

10-9-1992

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Recommended Citation

Tyroler, Deborah. "Excerpts: "a Faustian Bargain"." (1992). <https://digitalrepository.unm.edu/noticen/7810>

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Excerpts: "a Faustian Bargain"

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Category/Department: General

Published: Friday, October 9, 1992

In September 1992, Westview Press issued a press release announcing publication of "A Faustian Bargain: U.S. Intervention in the Nicaraguan Elections and American Foreign Policy in the Post-Cold War Era." The book's author, William I. Robinson, is an LADB news analyst. The book is the product of more than three years of research and draws on an extensive array of confidential documents as well as interviews with representatives from US and foreign government agencies, private organizations, and anti-Sandinista groups in Nicaragua. These and other materials are referenced at length in over 100 pages of footnotes and appendices. Following are excerpts from Westview's press release: "A Faustian Bargain shows that, in spite of repeated denials and assurances, the Bush administration orchestrated a massive undercover operation which provided support for the opposition in the 1990 Nicaraguan election. The incidents and issues explored in the book include: * The Bush administration planned and coordinated the formation of the anti-Sandinista coalition, using financial pressure and threats to bring the splinter parties into line. * Secret financing and support for La Prensa which was sent through third-country channels. * Details of CIA programs which were conducted during the elections and other clandestine activities by government, quasi-governmental agencies, and private groups in violation of US laws. * Money laundering done through Miami for the anti-Sandinista front and the subsequent embezzlement by the Nicaraguans of part of those funds. * The role of the President's son, Jeb Bush, in coordinating fund-raising and providing free office space for the opposition in Miami. Use of his position in a now defunct Florida Savings and Loan to provide material support for opposition efforts. * Violation of congressional stipulations and its own charter by the National Endowment for Democracy (NED). * Secret communications and joint programs with other Latin American countries with the objective of influencing the election. * The role of prominent American conservatives, including members of President Bush's family and staff, in secret fund-raising activities. One fund-raising event featured Donald Trump, Jeanne Kirkpatrick, and Sofia Casey. * Involvement of several Iran-Contra figures in the fund-raising operation. * Details of private meetings and planning sessions between US Embassy personnel and opposition forces. The Nicaraguan election of 1990 was presented to the American public as an opportunity for the Nicaraguan people to decide their own future. What was not revealed at the time was the willingness of the Bush administration to use any means, legal or illegal, to affect the outcome." As the US administration's recent withdrawal of the nomination of Joseph Sullivan as ambassador to Managua demonstrates (see article in this issue of CAU), the White House is still willing to go to great lengths to hide the true dimensions of its intervention in the electoral process. Indeed, much of the material in "A Faustian Bargain" has a direct bearing on events taking place today in Washington, Managua, and throughout Central America. With a national referendum coming up in Panama, and with crucial elections approaching in El Salvador, many of the same actors, organizations and networks described in the book are once again hard at work. Likewise, many of the key Nicaraguan players whose activities with regard to the elections are described in the book Violeta Chamorro, Antonio Lacayo, Alfredo Cesar, Antonio Ibarra, Pedro Joaquin Chamorro Jr. continue to occupy the headlines today. For those interested in a deeper understanding of how US intervention in electoral and political processes works, or in gaining further insight into current

Nicaraguan struggles such as the suspension of US aid or the crisis of state powers "A Faustian Bargain" is an indispensable resource. Appearing below are excerpts from the book (Note: to conserve space, footnote references have been eliminated): "The US simply ignored the assurances it had given Nicaraguan authorities on not carrying out covert CIA operations. No sooner had the Nicaraguan electoral process opened in April 1989 than the CIA undertook its first of at least three covert operations intended to influence the outcome. The first program involved US\$5 million and was carried out from April to September. The monies went to defray what one intelligence official described as National Opposition Union (UNO) "housekeeping" expenses slush funds for salaries and payoffs to opposition leaders. The administration was able to spend this money "legally" by calling the operation an "infrastructural program." It went, said one intelligence official, for "political infrastructure," not for "campaigning." In early October, Congress had approved the legislation that restricted CIA actions inside Nicaragua's borders. "Covert activities would undermine the integrity of the upcoming elections," beamed Rep. Joe Moakley (D-MA), who as chair of the Rules Committee had been instrumental in drafting the restrictions. Moakley said he was pleased with the assurances he had received from the administration that no such activities would be undertaken. Yet days later, President Bush signed a finding authorizing the expenditure of US\$6 million for the second CIA program. These funds were spent between October 1989 and the February 1990 voting. So as to make the second program legal, it was titled "regional programming," and it proposed numerous anti-Sandinista covert actions outside Nicaragua. Among the aspects of the regional programming were: * A secret political training program in Costa Rica for UNO leaders. Latin Americans organized into the Center for Democratic Consultation (Centro para la Asesoría Democrática, CAD) did most of the actual training. * Payments to journalists and news outlets in Europe known for their anti-Sandinista sentiments to travel to Nicaragua and write on the elections or to publish articles from Europe that would reinforce the US positions. * Financing special programs on Radio Impacto, the contra radio station that the CIA had set up years earlier in Costa Rica for the purpose of transmitting anti-Sandinista programming into Nicaragua. In accordance with the language game, Radio Impacto was prohibited from using these funds to directly interview UNO candidates. * Support programs for the contras in Honduras and Costa Rica, including programs to train contras to carry out armed electoral propaganda inside Nicaragua. (...) In addition to this US\$11 million, some of the CIA contingency funds going to the contra offices in Miami and Washington were also redirected to civic opposition activities and the cultivation of so-called agents of influence for the electoral process. The return of contra political leaders to Nicaragua had to be financed and loyalties cemented. As part of this effort, the CIA ran a special covert operation, known as the Nicaraguan Exile Relocation Program (NERP) that paid some US\$600,000 to about 100 contra political leaders and organizers to return to Nicaragua. At least eleven of the contras funded by the NERP became candidates in the February elections. The State Department played an active role in the return process. The hard-liners there who had resisted the shift in US policy had cleared out together with the departure of Elliot Abrams. State Department officials shifted their contra support from the military diehards to those more politically savvy who would be able to take up the reigns of the civic struggle inside Nicaragua. In February 1989, the State Department reduced its monthly payments to the contras' US offices from US\$800,000 to US\$400,000 and then several months later suspended the stipend altogether. Between February and July, State Department officials held a series of meetings with contra representatives from the Miami and Washington offices to work out the restructuring. The attenders, among them longtime contra leader Adolfo Calero, and the contras' US spokesperson Bosco Matamoros, were told that the US offices would be permanently closed by the beginning of the electoral campaign and that

the politicians should return to Managua. Leadership of contra troops, which had an important role to play in the elections, would be passed to the field commanders in Honduras. "The State Department has betrayed us," charged a furious Calero. In the first half of 1989, dozens of high-level contras returned to Managua to assume positions of leadership in the UNO campaign, including industrialist Alfonso Robelo, who had spent many years as a director of different contra groups. Robelo had close political and business ties to Costa Rican governing circles, including Oscar Arias. After the UNO victory, Robelo was appointed ambassador to Costa Rica. Social Christian leader Azucena Ferrey and Pedro Joaquin Chamorro, Jr., both former contra Directorate members, also returned. Others who made the conversion from involvement with the contras to involvement with the UNO electoral campaign included Alfredo Cesar, Antonio Ibarra, Ernesto Palazio and Carlos Hurtado. (...) Another group based in Costa Rica was the Center for Electoral Assistance and Promotion (Centro de Asistencia y Promocion Electoral, CAPEL). This organization dates back to 1982, when deputy secretary of state for Latin America Thomas Enders met with Central American foreign ministers in San Jose to form a regional anti-Sandinista diplomatic bloc. Among the agenda items of the meetings was the creation of an outlet that could coordinate "technical assistance" for electoral processes in Central America and the Caribbean. CAPEL was constituted shortly afterward with a US\$3.1 million grant from the US Agency for International Development (AID). In 1984, CAPEL became part of another organization formed at the behest of US policymakers, the Central American Human Rights Institute. Between 1984 and 1988, CAPEL provided assistance for elections in El Salvador, Guatemala, Haiti, and elsewhere in the region. US officials presented CAPEL as an independent Latin American organization, and US electoral programs in those countries where it operated were passed off publicly as Latin American initiatives. AID representatives told journalists that the Central American Human Rights Institute belonged to the Organization of American States (OAS). In reality, the institute had nothing to do politically or organizationally with the OAS, which had its own Inter American Human Rights Commission. In this way, CAPEL gained prestige, while its connections were kept concealed. The organization's board members were drawn from the same incestuous interlocking directorates and included Bruce McColm of Freedom House; F. Clifton White, from several NED grantees [including the National Republican Institute for International Affairs (NRI), the Center for Democracy (CFD), and the International Foundation for Electoral Systems (IFES)]; and Richard Scammon (Freedom House, IFES, and the CFD). During the 1987 Haitian elections, which ended in bloodshed and were canceled, the US ambassador to Haiti stressed that the different NED groups should stay behind CAPEL "cover" to minimize the appearance of US interference in the voting. CAPEL provided similar cover for US interference in the Nicaraguan elections. As the Nicaraguan process opened, CAPEL offered its services to electoral authorities in Managua and signed a technical assistance agreement with the Supreme Electoral Council (Consejo Supremo Electoral, CSE) in June 1989 to help administer US \$150,000 in Swiss and Canadian assistance. Nicaraguan authorities knew little about the CAPEL-US connection, and CAPEL did contribute expertise on registration and voter identification methods, among other technical aspects. Parallel to this public and visible activity, however, CAPEL also provided a channel for US operatives to become involved in the electoral process. AID allocated US \$500,000 for CAPEL activities in Nicaragua. CAPEL developed its program in close coordination with the International Federation for Electoral Systems (IFES), a National Endowment for Democracy- (NED) affiliated group that had created Via Civica and organized "voter registration drives" inside Nicaragua. CAPEL organized its own electoral teams, which helped Via Civica-IFES in their campaigns and which trained UNO personnel in electoral activities. Among those recruited to make up the CAPEL teams were people working closely with the US. Among those who became involved

in UNO support through CAPEL cover was Sonia Picado, a Costa Rican economics professor and official from CAPEL's Central American Human Rights Institute. Picado became an advisor to Francisco Mayorga, UNO spokesperson for economic issues who went on to become Central Bank president after the elections, and to Antonio Lacayo. (...) Meanwhile, the NRI had set up other regional structures to contribute to the "multisectoral support" for the Nicaraguan opposition. In 1987, the NRI had founded the Central American Training Academy with NED funds. With local training centers in each Central American capital, this network was to give political training to leaders of local conservative parties and civic groups that had developed relations with the US Republican Party. Each party set up a training institute similar to the Association for the Defense of Freedom and Democracy in Costa Rica. These included the National Party in Honduras (which won the 1989 elections), in Costa Rica the United Social Christian Party (PUSC, which won the 1989 elections in that country), the Solidarity Action Movement (MAS) in Guatemala, and the Nicaraguan Conservative Party. The training institutes set up were the Academy for Liberty and Justice of Guatemala, the Center for Social, Economic, and Political Studies of Honduras, and the Conservative Institute in Nicaragua. In 1988-1989, the NRI received US\$226,000 to consolidate the regional academy. Given this regional structure, the NRI found it easy to channel support to the UNO. In one of many examples, the NRI opened a bank account in Miami under the name of one of the Central American academy groups, the Centro de Estudios Economicos, Politicos y Sociales. At the same time, it opened up another account for the Institute for Electoral Promotion and Training (Instituto para la Promocion y Capacitacion Electoral, IPCE) and juggled funds between the two accounts throughout the fall of 1989 and early 1990. In this way, the NRI could fill UNO's coffers with monies appropriated or raised for the programs in other Central American countries. (...) In the post-Esquipulas shift to the internal political track, Washington turned its attention to bolstering the media outlets of the internal opposition. The NED created a Nicaraguan independent media program and put Delphi in charge of it. This project involved a huge expansion of both funding and direct political guidance for the creation and expansion of the opposition media, including La Prensa and several radio stations. La Prensa received almost US\$1 million from the NED from 1987 to the elections for newsprint, salaries, supplies, and wire service contracts. In addition, the NED helped set up clandestine structures and third-party conduits in three offshore centers San Jose (Costa Rica), Caracas (Venezuela), and Miami (Florida). Of these, the Caracas connection was the most interesting and the most clandestine. It involved four-way coordination among the CIA, La Prensa, Venezuelan groups, and the NED, which played the lead role in organizing the overall operation. Details of this arrangement were worked out in February 1989 when Violeta Chamorro traveled to Caracas to attend the inauguration of Carlos Andres Perez. (...) In 1988, Delphi, already in charge of the overall Nicaragua media project, launched its Independent Radio Project with the objective of equipping and advising the opposition radios. The project was begun with initial grants from the NED totaling US\$150,000. "The months leading up to the elections will be crucial ones for Nicaragua," stated a Delphi summary of the project. "Many Nicaraguans live in isolation from the political life of their country, though their ability to feed and clothe their families and all of their hopes and aspirations for their children depend on what develops in the political arena. With both television stations under government control, radio remains the best means for reaching the masses of Nicaraguans throughout the country." The program funded four radio stations during the campaign: Radio Corporacion, Radio Mundial (in Managua), Radio Dario (in Leon), and Radio San Cristobal (in Chinandega). This program included training for radio journalists and programmers. Delphi coordinated its youth and women's projects with the radio program. Centro de Formacion

Juvenil (CEFOJ) director Fanor Avendano, for instance, was the liaison between Delphi and Radio Dario and Radio San Cristobal. (...)"

-- End --