

# NORTH-SOUTH VISIONS OF CENTRAL AMERICA

*William M. LeoGrande*

*American University*

*THE UNITED STATES DISCOVERS PANAMA: THE WRITINGS OF SOLDIERS, SCHOLARS, SCIENTISTS, AND SCOUNDRELS, 1850–1905.* Edited by Michael LaRosa and Germán R. Mejía. (Lanham, MD: Rowman and Littlefield, 2004. Pp. 336. \$65.00 cloth.)

*HOW WALL STREET CREATED A NATION: J.P. MORGAN, TEDDY ROOSEVELT, AND THE PANAMA CANAL.* By Ovidio Diaz Espino. (New York: Four Walls Eight Windows, 2001. Pp. 320. \$16.00 cloth.)

*EMPERORS IN THE JUNGLE: THE HIDDEN HISTORY OF THE U.S. IN PANAMA.* John Lindsay-Poland. (Durham: Duke University Press, 2003. Pp. 256. \$69.95 cloth.)

*THE U.S. CATHOLIC PRESS ON CENTRAL AMERICA: FROM COLD WAR ANTICOMMUNISM TO SOCIAL JUSTICE.* By Edward T. Brett. (Notre Dame: University of Notre Dame Press, 2003. Pp. 265. \$22.00 paper.)

*BURIED SECRETS: TRUTH AND HUMAN RIGHTS IN GUATEMALA.* By Victoria Sanford. (New York: Palgrave Macmillan, 2003. Pp. 352. \$35.00 cloth.)

*HIDDEN POWERS IN POST-CONFLICT GUATEMALA: ILLEGAL ARMED GROUPS AND THE FORCES BEHIND THEM.* By Susan C. Peacock and Adriana Beltrán. (Washington, DC: Washington Office on Latin America, 2004. Pp. 97. \$2.00 paper.)

*AJUSTE HACIA LA PAZ: LA POLÍTICA ECONÓMICA Y LA RECONSTRUCCIÓN DE POSGUERRA EN EL SALVADOR.* By James K. Boyce, et al. (México, D.F.: Plaza y Valdés, 1999. Pp. 409. \$11.00 paper.)

From the promulgation of the Monroe Doctrine onward, Washington's view of Latin America has been refracted through the prism of U.S. national interest. In the late nineteenth and early twentieth centuries, competition with the Great Powers of Europe shaped how the United States thought about the Western Hemisphere. Since the mid-twentieth century, the Cold War, then the drug war, and now the war

on terrorism, have distorted Washington's vision of Latin America in general and nearby Central America in particular.

This collection of books, each in its own way, speaks to the issue of how the United States has seen its Central American neighbors, and the impact Washington's policy has had on them. The consistent message, whether from *Harper's Weekly* articles published in the 1850s or the Pentagon's efforts to create a Counter-Drug Center in Panama in the late 1990s, is that Central America has been an arena for U.S. action in furtherance of its own national interest, regardless of the will or interests of Central Americans. Not surprisingly, Washington's worst policy failures have come about when Central Americans proved to be less pliant and more resilient than Washington anticipated.

U.S. interest in the region dates to the mid-nineteenth century and early ideas about the need for an inter-oceanic canal to link the eastern seaboard with newly acquired western territories. LaRosa and Mejía's collection of essays are drawn from *Harpers Weekly* and *The Atlantic Monthly* between 1850 and 1905 and focus on Panama and alternative inter-oceanic routes in Nicaragua and Mexico. The essays offer a nineteenth-century view of how U.S. writers saw the region and portrayed it to the reading public at home. Most are travelogues, chronicling the writers' adventures in territory they regarded as exotic, forbidding (because of tropical diseases), and populated by people who (when they merited any attention at all) were seen as racially inferior and uncivilized. The region deserved the attention of readers in the U.S. because of its value as a transit point; its people were superfluous.

The essays begin with accounts of the Panama Railroad, which preceded the canal and, for almost half a century was the preferred route between east and west. The next group of articles recounts the debate over alternative routes—from the Chiriqui Lagoon to San Carlos Bay, through the Darien jungle along the Colombia-Panamanian border, through Nicaragua via the San Juan River and Lake Nicaragua, and—by far the most entertaining—across the Isthmus of Tehuantepec in Mexico, with locomotives pulling the boats across dry land on rails. The remaining essays offer contemporary accounts of how the United States obtained rights to the eventual Panamanian route.

Diaz Espino's popular history of the creation of Panama as an independent country and the construction of the Panama Canal focuses on the personalities involved in these events rather than the historical conditions that made Panamanians long for independence and made Washington covet an inter-oceanic passage. The principals all had their own motives: Teddy Roosevelt saw the canal as a strategic necessity, J. P. Morgan saw it as an investment opportunity, Philippe Bunau-Varilla saw it as an idealistic (not to mention profitable) engineering dream, and the Panamanians saw it as their opportunity for independence from Colombia, if not from the United States.

Diaz Espino's blow-by-blow account of Morgan and Bunau-Varilla's machinations is engaging and well researched (though his use of non-standard citations will frustrate researchers trying to pursue his sources for additional information). His explanation of the canal's creation is a conspiracy theory that has the unusual virtue of being true. There unquestionably *was* a Wall Street conspiracy among speculators in the defunct French Canal Company that tried unsuccessfully to construct a sea-level canal in Panama in the 1880s. In 1900, sixteen investors, foremost among them J. P. Morgan, formed a partnership to buy up the nearly worthless stock of the French company. They then deployed their lobbyist, William Nelson Cromwell, to convince the U.S. government to purchase the company's rights and its rusting equipment at an exorbitant price, securing for themselves a huge profit. Cromwell's erstwhile partner in this scheme was Bunau-Varilla, a French engineer who worked on the original canal project and owned a significant stake in the French company. Together, Cromwell and Bunau-Varilla engaged in extraordinary shenanigans to convince, cajole, and bribe the U.S. Congress to select Panama rather than Nicaragua as the route for a U.S. canal.

When Colombia foiled their plans by refusing to ratify the Hay-Herrán treaty giving Washington rights to build the canal, Cromwell and Bunau-Varilla incited and funded an uprising by Panamanian nationalists. At the same time, they convinced President Teddy Roosevelt that it was better to use U.S. troops to safeguard the embryonic Republic of Panama by preventing Colombian forces from reasserting sovereignty, than to occupy the isthmus directly as Roosevelt had planned. Bunau-Varilla's subsequent treachery is well known: coercing the native Panamanians into appointing him minister to Washington, he gave away the Canal Zone for a pittance before the Panamanian negotiators arrived in Washington. When the United States paid \$40 million for the remnants of French company, Bunau-Varilla and the investors in Morgan's partnership all made fortunes.

The case of the canal shows the inherent weakness of conspiracy theories as a category of explanation: even when they are true, they are only half-true because they focus entirely on human agency while ignoring the structural conditions that make agency efficacious. The subtext of most conspiracy theories is that, were it not for the conspirators, none of the events in question would have transpired. In the case of the Panama Canal, that is manifestly untrue. Had there been no Morgan investment partnership, no Cromwell, and no Bunau-Varilla, there would still have been a canal. It might have been in Nicaragua, as Congress initially favored (though Roosevelt favored Panama), but the historical imperatives were too powerful to resist. The Mexican War (1846–1848) gave the United States a west coast, largely inaccessible overland, and the discovery of gold in the new territory intensified the

demand for a quick transcontinental passage. The Spanish-American War (1898) gave Washington a two-ocean empire, highlighting the military need for an inter-oceanic waterway. Roosevelt came to the presidency convinced that a canal was absolutely vital.

Nor can Cromwell and Bunau-Varilla claim credit for the creation of Panama. Had they not fomented revolution on the isthmus, the United States would have simply occupied it. Perhaps Panama would have become a U.S. territory like Puerto Rico or perhaps it would have emerged as a nominally independent but subordinate country like Cuba after 1904. Either way, once Colombia refused to give Washington its imperial due, Panama's separation was inevitable.

Lindsay-Poland's book is mostly a story of U.S. relations with Panama after the United States built the canal. He argues that Washington's treatment of Panama has been almost purely instrumental. Panama was seen as the country that happened to surround the Canal Zone, and its behavior had to be managed so as to not interfere with U.S. activities in the zone. This unusual book does not recount the history of the bilateral relationship. The usual subjects of diplomatic history—presidents, ambassadors, and generals—make only incidental appearances. Instead, the book is a collection of vignettes that focus principally on health and environmental issues, about which Lindsay-Poland is a recognized expert.

He begins by examining how the construction of the canal became the occasion for the medical battle against tropical diseases, which killed workers by the thousands. The doctors of the day approached the problem burdened by the crudest racial stereotypes about vulnerability to disease, as Lindsay-Poland recounts in detail. The second vignette describes how the United States used the Canal Zone as a munitions testing ground for conventional and chemical weapons from World War I to the end of the Cold War, experimenting with everything from mustard gas to nerve agents, and leaving behind the detritus for the Panamanians to clean up. The third vignette tells the amazing story of Project Plowshare, Washington's plan to use nuclear bombs for massive excavations, foremost among them the building of a new sea level canal. This fantastic scheme was not abandoned until 1970, by which time the dangers of fallout from atmospheric nuclear tests had killed even the most romantic illusions about the "peaceful atom."

The fourth vignette focuses on Panama as a battleground in the war on drugs. As Washington's concern about illegal drugs, especially cocaine, escalated in the 1980s, Latin America became the target of U.S. efforts to attack the "supply side" of the drug problem. Most of U.S. attention fell on the Andean producing countries, but Panama under General Manuel Noriega emerged as a major transshipment point. Noriega, once a paid informant for the CIA, drew Washington's ire by collaborating with the Colombian cartels. With the end of the Cold War,

the drug war took top priority in U.S. hemispheric policy, and Washington simply did what it had done time and time again in Panama—it sent U.S. military forces to install a government that would share U.S. priorities.

Unfortunately, Lindsay-Poland skips over the battle for the return of the canal to Panama in 1977–1978. The pressure brought by Panamanians under the leadership of Omar Torrijos and the bitter debate in the United States about surrendering the canal, mark a moment when the United States was forced to see Panama as a sovereign nation that had to be reckoned with, rather than just the locale of the canal. That moment marked a departure, albeit brief, from Washington’s traditional attitude toward Panama, and would have been worth chronicling in contrast to the other vignettes the author recounts.

The instrumentalism, interventionism, and racism that marked Washington’s approach to Central America in the early twentieth century did not disappear in the century’s latter half. The strategic concerns of earlier decades were simply reborn during the Cold War as fears not only about the encroachment of external powers into America’s backyard, but also about the threat posed by internal agents of international communism. As Edward Brett shows, throughout the 1950s, the Catholic press in the United States echoed the conventional Cold War consensus as expressed by U.S. policy elites. The benchmark was its coverage of Jacobo Arbenz’s government in Guatemala and its ouster by right-wing exiles. Arbenz, and even the modest reformist government of his predecessor Juan José Arevalo, were treated as dangerously Red by a Catholic press that took its lead from the conservative Church hierarchy in Guatemala City and government officials in Washington. The subsequent brutality of Castillo Armas’ dictatorship was excused as necessary to restore order in a country populated by gullible Indians.

Between the 1950s and the 1980s, three related factors produced a 180-degree turn in how the U.S. Catholic press viewed Central America. The Second Vatican Council (1962–1965) changed how Catholics looked at earthly issues like poverty and injustice. In the United States, that meant a new appreciation for the issues of social and economic development in the Third World. In Latin America, following the 1968 bishops’ conference in Medellín, Colombia, it meant a new willingness of the institutional Church to stand up for the social, economic, and human rights of the poor. Second, the influx of U.S. missionaries into the region meant that Catholics in the United States now benefited from firsthand witness to events in the region, unfiltered by Central American or U.S. authorities. Third, the experience of Vietnam made Catholics in the United States more willing to challenge the foreign policy of their government. Together, this new commitment to social justice and human rights, the powerful missionary testimonies based on direct

experience, and an abiding skepticism toward their government, made U.S. Catholics see Central America in an entirely new way.

If Guatemala was the focus of Catholic attention in the 1950s, El Salvador and Nicaragua moved to center stage in the 1980s. Coverage of El Salvador was spurred initially by the fact that Archbishop Oscar Romero emerged as the nation's most eloquent critic of the military's human rights abuses. As death-squad violence intensified in the late 1970s, Catholic activists, lay and religious alike, were prominent among the victims. Romero's assassination in March 1980, followed by the abduction, rape, and murder of four U.S. churchwomen in December, pushed El Salvador to the top of the U.S. foreign policy agenda and captured the attention of Catholics nationwide.

Most of the Catholic press coverage was deeply critical of El Salvador's successive governments, none of which did much to ameliorate human rights abuses until late in the decade. It was equally critical of President Ronald Reagan's unwavering support for the Salvadoran regime. Focusing as he did on military assistance to defeat the armed insurgency, Reagan's policy was the direct opposite of what Archbishop Romero had asked of the United States shortly before his death. By seeing Central America's conflicts as a manifestation of the Cold War, caused at root by Soviet and Cuban interference rather than by the region's history of social injustice and political authoritarianism, Reagan's conception was essentially unchanged from the Manichean vision that guided U.S. policy toward Arbenz's government in Guatemala in the 1950s. That was a vision U.S. Catholics had long since left behind.

Nicaragua was a more complicated case for Catholics. Brett provides a good summary of the breakdown in relations between the Sandinista government and the Nicaraguan Church hierarchy, from the bishops' early opposition to Somoza and tacit support of the insurrection against him, to the acrimony caused by the Sandinistas' attempts to appeal to the lay Catholics over the heads of the bishops by promoting the "popular church," culminating in the raucously impolite reception given Pope John Paul II in 1983, and the Church hierarchy's open identification with the *contras*.

Many lay Catholics in the United States were favorably disposed towards the Sandinistas at first, for the same reasons that most Nicaraguans were: the near-universal hatred of Anastasio Somoza and his brutal National Guard, the Sandinistas' promise of social justice for the poor, and the important role of liberation theology in the ideological amalgam that constituted Sandinismo. The Catholic press reflected that sympathy. But as the Sandinistas' conflict with the domestic Church escalated, U.S. Catholics confronted, from a distance, the same dilemma that Nicaraguan Catholics confronted firsthand: could they support both their church and the revolution, or did they have to choose?

The evolving political situation on the ground was reflected in the evolution of Catholic press coverage. At first, the Sandinistas received very good press, and the Reagan Administration was lambasted for its unremitting hostility to the revolutionary government. Early bellwethers of conflict between the bishops and the Sandinista government were glossed over. But as internal conflicts between the Sandinistas and their critics sharpened, sympathy for the Sandinistas waned noticeably in the Catholic press, though opposition to Reagan's policy of funding the contra war remained high.

Despite its sympathy for the Sandinistas and opponents of the Salvadoran regime, the Catholic press was invariably committed to non-violence. It never endorsed the FMLN's armed struggle in El Salvador, and it unleashed a chorus of criticism of the Sandinistas as they resorted to repressive measures against their civic opponents.

The Catholic press actively encouraged Catholics to express their opposition to U.S. policy and act to change it, which many did. The vocal opposition of U.S. Catholics was one of Reagan's most difficult political problems as he tried to convince a skeptical Congress to fund military aid to El Salvador and the Nicaraguan contras. "Taking on the church is really tough," admitted Assistant Secretary of State for Inter-American Affairs Tony Motley. "We don't normally think of them as political opponents. . . . They are really formidable."<sup>1</sup> To blunt this formidable opposition, conservatives fostered an alternative Catholic press to counter the impact on Catholic opinion of the established press and the hierarchy. It criticized U.S. Catholic leaders as dupes of international communism or worse, excused or ignored the murders of Archbishop Romero and the U.S. churchwomen, and defended death squad leader Roberto D'Aubuisson as just a misunderstood nationalist. As Brett points out, the conservative Catholic press remained marginal to Catholic opinion formation because its tone was so caustically *ad hominem* and its facts were so blatantly slanted.

The rancorous tone of conservative Catholics was by no means out of character, however. Senior Reagan officials were equally vicious in maligning the motives and loyalty of their opponents. Secretary of State Alexander Haig and United Nations Ambassador Jeanne Kirkpatrick accused the murdered churchwomen of having been killed because they were active guerrilla supporters. Assistant Secretary of State Elliott Abrams challenged the loyalty of House Speaker Jim Wright for supporting Oscar Arias' Central American peace initiative. White House speechwriter Patrick Buchanan called Democrats "useful idiots" because they opposed contra aid, and publicly demanded to know whether they

1. William M. LeoGrande, *Our Own Backyard: The United States in Central America, 1977–1992* (Chapel Hill: University of North Carolina Press, 1998): 421.

stood with Ronald Reagan and America or “with Daniel Ortega and the Communists.”<sup>2</sup>

Perhaps making up for its disgraceful coverage of Guatemala in the 1950s, the Catholic press, unlike the mainstream U.S. press, focused considerable attention on Guatemala and the military’s genocidal campaign against the Maya during the 1980s. Guatemala was the Central American country first afflicted by Washington’s obsession with communism in Latin America. The history of how and why Washington unleashed the CIA to overthrow the democratically elected government of Jacobo Arbenz has been well-told and needs no repetition.<sup>3</sup> The aftermath of the CIA’s “Operation Success” was forty years of tyrannical military rule and repression, culminating in the army’s scorched earth attacks on the rural Mayan population. Throughout these years, with the brief exception of the presidency of Jimmy Carter, the United States had friendly relations with Guatemala’s successive military governments and gave them military aid. The consequences for ordinary Guatemalans, especially indigenous ones, did not weigh heavily in Washington’s geopolitical calculations. The dead were incidental.

Victoria Sanford’s deeply moving book recounts the personal testimonies of survivors from massacres in the Ixil area of Guatemala during the army’s counterinsurgency campaigns of the early 1980s. Sanford took most of these testimonies while working with the Guatemalan Forensic Anthropology Foundation exhuming clandestine cemeteries. She does a masterful job of recounting how the communities and the local authorities reacted to the exhumations, how the exhumations created an opportunity for survivors to talk about the atrocities visited upon them, and how the exhumations fit into a broader process of seeking both truth and justice in post-conflict Guatemala. The real power of this book lies in the simple, straightforward accounts by people who lived through events almost too horrible to contemplate.

Sanford has enormous respect for the testimonies of these survivors, to the point that she is reluctant to introduce her own analysis, for fear that it will dilute the voice of her subjects. “If I were to construct a framework driven by categories of massacres and academic concepts rather than survivor testimonies,” she writes, “the voices of Maya women would be largely lost” (75). Nevertheless, she does present a useful analysis of the “phases” of repression, showing how the massacres were

2. *Ibid.*, 447–448.

3. Piero Gleijeses, *Shattered Hope: the Guatemalan Revolution and the United States, 1944–1954* (Princeton: Princeton University Press, 1991); Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Story of the American Coup in Guatemala* (Cambridge, MA: Harvard University, 1999); Richard H. Immerman, *The CIA in Guatemala: the Foreign Policy of Intervention* (Austin: University of Texas Press, 1982).

not single isolated events, but rather fit into a broader policy that began with selective repression and expansion of the military's presence in an area, culminated in the climactic event of a massacre, was followed by the army's pursuit of the survivors, and concluded with the creation of militarized model villages. She also draws some generalizations about the preconditions, conditions, and characteristics of each of these phases—for example, whether massacres were preceded by community organizing, guerrilla organizing, nearby army operations, and/or nearby guerrilla operations.

However, Sanford resists offering an explanation for the massacres, other than to say that the army killed the Maya "because they were Maya" (155). This leaves unanswered the question of why the army shifted in the early 1980s from a policy of selective repression to mass murder, and why some Mayan villages were destroyed while others were not. When colleagues asked Sanford whether her ethnography suggested that villages more closely allied to the guerrillas were more likely to be destroyed, she found the question unacceptable. "Postulations about Maya peasant guilt based on village associations with the guerrilla and guerrilla responsibility for army violence against unarmed civilians support the intentionality claimed by the army that massacres . . . were not the killing of civilians but rather the 'scorching' of 'communists'" (202). This inference is simply wrong. No credible observer argues that the massacre victims were guerrilla combatants, or that murdering unarmed civilians is any less an atrocity because of their political affiliation. If we are to understand the origins of the Guatemalan genocide, the question of causality is unavoidable.

While refusing to offer her own explanation for the army's destruction of 626 Mayan villages, Sanford adamantly rejects and denounces David Stoll's argument that the Ixil were caught "between two armies," and that the catalyst for the military's scorched earth policy was the decision of the Guerrilla Army of the Poor (EGP) to open military operations in the Ixil area.<sup>4</sup> Equating Stoll's argument with former Defense Minister Héctor Gramajo's self-serving excuses for the massacres, Sanford writes that Stoll "seek[s] to promote an official contemporary history of Guatemala that is void of facts, lacks critical analysis, and has no room for the testimony of survivors" (62), and is a "racist, one dimensional representation of the Ixils." She then consigns him to George Orwell's Ministry of Truth (206–207).

Perhaps I should have more sense than to wade into Anthropology's bitter internecine family feud over David Stoll's work on Guatemala,

4. David Stoll, *Between Two Armies in the Ixil Towns of Guatemala* (New York: Columbia University Press, 1993).

but this rendition of his argument is unfair.<sup>5</sup> First, Stoll does not echo the Guatemalan military's rationale for the violence. On the contrary, the army claimed that the Maya were guerrilla supporters and therefore had to be eliminated. Stoll argues they were no such thing—at least not until army attacks drove them, politically and literally, into the arms of the EGP. Ironically, the version of reality that comes closest to the army's is what Stoll dismissively calls the “solidarity movement” view, which held that the EGP arose from a deep and broad popular base of support among the Maya. The left celebrated the Maya's purported support for the guerrillas; the army killed them for it.

Despite Sanford's harsh appraisal of Stoll, the testimonies she herself took from survivors lend some credence to his argument. The guerrillas, when they arrived in the Ixil area, were regarded with suspicion (because they were outsiders) and fear (because they were armed), according to Sanford's interviews. Villagers fed and sheltered them in part because it was the hospitable thing to do for travelers, and in part because they felt they had no choice. A survivor of the Acul massacre tells Sanford, “We were frightened because it would be worse if we don't give them food, because they can kill us” (88). In my own work, I found that Salvadoran peasants had a similar reaction to the ebb and flow of war around their communities. As one put it, “The army comes and goes. The guerrillas come and go. We hide under our beds.”<sup>6</sup>

The guerrillas, on the other hand, seemed quite aware of what their presence might portend for the villagers. They urged the Maya to build secret caches of food and clothing, which, it turned out, they would need when the army came to destroy their village. At one point, Sanford herself suggests that the guerrillas were something of an alien imposition on the Ixil, an “urban . . . elite” claiming to represent the interests of a rural society (122).

To say that Stoll's explanation of the violence is more nuanced and sophisticated than Sanford allows is not to say that he is necessarily right. Guatemala's truth commission, the Commission for Historical Clarification (CEH), offered a more reasoned critique of Stoll's thesis, arguing that by itself the “logic of two actors” is not an adequate explanation for the war because it omits (or at least under-emphasizes) the context of racism, social inequality, economic deprivation, and political oppression that have afflicted Guatemala since the conquest. Even if the EGP's actions were the catalyst for the army's massacres, one must look to these deeper causes to understand why the army regarded all Ixil as their enemy and embarked on a campaign of extermination.

5. For a portion of the debate, see Arturo Arias, ed., *The Rigoberta Menchú Controversy* (Minneapolis: University of Minnesota Press, 2001).

6. LeoGrande, *Our Own Backyard*, 267.

Sanford's blasts at Stoll (and others who have taken his side in the debate) are expressed in a post-modern rhetorical/ theoretical framework that does not enhance her work. The opaque jargon of post-modernism stands in stark contrast to the clear, straightforward testimony of the victims and, for that matter, Sanford's own account of the exhumations. This post-modern bent also leads Sanford to embrace Foucault's concept of truth based not on "a Cartesian system of evidence" but rather on "the risk one will take to speak truth to power out of a sense of duty" (181). This notion of truth without empirical referents opens the door to truth claims from anyone who speaks with fervor. The massacre survivor would have no higher claim to truth than the death squad executioner who sincerely believed that the nation's survival depended on ridding it of communist priests, trade unionists, and Maya.

Before Foucault, Japanese director Akira Kurosawa made the point in his film, *Rashōmon*, that truth is relative to point of view. But *Rashōmon* is not a film about people's opinions. Beneath the witnesses' disparate testimony is the irreducible reality of a dead man. Despite her post-modern predilections, Sanford knows intuitively from participating in the exhumations that truth is not infinitely relative and evidence is not irrelevant. Her opening chapter on the exhumations is entitled, "The bones don't lie." The clandestine cemeteries are proof of the irreducible reality of Guatemala's genocide.

*Hidden Powers*, written by two staff members of the Washington Office on Latin America (a Washington-based nonprofit human rights advocacy group), recounts how little Guatemala has really changed in the years since Sanford took testimonies from terrorized victims. Although the war ended in 1996 and Guatemala has been nominally ruled by elected civilian governments since 1986, it is the Central American country that has made the least progress in reining in paramilitary killers, subordinating the armed forces to civilian rule, and holding the perpetrators of past abuses to account.

As Peacock and Beltrán describe, senior military and security commanders have never completely surrendered power. Their clandestine network of active and retired officers continues to operate behind the scenes, engaging in criminal activities like drug trafficking and kidnapping, threatening and sometimes killing those who seek to uncover the truth about past abuses. Just as this book went to press, newly elected President Oscar Berger approved an agreement with the United Nations to create an international commission to investigate this shadowy network and its continuing abuse of human rights. Whether Berger has the power and the political will to challenge the clandestine groups remains to be seen.

The collection of essays in *Ajuste hacia la paz* reports on the work of a team of scholars convened under the auspices of the United Nations

Program for Development to examine post-war economic policy in El Salvador. The volume covers a wide range of economic issues and includes a set of policy recommendations to help Salvadorans consolidate the peace achieved by the 1992 accords, adapt their economy to the changing world market, and create a foundation for sustainable development in which the fruits of economic growth are broadly distributed.

The thesis of this report is that stable politics and sustainable economic growth require a policy strategy that deals with the deep social and economic inequalities that have characterized Salvadoran society since long before the war. A chapter by Carlos Acevedo describes El Salvador's political economy during first half of twentieth century and concludes that the war was "simply the culmination of the great socio-economic and political pressures that had been accumulating for decades in Salvadoran society, and that successive authoritarian governments were incapable of dissipating" (53, my translation). By implication, failure to alleviate such pressures in the future would make a stable peace impossible.

Two chapters by Alexander Segovia detail the economic devastation caused by the war, and the neoliberal economic policies of President Alfredo Cristiani's government after the peace accords were signed. Segovia argues that Cristiani's policies were able to generate macro-economic growth largely because of uniquely favorable conditions (the improved business climate created by peace, significant foreign assistance for recovery, and the astounding increase in remittances), but that "progress in the struggle against extreme poverty has been minimal" (100). Indeed, more people were living in extreme poverty (both in absolute numbers and as a percent of the population) in 1993 than during the final years of the war. Most of the remaining chapters examine in detail particular sectors of the economy or related issues, including domestic investment (both public and private), exports and the external sector, the agricultural sector, the financial system, the environment, and income distribution.

The consensus of these authors is that the neoliberal economic policies initiated by Cristiani are inadequate either to address the issue of distribution or to build a stable foundation for growth in the mercurial and unforgiving world market. They argue for a significant shift of resources toward the development of human capital (that is, toward better health and educational services), agrarian reform, the protection of subsistence agricultural producers from external agrobusiness, reduced military spending, and more effective taxation of the wealthy.

It comes as no surprise that, in the years since this report came out in the late 1990s, the conservative Nationalist Republican Alliance (ARENA) governments that succeeded Cristiani have not followed its

advice. Instead, they have stuck with the neoliberal strategy Cristiani pioneered, producing a moderate growth rate of about 2 percent annually since 2000, down from about 3.5 percent in the years before. While not robust, this has been ahead of Latin America's average. ARENA has maintained a positive business climate, enticing a domestic rate of investment only slightly below the Latin American average and doubling Foreign Direct Investment (FDI) since 2000. El Salvador's trade deficit is enormous, but its current account balance is only slightly negative because the trade balance is offset by over \$2 billion in remittances flowing into the country annually.<sup>7</sup> Without those remittances, ARENA's neoliberal model would be in serious difficulty. Moreover, the most striking failure of the government's policy has been its inability to reduce either the inequality of the distribution of income or the poverty rate.<sup>8</sup>

El Salvador is exemplary of Latin America overall: a decade and a half of neoliberal economic policy as prescribed by the "Washington Consensus" has produced modest growth at best and no progress on the alleviation of poverty. The rising tide has not lifted all boats. In South America, the political repercussions of the neoliberal model's under-performance have been manifested in a resurgence of "populist" politics as exemplified by Hugo Chávez in Venezuela, Luiz Inácio Lula da Silva in Brazil, and Néstor Kirchner in Argentina. These leaders represent a new Latin American vision that recognizes the inescapable reality of the global market and the historical failure of state ownership of the economy, but believes the state should act as a counterweight to the market, regulating it, investing in public goods such as health care and education, and defending the interests of the poor majority against unfettered capitalism. The United Nations Development Program (UNDP) study on El Salvador offers a policy roadmap for this post-neoliberal vision, even though El Salvador itself has not yet produced a government of the left to apply it.

As Latin America moves away from the vision of economic development promulgated by the United States and the International Financial Institutions, Washington has largely lost sight of the region. On September 11, 2001, Latin America fell off the radar of U.S. foreign policy. President George W. Bush had promised to put hemispheric relations at the top of his administration's international agenda, but the war on terrorism shifted the attention of the foreign policy establishment to

7. United Nations Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean, 2003–2004*, LC/G.2255-P/1 (Washington, DC: United Nations, 2004): Tables A-2, A-4, A-7.

8. United Nations Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America 2002–2003*, LC/G.2209-P/1 (Washington, DC: United Nations, 2004): 54.

the Middle East and Asia. Central America, once called by U.N. Ambassador Kirkpatrick “The most important place in the world” for the security of the United States, has relapsed into invisibility.<sup>9</sup> Given the history of Washington’s imperial predilections in the region, neglect is arguably an improvement. For now, Central Americans are being left to their own devices to consolidate democratic institutions and to find a viable development model on their own terms. When Washington next turns its gaze to the region, it may be surprised to discover that the historic dependence of Central American countries has been replaced by a new ability and resolve to manage their own affairs.

9. Al Kamen, “Reagan-Era Zeal for Central America Fades,” *Washington Post*, October 16, 1990.