring foreign investment into Cuba from other countries, not including the US
- b. Tourism was promoted

XXVII. Venezuela Provides Cuba with Oil

- a. After the Soviet Union collapsed, Cuba had an oil problem
- b. But then Chavez came to power in Venezuela
- c. Cuba is in serious debt to Venezuela
- d. Chavez has told Cuba that they will continue to provide oil to Cuba, even if Castro can't pay
- e. Castro continues to flow along

XXVIII. Life in Cuba

- a. 96% literacy rate (up from 46% during Batista's reign)
- b. 75 year life expectancy
- c. There is 1 doctor for every 160 people
- d. Doctors only earn \$20/month and have to take 2nd jobs, usually driving taxis
- e. Salaries are low, but people still receive a free education (Teachers earn \$8/month)
- f. Services are provided, but there is still a command economy
- g. There is a hand-mouth existence in Cuba
- h. Canada is investing \$1 billion in Cuba
- i. DHL Package Company sent 80,000 packages to Cuba last year (2003)
- j. When Castro wants, he can gather a mass rally to demonstrate against the US

XXIX. Political Scientists Want US Propaganda Spread to Cuba

- a. Political Scientists believe that the US should flood the island with information and bypass Castro, but Castro caught on to this strategy
- b. Through Castro's charismatic ability, he neutralized the threat

XXX. Castro's Health

- a. Castro is demented, incoherent, and physically failing
- b. He recently had a fall, where he broke his arm and leg
- c. This fall may have really hurt him and it may psychologically effect him
- d. Fidel Castro is not a security threat to the US

XXXI. Raul Castro

- a. There are question about whether Fidel's brother, Raul, will attempt to promote his own personal interests after Fidel Castro is gone
- b. Raul is well entrenched because he is the Commander of the Armed Forces

XXXII. Bush Says US Will Only Trade with a Free Cuba

- a. Bush administration says that the US will maintain economic sanctions unless Cuba goes to any form of a democratic process without Raul Castro in charge

XXXIII. Human Rights Activists in Cuba

- a. Within Cuba, there are a lot of human rights activists, who are taking advantage of Europe's opposition to human rights violations
- b. But Cuba's security people target them and put them in jail

XXXIV. US Food Sale to Cuba

- a. US sold \$440 million in food over the last year to Cuba
- b. Cuba is 35/225 food export destinations for the US

XXXV. George W. Bush's Crackdowns on Cuba

- a. Bush administration has tried to crack down on the number of Cubans going to Cuba, feeling that they would spend enough money in Cuba that it would help the Cuban government stay in power

XXXVI. Dollars to Euros

- a. As retaliation for the crackdowns, US dollars are no longer accepted on the island
- b. The Cuban government now charges a 10% conversion fee on each dollar to convert it to Euros
- c. Dollars are used to pay American farmers who send food to the island-nation

Dominican Republic

I. Topics

- a. Juan Bosch
- b. Joaquin Balaguer
- c. Leonel Fernandez
- d. Hipolito Mejia

II. About the Dominican Republic

- a. Capital – Santo Domingo
- b. Santo Domingo is usually the focus of all politics in the country
- c. Dominican Republic promotes tourism in the eastern part of the country
- d. In the west, are mountains
- e. Dominicans do not like Haitians because Haitians overran Dominicans in the early part of the 19th century

III. Rafael Trujillo

- a. After FDR announced his Good Neighbor policy, withdrawing troops, there was a political void
- b. Rafael Trujillo stepped in
- c. Trujillo became president and ruled for 3 decades
- d. His secretary for 20 years was Balaguer
- e. Trujillo ran roughshod over the population and demeaned them

IV. CIA Eliminates Trujillo

- a. When Ike and Milton Eisenhower became concerned with the spread of Marxism to Latin America, they had Trujillo killed

V. Juan Bosch

- a. Bosch, who had been working against Trujillo for decades was elected
- b. Bosch promised democracy and social justice
- c. However, he was a socialist
- d. People rewarded by Trujillo saw that Bosch was diminishing their power
- e. Dominican military saw that Bosch was cutting back their budget
- f. So, there was a military coup in 1963
- g. Bosch subsequently went to Puerto Rico

VI. The “Constitutionalists”

- a. In April 1965, there was a counter-coup by pro-Bosch elements, called the “Constitutionalists,” who wanted to restore democracy

VII. Junta Seeks US Help To End Resistance

- a. Junta government went to the US embassy asking for help, claiming that the Constitutionalists were running a Communist revolution
- b. US ambassador accepted this, not knowing what was going on
- c. So, the Constitutionalists were labeled, “rebels”

VIII. LBJ Lands Troops in the Dominican Republic

- a. It appeared that the US embassy was going to fall under the jurisdiction of the Constitutionalists
- b. So, LBJ landed troops in the Dominican Republic, isolating rebels in the southeast half of the city
- c. Bosch should have come back after the 3rd day of the Constitutionalists revolt and taken charge, proclaiming that he was the democratically elected leader of the country, but he didn’t
- d. US then called OAS to establish a peacekeeping force in the country
- e. Elections were then called in June 1966

IX. Bosch vs. Balaguer, June 1966 Elections

- a. Bosch lost the election because he didn’t return to the Dominican Republic to reestablish his claim to the presidency on the 3rd day of the revolt, so the Constitutionalists didn’t think that he had any courage
- b. As a result, Balaguer won
- c. Balaguer developed a constitutional dictatorship – he was elected 7 more times, and there were claims of fraud and rigged elections
- d. Balaguer dominated politics until the 1990s

X. 3 Groups Influential with the Government Over the Last 25-30 Years

- a. **Business and financial professional network**, including lawyers and doctors
- b. **Old elites** (Trujillo groups) and **New elites** (people who made their wealth over the last 35 years)
- c. **Foreign Community**, including diplomats, corporate investors, and multinational corporations

XI. Life is Hard in the Dominican Republic

- a. Life has not been easy in the Dominican Republic
- b. 1/7 – 15% of the Dominican population lives in the US
- c. There are 52,000 requests to the US government for migration each year
- d. 52,000/300 working days a year = how many applicants each day
- e. 50% of the country lives in poverty
- f. There are power problems, with blackouts
- g. There is a problem with money laundering in the country by narcotraffickers
- h. Dominicans living in the US remit money to their relatives in the country

XII. Leonel Fernandez, elected 1996

- a. Fernandez was linked to Bosch
- b. When Bosch found out that he couldn't beat Balaguer, he ran Fernandez as the leader of the new generation
- c. Fernandez was elected in 1996 and did well for the country
- d. He stabilized the country
- e. But since the Dominican constitution doesn't allow for a president to have two consecutive terms, he couldn't run in the 2000 election

XIII. Hipolito Mejia, elected 2000

- a. Hipolito Mejia was elected in 2000
- b. After 3 years, 90% of the Dominican population believed he was corrupt
- c. The only saving grace for the Dominican Republic during his presidency was the \$2 million remittance into the country from Dominicans in the US
- d. In May 2003, the Intercontinental Bank failed, bringing down 2 more banks
- e. These banks, operating with government officials, illegally loaned out \$2 billion
- f. Mejia then asked the International Monetary Fund (IMF) for a \$1 billion bail out, which cost the government \$3 billion
- g. The economy then collapsed
- h. By January 2004, the economic crisis was the worst in decades
- i. Adding to the problem, was the fact that gas prices doubled
- j. Rice quadrupled in price
- k. The exchange rate went from 16 pesos/\$1 at the beginning of his term to \$48 pesos/\$1

XIV. Leonel Fernandez, elected May 2004

- a. In May 2004, elections took place and Fernandez ran again
- b. He was allowed to run after a break in his administration
- c. He got 57% of the vote – there was a 70% turnout rate for the election
- d. Fernandez took office in August 2004 and has to figure out how to solve some of the Dominican Republic's economic problems
- e. Dominican Republic is \$6 billion in debt

XV. Fernandez's Economic Team

- a. Fernandez has a seasoned economic team behind him from his first administration
- b. It is estimated that it will take 2 years to resolve the current economic problems
- c. Things are getting a little better – Peso is now 38 pesos/\$1

XVI. Corruption in the Dominican Republic

- a. Immediately, the press exposes that 4/10 government officials on his economic team were talking with corrupt officials who embezzled money from the country
- b. Corruption is endemic to the Dominican Republic
- c. It may be the biggest problem they have to overcome

Haiti

I. Topics

- a. “Papa Doc” Duvalier
- b. Jean-Bertran Aristide
- c. Rene Preval
- d. Gerard LaTortue

II. Life in Haiti

- a. Like the Dominican Republic, Haiti has 8-9 million people
- b. However, it is only 1/3 size of the Dominican Republic
- c. 50% of the population earns not much more than \$1/day
- d. Haitian population is either Afro, Creole, or Mulatto (Black/White mixture)
- e. Educated Haitians speak French
- f. Haitians who didn’t go to school, speak Creole

III. Haitian Revolution

- a. Between 1791-1804, French ruling plantation aristocracy were faced with an uprising by the black slave population
- b. Land owners were overthrown
- c. France lost its colonial possession
- d. Slaves were inspired by the French propaganda of liberty and equality at the time of France’s own revolution

IV. Chaos After the Revolution

- a. After the revolution, Haiti became a government by chaos
- b. Personalities tried to rule and dominate

V. Haitian Constitution, 1918

- a. FDR, the Assistant Secretary of the Navy, said he wrote the Haitian Constitution and really, it’s very good.
- b. There is 80% illiteracy today in Haiti

VI. 4 Elements of Haitian Society in Play From Year to Year

- a. **Elite Groups (Mulattos)** which are the economic mainstay of the country, would prefer to have a peaceful status quo in the country to enhance their well being and ignore the rest of the country
- b. **Political Elements (Government)** – promises jobs, gifts, and favors – hires people for civil servant positions, and is the center of influence in the country
- c. **Armed Forces (National Guard)** – try to play off the economic and political elites to promote their own interests, which usually includes corruption (over the last 20-30 years, if you don't have a military force to provide for law and order, local police cannot do it and it creates chaos
- d. **Exile Community** – estimated at about 1 million Haitians living in the US (could be some in other island countries) – exiles in US remit money back to relatives

VII. Low Pay for Haitians

- a. For a Haitian in the lower 2/3rds of society (masses), if you could get a job in a textile assembly plant and get \$1.10/day, you were doing better than most

VIII. Haitian Culture

- a. Integrated into Haitian culture, are links with Africa, involving folklore (voodoo)
- b. Observers see this folklore as an emotional outlet for Haitians
- c. However, to Haitians, it is more meaningful

IX. Francois “Papa Doc” Duvalier

- a. In 1930, Francois “Papa Doc” Duvalier maneuvered himself to power
- b. With the support of the Army, he ruled as an outspoken, heavy handed dictator
- c. Papa Doc wouldn't tolerate any dissidence
- d. He set up a secret police that assassinated people who disagreed with him
- e. The stability he created in the country by quashing opposition groups was great for tourists, making it safe
- f. Papa Doc considered tourists to be essential to society
- g. When he passed away, Baby Doc (Jean Claude) Duvalier took over, creating a family dynasty until 1986

X. “Baby Doc” Duvalier

- a. Baby Doc continued his father's policies
- b. He persecuted anyone who didn't stay in line and support his policies

XI. George HW Bush Pressures “Baby Doc” Into Exile

- a. Baby Doc got more involved with corruption
- b. Bush administration threatened to get rid of Baby Doc, unless he went into exile in France
- c. So, Baby Doc left and went to France

XII. Jean-Bertran Aristide, elected 12/16/1990

- a. On December 16, 1990, the first democratic election in Haitian history took place
- b. Aristide won the election
- c. Aristide’s followers subsequently began a purge of people who were linked to the Duvalier dictatorship
- d. They captured Duvalier supporters and put them in a tire and set them on fire (to torture them to death)

XIII. Military Removes Aristide, 1991

- a. A year after Aristide wins the presidency, the military ran a coup against Aristide and began state terror

XIV. US Threatens Intervention

- a. After the military ran a coup against Aristide, the US government threatened to invade if the military didn’t step down from power
- b. The military then stepped down from power
- c. A peacekeeping force was subsequently put in place

XV. Rene Preval, elected 12/17/1995

- a. On December 17, 1995, an election took place
- b. Rene Preval, who opposed Aristide, won the election
- c. This was the first peaceful transition of power in Haitian history
- d. When the military was in power, the US imposed an embargo that devastated the country
- e. Preval has to deal with the effects of the poor economy

XVI. Cut Down Forestry and Soil Erosion

- a. Most of Haiti was a vast forest land
- b. The Mulatto elites discovered that Haitian timber was highly desired by manufacturing companies in the US and Europe
- c. So, they cut down the trees, but didn’t plant new ones
- d. So, just about 90% of the forestry has been eliminated
- e. There is also a problem now with soil erosion that would make planting new trees difficult, so they couldn’t even have an agrarian society

XVII. Investment in Haiti

- a. US puts \$1.5 billion in aid into Haiti
- b. Given the destabilization, now foreign companies are wary of investing in Haiti
- c. There was 70% unemployment during the latter part of the 1990s

XVIII. Efforts To Stabilize Haiti

- a. UN puts peacekeeping forces into Haiti to help out
- b. Canadians send down French speaking Mounties to train a new police force

XIX. Haitian Military is Disbanded

- a. Peacekeeping forces disband Haitian military
- b. So, now police will be responsible for maintaining order in the country
- c. 3,000 new policemen are trained

XX. Haitian Economy

- a. 80% of Haiti's economy was based on contraband activity, including narcotrafficking
- b. What should have been agricultural farmlands was devastated
- c. So, it's difficult even for an agrarian economy to flourish
- d. Haiti has survived as a result of International foreign aid, remittance back to the country, and smuggling
- e. There's a ¼ million (250,000) people increase every year
- f. 70% of the population is under 25 years old
- g. Many in the outback have moved to the cities, attempting to improve their livelihood
- h. Short-term employment in public works projects have attracted farmers away from the fields in the outback, so food production has dropped off
- i. Drug money laundering has provided some money for construction in Haiti
- j. But money launders usually like to construct high class establishments, so it wouldn't help many of the people in Haiti

XXI. Wasted Investment

- a. In 2000, the US Government Accounting Office (GAO), reported that \$97 million that had been spent on the police force was totally wasted
- b. The values of a professional police force were not imparted on the Haitian Police force
- c. Haitian police have been found to be corrupt, oppressive, and involved with contraband activity
- d. GAO concluded that Haiti was descending into chaos

XXII. Strikes in Haiti

- a. Teachers went on strike for higher wages that couldn't be paid
- b. Students subsequently went on strike because teachers weren't in the classrooms

XXIII. Aristide Elected Amid Controversy, November 2000

- a. Jimmy Carter was in Haiti overseeing the November 2000 election
- b. This was not a free and open election
- c. Aristide won with 92% of the vote because the opposition boycotted the election
- d. OAS believed that there was lots of vote fraud
- e. Only half of the registered voters turned out
- f. Aristide took power on February 7, 2001
- g. He promised the creation of ½ million new jobs in each of Haiti's 595 communities
- h. Former Army attempted a coup that failed
- i. Pro-government thugs assault people who oppose Aristide

XXIV. Political Scientists View of Haiti

- a. Nothing logical ever happens
- b. People hope for the best, but expect the worst
- c. Believe nothing of what you hear and only half of what you see
- d. When you think that things can't get worse, they often do

XXV. More Protests Over Rigged Elections

- a. There were rigged congressional elections in 2002
- b. Protests against the government were so tremendous that it has paralyzed the government
- c. Aristide pledged new congressional elections in the Spring 2003, but later said that they would be conducted when his term ended in Spring 2006
- d. By Fall 2003, Anti-Aristide Gang Warfare Begins

XXVI. Anti-Aristide Gang Warfare Begins, Fall 2003**XXVII. Revolt in Haiti, February 2004**

- a. In January 2004, the US State Department ordered all non-essential personnel out of the US embassy
- b. In February 2004, a revolt began, knowing out the police force
- c. Guerilla resistance gained momentum
- d. On February 24, 2004, Marines landed at Port Au Prince to protect the embassy

XXVIII. Aristide is Ousted, February 29, 2004

- a. 5 Days after the Marines land in Port Au Prince, Aristide was exiled to Jaimaica

XXIX. Gerard LaTortue

- a. LaTortue became the interim president of Haiti and is still today
- b. He wants to halt the violence, bring back the Army, and retrain the police, but he has no money left to do this

XXX. Investigation of Aristide

- a. Aristide and his family are being investigated for corruption
- b. The current government wants to know how they got \$250 into European banks
- c. International community gave \$1.2 billion to help rebuild Haiti

XXXI. Pro-Aristide Gangs Are Forming

- a. Now, pro-Aristide gangs are forming to try to run a counter-coup against the interim government