

ABSTRACT

Origins of Democracy in Costa Rica and Nicaragua

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An incredible disparity exists between the current political state of affairs in Costa Rica and Nicaragua. Costa Rica is a stable democracy with a high rate of development for its region, while Nicaragua is widely considered to be drifting towards authoritarianism and is one of the poorest countries in the hemisphere. This begs the question: what could possibly account for this divide? After all, Costa Rica and Nicaragua share many aspects of culture and geography. Although the broadness of this question means that innumerable answers could be given, this thesis will attempt to demonstrate that a single factor primarily accounts for these differences: the contrasting outcomes of the “Liberal Reform” period (1821-1909) for the two nations. While Costa Rica began pursuing reforms early and gradually, and was largely free from foreign intervention, Nicaragua was repeatedly stymied in its efforts to modernize, both by internal strife and interference from the United States.

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ORIGINS OF DEMOCRACY IN COSTA RICA AND NICARAGUA

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CHAPTER ONE

An Introduction to Costa Rica, Nicaragua, and Their Shared History

To varying extents, all of Latin America exists as cultural and political successors to colonizing European empires. In particular, Spanish exploitation and institutions such as the delineation of class based on race, the usage of viceroalties to ensure direct control from the Spanish capital, and importation of slave labor permeated to varying degrees throughout their territory in the New World. This legacy in some respects defines Spanish-speaking Latin America, and helps to explain why its history has been so distinct from that of the former British, French, and Dutch colonies. Despite this shared background, however, a wide disparity exists between those countries which have most successfully developed their economies and established stable governments, and those which have not.

Two Central American countries which profoundly demonstrate this contrast are Costa Rica and Nicaragua. I personally became interested in Costa Rica, and Central America as a whole, after visiting the country for three months in 2014. Costa Rica's natural beauty, rich history, and status as a "success story" in Latin America make it a fascinating study. I chose Nicaragua as a comparison because, despite sharing a border and many aspects of culture and heritage, the political situations of the two countries almost could not be more different. This thesis will endeavor, through examining the histories of Costa Rica and Nicaragua during both the colonial period and the decades

following independence, to explain why the two countries have followed such different developmental paths, and to show the lessons that we can learn from this today.

First discovered by Spain in 1502, during the colonial period Costa Rica was perennially considered to be one of Spain's poorest overseas possessions (Rankin 19). The reasons for this are several. Costa Rica had an indigenous population that was both small and resistant to control, leading to a comparative lack of free labor (6). Additionally, it possessed little mineral wealth, making it less attractive for settlers (19). Nevertheless, in 1565 it was organized as a separate province by the Spanish crown, and when the short-lived Federal Republic of Central America began to break apart in 1838, Costa Rica declared its status as a fully-independent state (xv).

For decades to follow, Costa Rica was governed by a series of strongmen who intermittently used limited elections to justify their rule. Several of these *caudillos*—particularly Braulio Carrillo (1835-1837 and 1838-1842) and Tomás Guardia (1870-1882)—pursued reforms during their tenure that modernized government and liberalized the economy. Decades of peace were finally interrupted in 1948, when Rafael Ángel Calderón, backed by communists, attempted to ascend to the Presidency by having his allies in Congress annul a contested election (Rankin 109). A revolution led by José Figueres broke out in response, and was successful in driving Calderón into exile. As provisional President from 1948-1949, Figueres took the unprecedented step of abolishing the Costa Rican military (114). In a region as prone to chaos and violence as Central America, this might have seemed like an invitation for disaster. In reality, however, Costa Rica weathered the turbulence of the Cold War and the economic disaster

of the 1970's without ever experiencing an interruption in democracy, a feat none of its neighbors in Central America can claim.

The end result of this stable governance (amid other factors) is that Costa Rica has emerged as a success story not only for Central America, but for Latin America as a whole. In a region often marred by low access to education, Costa Rica enjoys a ninety-five percent literacy rate. It has been ranked by international agencies as one of the safest countries in Latin America (Sada 11). It also enjoys one of the highest life expectancies in the region (Kline et. al 13). In 2000, it was even rated by the World Health Organization as having a healthcare system superior to the U.S. (Sada 11).

Nicaragua, unfortunately, has followed a different trajectory. Also discovered in 1502, Nicaragua was settled in a far more systematic manner than Costa Rica; a native population numbering over a million was reduced to only tens of thousands by a flood of Spanish immigration (Walker & Wade 9). Another key distinction in the early histories of Nicaragua and Costa Rica can be seen in their overall involvement in Central American affairs. Costa Rica, due to its mountainous terrain, was somewhat geographically isolated; Nicaragua, on the other hand, played a central role in Central American politics, both during Spanish rule as well as the short-lived Federal Republic of Central America. In 1838, Nicaragua followed its neighbors in declaring its independence from the Federal Republic (11).

However, whereas Costa Rica enjoyed relative stability throughout the latter half of the nineteenth century, Nicaragua remained mired in civil war in the years following the breakup of the Federal Republic of Central America. The conflict was marked by a struggle for dominance between the cities of León, which fought for political

conservatism, and Granada, which was allied with political liberals (Harrison 40). This state of violence persisted for decades; Nicaraguan historian José Dolores Gámez Guzmán later wrote, "...after thirty years of war, the same bloodthirstiness and the same human cruelty existed as at the outset" (40). In 1855, events allowed an American named William Walker to take advantage of the situation. When the conservative Nicaraguan faction rigged an election in 1854, the liberals formed a separate government and broke out in yet another in a long series of revolts. Walker had already acquired a reputation as a military adventurer during a failed attempt to conquer part of Mexico; the liberals were sufficiently desperate for manpower that when an intermediary offered to negotiate a contract for his services, they accepted. Walker sailed from San Francisco on May 3rd, 1855. Shortly after his arrival, the chief executive and commanding general of the Liberal faction were both killed. Taking advantage of the power vacuum, within four months Walker had effectively seized control of the country. Although the legitimacy of Walker's government was briefly recognized by the United States, he was deposed in 1857 by a coalition of other Central American states. The damage wrought by Walker's filibuster to Nicaragua was significant. Particularly devastated by Walker's incursion was the city of Granada, which was burned by Walker's forces after it became clear that it would fall to his opponents (Burns 93). Moreover, Walker marked the beginning of a pattern of American intervention in Nicaragua which came to a head in 1909, when the liberal Nicaraguan president José Santos Zelaya was deposed in favor of pro-American elements. American troops would not leave Nicaragua until 1933 (Walker & Wade 22).

In 1937, control of the Nicaraguan presidency was seized by Anastasio Somoza, inaugurating over forty years of repressive, hereditary dictatorship. During this time, the

Somoza family would eventually come to possess over twenty-five percent of the nation's assets (Foster 226). When Somoza was assassinated in 1956, his eldest son Luis assumed power; and then, when Luis died of a heart attack in 1963, his younger brother Anastasio took his place. In 1979, Anastasio Somoza was finally deposed in favor of the socialist Sandinista National Liberation Front (FSLN), but this did not represent an end to Nicaragua's troubles. The FSLN soon faced a revolution led by the Contras, a guerrilla movement led in part by former military officials who remained loyal to the Somoza regime (Pavelec 99). As part of an effort to contain communism, the U.S. sent considerable military aid to the Contras. Fighting would persist for years during the 1980s, and would claim tens of thousands of lives (Prévost 10). In per capita terms relative to the United States, the equivalent of over a million lives were lost. Although a peace treaty signed in 1987 brought both an end to the conflict and a return to free elections, the dismal outcome of the civil war can be seen in the present day. Nicaragua is currently the second-poorest country in the Western Hemisphere by GDP per capita, ahead of only Haiti ("Nicaragua," 2017). This poverty can partially be explained as a result of the destruction wrought by the war. Moreover, with the elimination of constitutional term limits, Nicaragua could be poised to embark on (and indeed, some would argue is already under) another dictatorship headed by current President Daniel Ortega.

Thus, an incredible disparity exists between the current state of affairs in Costa Rica and Nicaragua. Costa Rica is a stable democracy with a high rate of development for its region, while Nicaragua is widely considered to be drifting towards authoritarianism and is one of the poorest countries in the hemisphere. This begs the question: what could

possibly account for this divide? After all, Costa Rica and Nicaragua share many aspects of culture and geography. Although the broadness of this question means that innumerable answers could be given, this thesis will attempt to demonstrate that a single factor primarily accounts for these differences: the contrasting outcomes of the Liberal Reform period (1821-1909) for the two nations. While Costa Rica began pursuing reforms early and gradually, and was largely free from foreign intervention, Nicaragua was repeatedly stymied in its efforts to modernize, both by internal strife and interference from the United States. Understanding how Costa Rica was able to plant the seeds of democracy during the Liberal Reform period, and how Nicaragua was prevented from doing so, will help to explain the roots of their successes and failures even up to the present.

We will begin our analysis of the Costa Rican Liberal Reform period with the years immediately following the breakup of the Federal Republic of Central America in 1838; however, in order to do that, we must first explain the context of what that state was, and why it collapsed. In the early nineteenth century, the Spanish Empire began to fall apart. The collapse arguably began in earnest with the defeat of the Spanish navy at the Battle of Trafalgar in 1805. The capture of so many of the Empire's finest warships severely limited its ability to defend its overseas possessions (Slape et al., 152). Further damage was dealt by a series of British invasions of the Río de la Plata in South America. Although the British were repulsed, the success of local militias during the conflict (and the impotence of Spanish Imperial forces) helped to enflame revolutionary sentiment and hastened the Empire's end ("Buenos Aires Celebrates Routing of British Invasion," 2006). Finally, the Empire was critically wounded by Napoleon's invasion of the Spanish

peninsula in 1808, and the years of war that took place after he placed his brother Joseph on the Spanish throne (Slape et al. 4). Thus, when the provinces of Guatemala, Nicaragua, Honduras, El Salvador, and Costa Rica collectively declared independence in 1821, there was little the Empire could do to oppose them. Referring to itself as the Federal Republic of Central America, the state formed by their union lasted only two years before being absorbed into the First Mexican Empire, headed by Agustín de Iturbide; when that government collapsed in 1823, the Republic took the opportunity to re-assert its independence (Foster 136).

The decision to break away from Mexico was not a unanimous one. Several internal wars broke out during this period between conservatives, who tended to prefer remaining a part of Mexico, and liberals, who wanted to break away and create a more progressive government. Costa Rica suffered through a wave of turmoil beginning in 1823, with the city of San José favoring independence and the cities of Cartago and Heredia favoring imperial control (Karnes 31). Several battles were fought; although they were indecisive, news reached Costa Rica during this time that the Mexican people had revolted against Iturbide, which brought an end to the conflict. The capital was then moved to San Jose, and Costa Rica declared its independence both from Mexico and from all Central American governments, reserving the right to federate at a later date if they so chose (Rankin 21). Although Costa Rica ultimately did decide to rejoin the Federal Republic, this display was a demonstration of an isolationist tendency that would serve Costa Rica well in the years to follow. Nicaragua also broke out into conflict during this time, in what Thomas Karnes described as “the bitterest struggle” of the period (29). The fight escalated to such a degree that the city of Granada attempted to secede. The

struggle ultimately ended with a return to the antebellum state of affairs, but it marked the beginning of a set of irreconcilable differences between Nicaraguan elites that would prove incredibly bloody.

Indeed, it was only a few years later that war broke out again in Nicaragua. In the wake of the reformation of the Federal Republic in 1823, each individual country began to reorganize its own government to better coexist with the new federal system (Karnes 46). In a confusing series of events that consisted of “issues and sides [that were] badly confounded,” this triggered a new Nicaraguan civil war in 1825 (47). Conservatives, who were identified primarily with the city of Granada, made war against the ruling liberal government, which was identified with León. This struggle was bloodier still than the previous one; hundreds were killed in the conflict, and massive damage was caused to Nicaraguan property and businesses (47). Ultimately, intervention by El Salvadoran troops was necessary to quell the fighting. In the chaos, the valuable province of Nicoya (today known as Guanacaste) took the opportunity to defect to Costa Rica (48). This region proved to be extremely profitable to Costa Rica, and marked an instance where Costa Rica benefited directly from Nicaragua’s inability to reconcile the competing forces inside it.

In 1824, after the Federal Republic was reformed by an agreement of all five Central American states, a constitution was ratified. It was extremely liberal for its time. Among its provisions were the establishment of popular elections for the chief executive and the legislature, an extensive list of guaranteed rights which included freedom of the press and protections for prisoners, and a strictly delineated separation of powers (Karnes 51). However, actual implementation of these and other reforms was limited under the

Republic's first president, Manuel José Arce (Rankin 42). Although he ran for the Presidency as a liberal, Arce quickly changed his philosophy for reasons of political expediency. Meanwhile, small-scale civil wars continued to flare up in Nicaragua, and the economic state of the Republic declined severely as foreign trade dried up. Matters came to a head when Arce attempted to depose the liberal governments of the individual countries comprising the Republic. They resisted, kicking off a region-wide three-year civil war (1826-29) which was massively damaging.

Under the leadership of the Honduran general Francisco Morazán, the liberals ultimately triumphed in the civil war ("Francisco Morazán," 1996). But even this victory did not bring a respite from conflict. Rebellions broke out in Honduras and Nicaragua, and conditions worsened so severely that Costa Rica left the Republic from 1829 to 1831 out of fear that they would be swept up in the chaos (Karnes 74). During the following years, Costa Rica often agitated for the Federal Republic to be reconstituted as a weaker, more federated polity, as part of an effort to lower expectations for assistance from the other states. This provides yet another demonstration of Costa Rica's willingness to withdraw from Central American affairs for reasons of self-preservation. It was into this period of crisis that Francisco Morazán fully asserted himself. In 1830, he successfully pursued election to the Presidency of the Federal Republic.

Unlike Arce, Morazán actively pursued liberal policies. A strong personality, Morazán's presidency was marked by attempts to mold the Federal Republic into a progressive democracy modeled on European styles of governance. Most particularly, he unsuccessfully attempted to implement a universal education system during his tenure (Karnes 74). Although often retrospectively considered a visionary, conservative

rebellions continued during his time in power, even more violent than those that came before. A rebellion broke out in Honduras that necessitated his personal intervention, and Nicaragua (yet again) devolved to a state of chaos. Thus, the Republic was kept in an almost continual state of war. It was not long before many within the Republic began to call for its dissolution. These calls were intensified when Guatemala, arguably the most powerful member state of the Federal Republic, experienced a conservative popular uprising in 1838 which successfully toppled its government (Karnes 82).

Perhaps unsurprisingly, it was Costa Rica which took the first step towards the end of the pan-Central American Federal Republic. In 1838, the Costa Rican government issued a statement to the effect that “it was apparent that the Central Americans had never ‘consolidated themselves’” (Karnes 84). This declaration pointed out the reality facing the five Central American states: that the federal government increasingly ceased to exist. Later that same year, Costa Rica underwent one of its comparatively infrequent rebellions, but this one proved to be particularly significant. The *jefe* of the revolutionaries, Braulio Carrillo, successfully seized power. Among his first actions as Head of State was to formally secede from the Federal Republic (86). In July of 1838, the federal congress recognized reality. It declared the constituent nations of Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica to be fully independent, formally dissolving the Federal Republic of Central America.

The Federal Republic’s relatively short existence from 1823-1838 was dominated by violence and civil war. The lack of agreement amongst its elites as to what the principles of the Republic should be, or whether there should even be a pan-Central American government, made armed conflict all but inevitable. However, not even the

breakup of the Federal Republic brought an end to civil war. Much of the isthmus remained mired in conflict for years, both during and after the Republic's end. Generally speaking, there was an exception to the violence that marked this period, however: Costa Rica. For the most part, other than a few civil wars which were small in size and short in duration, Costa Rica almost completely avoided the violence that plagued the region. This was true both during their time as members of the Republic and afterwards. An analysis of how Costa Rican politicians and diplomats managed this feat will help us understand why conditions were ripe for reform in the latter half of the nineteenth century.

When the Federal Republic was first formed in 1823, there was widespread support in Costa Rica for the idea, despite earlier attempts by its leaders to preserve their ability to opt out of a federal republic (Bancroft 178). Liberals were already the dominant faction in Costa Rica, and the Republic was viewed as an opportunity to unite the whole region under a progressive government (Mahoney 81). Quickly, however, Costa Rican officials discerned that the Republic would be fractious and unstable. Within the first few years of the Republic's formation, Costa Rica pursued a strategy of deliberate non-involvement. This was made possible by, among other factors, Costa Rica's geographic isolation and low population, which tended to make them a secondary concern during conflicts.

The success of Costa Rica's isolationist policy can be statistically observed. During the period from 1824-1842, El Salvador's military death toll (which says nothing regarding civilians, or soldiers wounded or maimed) numbered in the thousands. Costa Rica, meanwhile, lost less than two hundred men in the fighting, a more than fifteen-fold

reduction (Karnes 94). And while Costa Rica saw eleven chief executives come and go, El Salvador and Nicaragua cycled through twenty-three and eighteen *caudillos* respectively in the chaos that pervaded that stretch of time. The fact that so few Costa Rican executives were toppled via civil war and that it avoided being invaded even once further sets Costa Rica apart from its neighbors.

Meanwhile, Nicaragua's inability to extricate itself from the fighting is evident when one reads the historical accounts. Nicaragua was the site of many battles, and its constant turmoil meant that at many junctures the nation devolved into what Karnes referred to as a state of "frightful anarchy" (73). This violence may be seen as disastrous on two levels. Firstly, it caused damage in the moment that it was taking place; but secondly, it also served to retard future growth, by preventing Nicaragua from investing its future. The devastation wrought in Nicaragua both during the Federal Republic and after its collapse is a partial explanation for its current state *vis a vis* Costa Rica.

CHAPTER TWO

Reform vs. Anarchy

Although relatively brief in duration, the significance of Braulio Carrillo's administration (1835-1837 and 1838-1842) to the history of Costa Rica cannot be stressed enough. Before Carrillo, the Costa Rican government operated in a patrimonial and mercantilist manner, similar to many other Latin American nations at the time. It was Carrillo who pursued a "night-watchman" approach to governance, in which the state less actively involved itself in private affairs, and sought primarily to make sure that contracts and regulations were enforced. It was this attitude which gave Costa Rica the freedom that was arguably necessary for it to become such a successful coffee exporter (Mahoney 147). So critical is he to the development of Costa Rica that some have even referred to him as "the architect of the [Costa Rican] state" (147). By examining the specific reforms that he implemented, we will have a better understanding of why the political and economic climate of Costa Rica was so conducive to growth.

Some of the most significant reforms pursued by Carrillo involved the re-organizing of the federal government. The "Law of Foundations and Guarantees," implemented in 1841 (toward the end of his administration), is one of the most significant of those (Rankin 40). Its principle objectives were to reorganize the territories administered by the departments of Costa Rica and to create a new hierarchy of government officials. In effect, however, the law created a centralized bureaucracy that was capable of guaranteeing the enforcement of contracts and the protection of civilians'

lives. Carrillo also began the process of privatizing idle government land, which would be incredibly significant in stimulating agriculture, and is credited with reducing corruption in the national government. Policies such as these were instrumental in Costa Rica's development into one of the first coffee-export economies.

Carrillo also played an instrumental role in reforming Costa Rica's state-run monopolies. One key example of this would be alcohol. The manufacture of alcohol was of critical significance to the Costa Rican state in the early nineteenth century, because the government received massive amounts of revenue from its sale. However, during the end of Carrillo's first term and the beginning of his second, Costa Rica was faced with a problem: namely, that profits had been sharply declining for several years (Obregón 88). Carrillo implemented several changes to remedy the situation. One was that he completely restructured the existing organization of the country's alcohol business. Previously, there had been nineteen districts (referred to as *estanquillos*), with a different state-run factory responsible for each one. After Carrillo's changes, the number of *estanquillos* was raised to fifty-eight, with a corresponding increase in the number of factories permitted to operate in Costa Rica. (89). These reforms were dramatically successful, with the result that by 1842, net profit from the sale of alcohol had increased by over 50 percent (89). This is significant for two reasons. Firstly, the dramatic increase in the number of alcohol factories may be viewed as a de-centralization of the state's monopoly, and as an early step towards a more liberal economy. Secondly, an examination of the businessmen given permits to operate state-owned factories (and thus share in the profits) reveals that many of the recipients had been known enemies of Carrillo's regime during the previous civil war (88). As a matter of fact, many continued

to oppose Carrillo throughout his time in office. The fact that Carrillo still awarded them such generous contracts was, in part, an attempt to buy their cooperation. However, it also represents a manifestation of Carrillo's general avoidance of using government as a weapon. This governing philosophy helped to shape Costa Rica into a stable, liberal democracy.

Another reform carried out by Carrillo—perhaps the most important of his tenure as President—was the reorganization of Costa Rica's military. Basically, what Carrillo set out to accomplish was the modernization of Costa Rica's security apparatus. He did this through means such as reforming the country's militia, expanding rural police forces, and establishing (for the first time) an urban police force in San José (Rankin 41). Critically, however, Carrillo did not allow the Costa Rican state to become militarized. Contrary to elsewhere in Central America, Carrillo did not create a permanent, standing army. As a matter of fact, he actively reduced in size or eliminated many of the standing military forces in the country. It is estimated that the Costa Rican military numbered less than five hundred men at during his presidency (Mahoney 147). The immediate result of this was that only a small percentage (estimated to be around ten percent) of the Costa Rican national budget was spent on military upkeep (154). This decision had several significant long-term effects. It prevented military leaders from acquiring too much power, and caused political authority to lie more with civilian leaders. It also meant that the state did not have as much coercive power as it might otherwise have had, which contributed to a more gradual rate of change than was seen in several other Central American states.

In the end, Carrillo's success in modernizing and reforming Costa Rica did not prevent him from meeting the fate of so many other *caudillos* from this period. In a somewhat strange turn of events, the man who would ultimately orchestrate a coup against him was not even from Costa Rica. In 1840, Francisco Morazán, former head of the Federal Republic of Central America, was forced into exile (Karnes 88). Not content with living out his life as a private citizen, in 1842 he orchestrated an invasion of Costa Rica (89). At that time, Carrillo's popularity was in a state of decline because of changes he had made to the Costa Rican constitution to give himself more power. Morazán was able to capitalize on this by coming to an agreement with the Costa Rican military. Morazán became president of Costa Rica, and Carrillo was driven into exile, where he was later killed. Morazán ultimately fared no better; he had been planning on using Costa Rica as a springboard to reassert control over the rest of Central America, but when this became publicly known, a counter-revolution was launched (89). After only one battle in 1842, Morazán was captured and executed.

The decades following Carrillo's time in office would be characterized by a series of weak presidents, many of whom left office as a result of coups or military revolts. These presidents often acted as agents of a select group of wealthy families, who used the government to weaken competition and enrich themselves. However, although Carrillo's tenure did not immediately bring political stability, the reforms he implemented unquestionably helped to modernize Costa Rica. Although Carrillo may or may not have consciously intended it, he also helped Costa Rica progress towards a state in which civilians could peacefully administer power. The next great continuation of the path that Carrillo started would take place under Tomás Guardia, almost thirty years later.

In the late 1860's, Costa Rica was governed by Jesús Jiménez, a conservative who largely operated on behalf of wealthy business owners (Rankin 66). Despite Carrillo's reforms decades earlier, the military still played an influential role in politics; for this reason, when Jiménez began to fear that a conspiracy was forming against him, he completely reorganized the military, even going so far as to remove some of Costa Rica's most senior generals. As a result, when a rival faction of wealthy plantation owners began to organize a coup, they were forced to turn to an independent general named Tomás Guardia who owed them no particular allegiance. In 1870, Guardia successfully led the revolt, but refused to share power with any of his co-conspirators (67). He instead arranged for the presidency to be assumed by Bruno Carranza, a third party; then, just a few months later, he deposed Carranza as well, and became the first Costa Rican president ever to directly seize power.

Although few probably imagined it at the time, Tomás Guardia's presidency represented a watershed moment in Costa Rican history. His twelve years in power brought about innumerable reforms that affected almost every facet of life in Costa Rica. He also brought an end to the power struggles between rival families that had dominated the previous few decades. In no small way, he set the stage for Costa Rica's remarkable economic success and political stability in the twenty-first century.

Perhaps the most consequential series of reforms made by Guardia was the modernization and professionalization of the country's military. As mentioned previously, the percentage of the national budget allocated to Costa Rica's military had traditionally been comparatively low. Although this had proved beneficial in many respects, it had also caused morale to be perennially poor, and meant that corruption was

endemic (Rankin 66). Guardia responded to these problems through several means. He first significantly raised military funding. This allowed his administration to build new training facilities and increase officer salaries, which in turn attracted a higher caliber of applicants for military positions. He then hired Prussian officers and substantially changed the codes governing military conduct (Mahoney 154). Finally, Guardia completely restructured the military's leadership, as part of an overall effort to break the influence held by Costa Rica's elite families on the military. Together, these reforms helped to change the Costa Rican military into a truly professional fighting force. They also served to effectively "depoliticize" the military. Previously, the military had been a tool that was frequently co-opted for usage in internal attempts to seize power. In the future, however, it would increasingly be an autonomous organization focused solely on protecting Costa Rica from external threats (Rankin 67). Additionally, because morale had been restored and revolts were less of a threat, the military's budget could safely be reduced in the years following Guardia's tenure, allowing more funding to be allocated for areas such as education (69).

Tomás Guardia also massively expanded the civil service apparatus of Costa Rica. This can partially be attributed to the simple fact that Guardia both held on to power longer and dominated Costa Rican politics more completely than any of his predecessors. As a result, the bureaucracy was able to expand in a stable environment, free from the political turmoil that had dominated the previous few decades. However, Guardia also consciously broadened the Costa Rican civil service as part of an effort to solidify his power base. The results are obvious when one examines the statistics. Over the course of Guardia's twelve years in power, state revenues increased by a staggering three hundred

percent (Rankin 69). These funds were then used for several incredibly significant projects.

The first of these was that Guardia dramatically increased the number of workers on the federal government's payroll. In 1875, five years after Guardia's ascension to the presidency, only 1,683 workers were employed by the government (Vega 273). By 1882, the last year of his presidency, that number had swelled to 2,310, an increase of over thirty-five percent. This is significant because it allowed the government to play a larger role in Costa Rican society, and helped make Guardia's other major projects more feasible. Additionally, many of Costa Rica's most important public institutions trace their origins to Guardia's tenure, including "el Archivo Nacional, la Biblioteca Nacional, el Instituto Físico Geográfico, [y] el Museo Nacional" ("Tomás Guardia y el destino nacional," 2017).

Another was that Guardia oversaw public works projects which were sweeping in scope and variety. Among them were infrastructure expansions, such as the construction of ports and pavement of city streets, and construction and modernization of government buildings, such as jails, schools, barracks, and municipal buildings for new city halls. Public utilities were also improved during this time, with many cities, such as San Jose, first developing their electrical grids under Guardia's administration (Rankin 69). Pavement of streets and availability of plumbing also dramatically increased. Besides the obvious effect of increasing the Costa Rican standard of living, these projects helped to make Costa Rica more capable of participating in international trade.

Finally, significant increases to Costa Rica's education budget were made during Guardia's time in power. He does not deserve all the credit for this development, as his

predecessors had already begun this process. Nevertheless, Guardia was responsible for raising the funding allocated for public education and, as mentioned above, for constructing new schools. In 1861, there were 61 schools in the country, which all together had around five thousand students (Vega 260). By 1875, the fifth year of Guardia's presidency, over forty-five new schools had been created, which together had almost eight thousand students. This meant that the number of schools had increased by seventy-five percent and the number of students by sixty percent.

The investment in Costa Rica's education continued in the decades following Guardia. Education spending continued to rise throughout the remainder of the nineteenth century, with the result that by 1914, the amounts allocated for the military and for education were almost the same (Mahoney 155). This was an incredibly high amount of per-capita spending on education by Central American standards at the time. The results of Guardia's and other Costa Rican leaders' commitment to education is striking. By 1892, twenty years since Guardia died in office, Costa Rica's literacy rate was over thirty percent (155). For comparison's sake, Nicaragua had a literacy rate of less than forty percent as late as 1950 (Roser & Ortiz-Ospina 2018).

Thus, as we have seen, a number of reforms took place in the period from Braulio Carrillo's to Tomás Guardia's presidency. Many of those policies were implemented, not as part of a larger vision, but because they simply seemed like the best options available at the time to the actors involved. Additionally, no single reform made or broke Costa Rica. However, collectively, they put Costa Rica in a position where the transition to a stable, representative democracy could be made more easily.

As mentioned previously, Nicaragua spent many years mired in civil war both during and after the Federal Republic of Central America. Throughout the first half of the nineteenth century, the principal antagonists in these conflicts were the cities of Granada and León, the largest and most prosperous cities in Nicaragua. Although it is a bit of a simplification, the city of Granada was principally aligned with conservative political values, while León was associated with liberal politics. The enmity between these two cities played an incredibly large role in Nicaragua's instability during the 19th century, which itself is arguably a principal factor in Nicaragua's failure to develop into a stable democracy. For this reason, a deeper examination of the nature and origin of the struggle between Granada and León is required.

Determining the true roots of the dominance of Granada and León in Nicaraguan history is difficult. Modern scholarship is intensely divided on the issue (Burns 20). Although most historians would say that Granada and León began both their rise to power and their rivalry with one another during the early colonial period, some have gone so far as to argue that indigenous settlement patterns in the pre-Colombian era are the ultimate cause of the development of the two cities.

Whatever the case may be, by the early nineteenth century, Granada and León were undisputedly the premier Nicaraguan cities in terms of economic and political influence. In 1823, León had a population of 32,000, making it the most populous settlement in the territory (Burns 7). It was the political, educational, and religious center of Nicaragua, having been made the capital of the region by the Spaniards. It was also a commercial powerhouse, dominating both local commerce and trade with other Central American countries. Granada, by comparison, had a population of only 10,233 at that

time, and chafed at León's status as the seat of political influence. While Granada may have been outclassed in other areas by its larger neighbor, it nevertheless held a massive advantage in international trade. Its location on the shores of Lake Nicaragua gave it an excellent point-of-access to the Atlantic Ocean, allowing it to participate in the economic boom brought on by the opening of Central American ports to British investors after independence. San Juan del Norte and San Juan del Sur, two cities within Granada's sphere of influence, would eventually become two of the most significant international ports (20). Controlling these ports conferred an important advantage in collecting customs duties, the primary source of revenue for the Nicaraguan government. By 1852, Granada collected from these two ports an income of over 58,000 pesos. León, meanwhile, collected less than 17,000 pesos from its own port of Realejo. As can be seen, then, Granada's status as a merchant city was central both to its pre-eminence and its ability to compete with León.

Having explained why León and Granada were both such important Nicaraguan cities, the question must therefore be asked: why did the two develop a rivalry that was so bitter and long-lasting? After all, many other nations both in Latin America and elsewhere did not experience such devastating conflicts between their major cities. One important answer is that, for much of Nicaragua's early history, there was effectively no central government. The sheer difficulty of communicating across the mountainous and jungled terrain contributed to this; even as late as 1870, foreign observer Paul Levy noted "The communications are so imperfect that each department is almost obliged to live its own life" (Burns 19). As a matter of fact, that was exactly what had happened over the past century. Most regions in Nicaragua were self-sufficient in terms of food production,

and had far more ties to foreign markets via its own trade links than to other Nicaraguan regions. This created an environment in which polities that were almost city-states could rise to power, and began to vie with each other for influence.

Although the environment was conducive for internal fighting, even this does not definitely explain why urban rivalry reached an intensity and duration not seen in any other Central American state (Burns 21). After all, Costa Rica also struggled with effective governance for many years due to its geography, and it did not devolve into a similar type of instability. One reason that Nicaragua fell victim to civil war was its own demography. Nicaragua grappled for many years with delineating the role of native Spaniards, of creoles, and of mestizos in its society. The city of Granada by 1821 had become a hub for creoles and mestizos, and in some senses had a uniquely strong sense of being “Nicaraguan.” León, meanwhile, as the Spanish capital during the colonial period, had identified principally with Madrid. Given that foreign-born Spaniards dominated the Central American political scene during the seventeenth to early nineteenth centuries, one might have expected that León would trend towards conservatism while Granada, due to its association with creoles and mestizos, would become liberal. In reality, the opposite took place. The explanation that Burns offers for this is that, because Granada’s elite was made up of merchants and landowners who had become wealthy during the prevailing conditions, they felt little need to break with the political and cultural status quo (21). Meanwhile, because of its close ties both with Spain and then Guatemala City during the Federal Republic, León had been much more involved in the collapse and failure of the old order. The damage wrought by this pushed León, collectively, to reject its past and pursue a different political future. These

demographic and political differences, in addition to the drive to fight for control of foreign trade, served as powerful causes for conflict.

Long-standing resentments became inflamed during the move towards Nicaraguan independence. The two cities separately declared their independence from Spain in 1811 (Burns 15). Then, when Spanish authorities arrived the following year, León quickly surrendered, leaving Granada to fight on alone. The rebelling city was quickly subdued, and severely punished for its resistance. León, meanwhile, was rewarded for its quick capitulation. The perceived cowardice of León greatly embittered the Granadans.

Divisions were yet further on display when Central America successfully broke away from the Spanish Empire in 1821. León declared its independence both from Madrid and the regional seat of power, Guatemala City, while Granada remained loyal to Guatemala City (Burns 15). Then, when Emperor Iturbide of Mexico offered to annex the country, León immediately supported the proposal, while Guatemala opposed it for some time before being forced to capitulate. It was the collapse of Mexico's control of the region in 1823 that finally triggered the civil war that had been simmering for decades. Despite the fact that the Federal Republic of Central America was declared in that same year, Nicaragua was not recognized as a member until 1826, simply because it could not be considered to be organized as a unified state.

Although Nicaragua was by no means alone in Central America in experiencing political turbulence during this period, the rest of the isthmus saw the rise of *caudillos*, who began to impose order. In the decades following independence, and all the way through 1858, Nicaragua experienced no such leadership. As a matter of fact, at times,

central governance in Nicaragua almost completely evaporated. An example of this can be seen in a story recounted by Carl Scherzer, who was travelling through Nicaragua at the time. Carrying a letter of recommendation from the man who was ostensibly the leader of Nicaragua, he found that it was almost worthless outside the capital, as officials directed him to speak with the authority that was physically closest (Scherzer 209).

The damage that these civil wars wrought is also readily apparent from available economic data. For example, while visiting Nicaragua, American journalist E.G. Squier found “the merchants of the country [to be] impoverished and bankrupt, the revenues of the government merely nominal, and the little foreign commerce...hardly worth the trouble of estimating” (656). However, in the early 1850’s, he found that economic activity was increasing, and estimated that the amount of land being cultivated for agriculture had increased by thirty-three percent (633). The British vice-counsel, as well, wrote that the value of goods for export had increased by an average of over one hundred percent, principally due to increased demand from the United States (Burns 55). These claims are corroborated by statistics showing that total Nicaraguan exports increased by over six hundred percent from 1841 to 1851, a growth rate far exceeding previous years in the nineteenth century (Matamoros 119). However, in 1854, a civil war broke out, which (as has been described previously) was escalated by the invitation of the American filibuster William Walker. The effect that the civil war and Walker’s brief rule had on the country were devastating, and by 1861 total export values had plummeted back down by over seventy percent. This episode is demonstrative of the stifling effect that Nicaraguan political turbulence had on growth, which was a repeating pattern in the mid – eighteenth century.

Nicaraguan instability also had a visible effect on the country's political development. Constitutions were promulgated in 1824, 1826, and 1838, with a fourth constitution written in 1848 but never successfully made law (Burns 28). Additionally, the rapid coming and going of Nicaraguan chief executives made it difficult to enact long-term reforms. An example of this can be seen in the tenure of President Fruto Chamorro. During the first months of his administration in 1853, Chamorro pursued policies such as the construction of roads, custom houses, and wharves, the encouragement of coffee production through subsidization of producers, and the expansion of the judiciary so that business disputes could be resolved more quickly (48). In the end, however, very few of these edicts were seen through to completion, because shortly thereafter another civil war broke out.

Again, to be clear: Nicaragua was not alone in experiencing political turbulence after independence. Generally speaking, upheaval was far more common than stability in Latin America as a whole in the years following the breakup of the Spanish Empire. However, the sheer degree of sustained anarchy in Nicaragua was without parallel in Central America. Between 1821 and 1857, twenty-five years of civil war were interspersed with only twelve years of peace or truce (Burns 42). The national government also moved on numerous occasions, spending time in León, Granada, Masaya, and Managua, among others. No other government in the entirety of Latin America moved as much during this time period. Finally, the chiefs of state during this period changed with what historian Bradford Burns calls "bewildering rapidity" (42). This anarchy climaxed around the turn of the nineteenth century. In 1849, three different men held the office of chief executive, and in 1851, no less than four.

Therefore, as has been demonstrated, the anarchy experienced in Nicaragua between 1821 and 1857 is unique in Central America, and contributed negatively to both Nicaraguan political and economic development. This is especially true when we speak in a relative sense to Costa Rica, which began enacting long-lasting liberal reforms during this period. Comparing these two periods offers one clear explanation for Costa Rica's later success in democratization as compared to Nicaragua.

CHAPTER THREE

Coffee, Foreign Interventionism, and Zelaya

The transition to independent states after the collapse of the Federal Republic of Central America transpired differently in Costa Rica and Nicaragua. The “Liberal Reform” periods also took place at different times, and had differing levels of success in the two countries. These two factors had marked effects on their political climates. A third factor of crucial significance, however, is the relative level of foreign interventionism in the two countries. Whereas Costa Rica primarily experienced intrusion from other countries in the financial and business spheres, Nicaragua was invaded on multiple occasions, which culminated in an occupation that lasted for decades. This section will attempt to demonstrate that excessive foreign intervention had a deleterious effect on Nicaragua’s political development, while Costa Rica benefited from its relative avoidance of interactions with foreign powers.

Firstly, we will examine Costa Rica. In the first half of the nineteenth century, after the collapse of the Federal Republic in 1838, Central America as a whole played a very small role on the world stage. The region experienced little intervention from other nations, and Costa Rica was no exception. This extended, for better or worse, to foreign investment. The early nineteenth century as a whole can be characterized by poor conditions for international finance, especially with regards to Central America. Great Britain had traditionally been Central America’s primary trading partner, but throughout this period British investors were extremely reluctant to expose themselves to risk by

investing in a region that was considered to be unstable. Robert Naylor writes, “British investors were content to enjoy whatever trade resulted from their association with Central America without risking any direct investment in the area” (267). The British government also did little to encourage or support investment in Central America. Finally, most of the other developed nations during this period had little to no surplus capital, and thus did not have the resources to invest heavily in an emerging region.

This period of non-investment is extremely critical to the development of Costa Rica, because it coincided with the rise of national coffee production. Large-scale coffee production began far earlier in Costa Rica than in any other Central American country. There are several reasons for this. One is that, in the early nineteenth century, the vast majority of the Costa Rican populace was concentrated in the Meseta Central, where lands particularly suitable for coffee production happened to be located (Rankin 45). Another is that, starting in the 1820’s, both national and municipal governments began pursuing a variety of policies to encourage coffee production. One was to lease underutilized public lands to potential coffee growers for little-to-no cost (46). Another was to distribute free coffee seedlings to anyone interested in opening a plantation. In 1825, the national government removed the tithe on coffee (among other export crops); and then, in 1832, it finally began directly subsidizing coffee producers. These programs, collectively, were incredibly successful in stimulating coffee production. In the 1830’s, coffee was being produced and exported in moderate amounts to America and Europe (Mahoney 144). By the 1840’s, coffee had grown to represent over eighty percent of all Costa Rican exports.

These two things combined—the general lack of foreign investment in the early nineteenth century and the early development of the Costa Rican coffee industry—allowed Costa Rica to steer clear of foreign-owned businesses to a greater extent than several other Central American countries. In the 1930's, a majority of Costa Rican coffee processing and export businesses remained in the hands of native-born owners (Paige 15). In El Salvador, meanwhile, over 70 percent of the twenty-four largest coffee processing companies were owned by immigrants. Additionally, in the important north-central Nicaraguan coffee zone, over two-thirds of coffee estates were owned by immigrants and foreigners as early as 1910. To be clear, in some instances, foreign investments and business involvements benefited Central America. However, at times, businesses from more-developed countries pursued highly exploitative practices, and seemed to treat ventures in Central America as an opportunity for “soft colonialism.” Perhaps even more importantly, these foreign-controlled businesses (especially those owned by Americans in Nicaragua) often became pretexts to justify intervention and even full-scale invasions by hostile powers. The fact that Costa Rica maintained a strong core of locally-owned agricultural producers helped to mitigate these negative effects.

However, in addition merely to promoting coffee production, Costa Rican policy-makers tended specifically to promote small producers. In the beginning of the 1800's, the government owned massive tracts of land; far more, in fact, than it could effectively utilize. During the privatization of this publicly-owned land, precedence was given to the already-existing occupants, if there were any (Mahoney 144). Additionally, prices of government land were often set relative to the means of the people living on it, allowing them to purchase it more easily. Measures such as these helped to prevent single owners

or families of owners from controlling massively large estates, as was often seen elsewhere in Latin America during that time. During the mid-nineteenth century, over ninety percent of farms were less than 50 *manzanas* (1 manzana equals 1.73 acres) in size (Rankin 46).

The Costa Rican government also took steps to prevent single coffee producers or families of producers from consolidating too much power. In the mid-1800's Costa Rican lawmakers simplified the process for acquiring publicly-owned land that was being auctioned off (Mahoney 145). This helped to prevent already-existing farms from using cumbersome bureaucracy to exclude competitors. Then, in 1854, the government took the final step of banning the sale of land exceeding a certain amount to any one individual (Williams 46). Although some coffee producers were later successful in acquiring large holdings, a persistent class of mid-sized coffee producers remained and became influential in the political landscape. This can be seen in data from as late as the twentieth century. For instance, in the 1930's, sixty-eight percent of coffee trees in the Alajuela province were controlled by peasant, family-owned farms (Mahoney 145). The end result was that "in any comparative context. Costa Rican land-tenure patterns with coffee were little concentrated" (Gudmundson and Lindo-Fuentes 81).

The fact that Costa Rica had such a broad class of small coffee-producers was hugely significant to the country's later political dynamics. The existence of an agrarian "middle class" greatly weakened the ability of elites to engage in exploitative behavior. As James Mahoney puts it, Costa Rica "simply did not display highly polarized class structures in which an entrenched landed elite was pitted against a semifeudal plantation-based peasantry" as was seen elsewhere in Central America (146).

Therefore, the early development of coffee production in Costa Rica helped to prevent the industry from becoming owned by foreign interests. Moreover, the manner in which coffee production was stimulated helped to encourage the prevalence of small farms, which diluted the power of elites and resulted in what could be described as a more harmonious class structure. An examination of Nicaraguan history will reveal that neither of these developments transpired similarly in that country. In reality, that country's agriculture became almost completely dominated both by foreign corporations and a narrow group of Nicaraguan elites.

As has previously been mentioned, Nicaraguan economic development was stymied for years by the unending civil wars between Liberals and Conservatives. This, in significant part, helps to explain why the development of a strong coffee agriculture in Nicaragua lagged several of its neighbors (particularly Costa Rica), and why in 1850 Nicaragua still lacked anything that could be described as a primary export crop (Mahoney 101).

This state of affairs was yet further worsened by the William Walker incident, beginning in 1855. Walker's seizure of power, his two-year reign, and the international war fought to oust him all were massively damaging to Nicaragua. In many respects, however, the long-term effects of Walker's time in power were worse than the damage directly inflicted. Because he had been invited to enter Nicaragua by the Liberals, that faction was collectively given much of the blame for what had taken place. As a result, their political power was massively "enfeebled" (Burns 220). This caused the Conservatives to finally be able to assemble a coalition that would stably govern for more than thirty years (1857-1893). There were positives associated with this: the incessant

civil wars finally came to an end, and the Conservatives did enact various reforms which modernized the economy and political apparatus. Examples of this include increasing funding for secular education and ending the mandatory tithe (Forohoor 9).

However, as beneficial as these and other policies were, the conservative ruling class never adequately pursued the steps that were necessary to develop large-scale agricultural production. One key example of this was that the government never worked to develop an adequate national banking system (Teplitz 179). Because of this, the Nicaraguan capital available for investment was often not enough for agricultural producers. Additionally, successive Conservative governments failed to address a crippling problem facing the agricultural sector: labor shortages. Indigenous communities that had often been seen as a source of labor became increasingly resistant towards perceived exploitation. In 1881, tensions worsened into a full-scale revolt of several indigenous groups (Bigelow & Edmundson 23). Although this rebellion was successfully suppressed, it is illustrative of the difficulties that elites found with procuring labor for agriculture.

As a result, coffee production expanded much more slowly in Nicaragua as compared to Costa Rica. For instance, in the North Central Highlands region of Nicaragua, coffee production grew very sluggishly in the latter half of the nineteenth century, and still had not fully developed by 1892 (Williams 84). Impatience and frustration on the part of coffee growers would ultimately contribute to the end of conservative hegemony, and the rise of the man who would oversee Nicaragua's brief period of reforms: José Santos Zelaya.

The crisis which toppled the conservative “Thirty-Year Government” had its roots in the unexpected death of President Evaristo Carazo in 1889. Following the established procedure, a group of five possible successors was elected, and then one was randomly selected (Cruz 120). The chosen successor was Roberto Sacaso. Sacaso was immensely popular in the beginning of his term, because he became the first native son of the city of León to ascend to the presidency in almost forty years. Time would prove, however, that his tenure was to be an unmitigated disaster. Firstly, he antagonized the old Granadan order (which had dominated the political scene for decades) by freezing them out of power and surrounding himself with Leonese advisors (123). Then, he began to pursue increasingly repressive and authoritarian policies. Firstly, he forcibly disarmed a major Granadan garrison (124). Then, he began assembling an army composed of men that had been forcibly conscripted from the countryside (125). He further enflamed tensions in 1891 by arresting several senior Conservative leaders who had opposed his leadership and banishing them to Costa Rica (127). Finally, in 1893, Sacaso seized the Granadan embassy, a raw power grab that caused an insurrection to quickly spiral out of control (129).

For all of the resistance Sacaso faced from the Conservatives, he was equally unpopular with factions in the Liberal Party. At the time, it had been out of power for decades, and was in many respects a shadow of its former self. However, in spite of this, the young Liberal politician José Santos Zelaya would successfully exploit the situation to rise to the Presidency. Surprising many by forming an alliance with the rebelling Conservatives, Zelaya and the other revolutionaries quickly forced President Sacaso to agree to a power-sharing deal called the “Pact of Sabana Grande” (Cruz 130). As part of

this, all parties involved (the rebellious Conservatives and Liberals, in addition to Sacaso's government) joined a central governing *junta*. However, less than three months after the Pact was signed, Zelaya and other Liberals broke the agreement and formed a separate *junta*, declaring that the other signatories were subverting the will of the people and embezzling public funds (131). They quickly defeated the opposition and, in July 1893, accepted the surrender of the last Conservative forces (132). Zelaya was shortly thereafter elected the first President of the new, Liberal-dominated government.

Zelaya would retain power for the next sixteen years. His tenure is of critical significance both to general Nicaraguan history and to our analysis of why Nicaragua has struggled to transition to a stable democracy. Zelaya successfully concentrated a massive amount of power in his own hands during his rule, and used it to pursue a number of liberal reforms at an extremely rapid pace. As we shall soon see, many of these reforms were arguably important steps toward democratization. However, in many ways, a lingering sense of "what could have been" is one of Zelaya's legacies. This is because, in 1909, Zelaya was forced out of power by the American military, and over the following years his policies would either be reversed or simply not carried out. An analysis of the squandered potential represented by Zelaya's presidency will help us understand Nicaragua's later instability.

One significant series of reforms carried out by Zelaya affected Nicaragua's military. Despite the fact that the Conservatives had ruled Nicaragua for more than thirty years, they had never attempted to create a formalized, professional army (Mahoney 181). In the end, of course, this was a contributing factor to their downfall. Therefore (in a move reminiscent of Tomas Guardia, discussed earlier) one of Zelaya's first acts was to

sign the “Martial Law of Public Security,” which established administrators to maintain “peace and security” throughout each of the departments in which Nicaragua was organized (182). He also ordered large-scale confiscations of private weapons. Then, in 1895, Zelaya took the next step of creating a standing national army, and stationed it throughout the various departments of Nicaragua. Over the following years, Zelaya would spend exorbitant sums to equip and modernize this army, creating a military force that Mahoney claims may have been the strongest in the region at the time (182). His motivations for this are obvious: increasing the military strength at his disposal increased his grip on power. However, it also had the effect of monopolizing power in the form of the national government, and would arguably have helped to prevent a relapse to the state of anarchy seen previously, had exterior events not intervened.

Zelaya also was no friend of the Catholic Church, frequently conflicting with it and seeking to reduce its power. In many respects, this was merely a continuation of policy from the thirty years of conservative rule; however, Zelaya notably escalated the fight with that religious body. For instance, in 1899, Zelaya ordered that all church land in Nicaragua be confiscated (Staten 32). He also enacted a constitution which guaranteed separation of church and state and established secular public education. Zelaya can be seen, therefore, as pursuing a policy of secularization.

Zelaya also took radical steps to modernize the nation’s financial apparatus, both public and private. Although the thirty years of conservative governance had brought stability, they had not been marked by sound monetary policy, with the result that Zelaya inherited an economic crisis. Zelaya, typically, made sweeping changes to combat this. He centralized government budgeting, revenue collection, and record-keeping into the

federal system, improving a system that had previously in large part been left to the oversight of each separate department (Mahoney 183). His administration also pursued reforms such as the distribution of paper money and the establishment of national monetary and financial **systems**.

These efforts (in addition to global increases in the price of coffee during this time) had immediate and dramatic impacts on the government's finances. In the fiscal year of 1893, when Zelaya came into power, the government collected a total of two and a half million pesos (Cruz 145). By the time Zelaya went into exile in 1909, it received almost fifteen million pesos, an average yearly increase of over twelve percent. Astonishingly, Zelaya's administration still managed to run deficits ten out of its fifteen total years, because of the dramatic spending increases Zelaya oversaw in almost all areas of government.

One of the foremost reasons for this was a massive expansion in public works projects, particularly in the infrastructure sector. New railroad tracks were built at a rate almost doubling previous years, and thousands of miles of new telephone and telegraph lines were laid (Velázquez 92). These improvements had been critically needed precisely because infrastructure had been a significant factor in delaying agricultural expansion. Furthermore, the efficiency of government services was dramatically increased. For example, the volume of mail handled by government carriers increased at an annual rate of almost twenty-two percent during Zelaya's presidency, a rate far surpassing previous years (Mahoney 183).

By necessity, these public works projects massively increased the number of workers employed by the government. However, this was not the only means through

which Zelaya grew the size of the federal system. He personally appointed *jefes políticos*, a sort of political overseer who was responsible for duties ranging from collecting taxes to ensuring that work conditions were adequately safe (Mahoney 183). Many of these had previously been the purview of local government officials, who as a result saw their power greatly weakened. Zelaya took yet further steps in 1896, after successfully suppressing a revolt that had broken out in León. These included abolishing departmental councils and increasing the role of national police units. The cumulative effect of all of this was that the ability of individual cities and departments to resist the federal government was massively decreased. As historian Benjamin Teplitz writes, “never again would a municipality...challenge the sovereignty of the national Liberal government” (320-321). Thus, although some measures pursued by Zelaya were actually fairly repressive, they were of critical significance in developing the national government into a force that would not be questioned, an essential step in leaving the anarchy of previous years behind.

Another area in which Zelaya rapidly began to carry out sweeping reforms was Nicaragua’s agricultural sector; and, more specifically, in the coffee industry. Although coffee production had grown significantly during the thirty conservative years in power, it had been held back somewhat by failure to enact policies which specifically stimulated its growth. This changed under Zelaya. However, the reforms implemented by Zelaya were unlike those put in place in Costa Rica in two respects. Firstly, Nicaragua faced the additional challenge of indigenous communities who owned large tracts of land; and secondly, Zelaya largely pursued policies which benefited the elite, at the expense of small landowners.

Particularly in the North Central Highlands of Nicaragua, wide swaths of land were held by indigenous peoples as late as the beginning of the twentieth century (Mahoney 184). Their land operated in a communal system, which made it difficult for outsiders to buy much of it at once, and served to prevent coffee from expanding into the region. For this reason, Zelaya took steps to eliminate this way of life. In 1895, his administration changed the laws governing communal ownership. Under the new system, all owners of a plot of land must be granted an equal ability to use or sell it. While this sounds relatively innocuous, what it meant in practice was that any member of an indigenous community had the ability to sell the land on which everyone lived, and “only one Indian in each community had to be tricked or made drunk and told to sign a sales agreement for the liquidation of his village to start” (Teplitz 214). Communal land ownership was further weakened over the following decade until, in 1909, he declared all titles of communally-held land to be void (Staten 33). This law, in many aspects, was written specifically so that elite landowners could take advantage of the opportunity to acquire new land.

This is just one example of Zelaya’s tendency to act in the interests of large coffee producers. During Zelaya’s tenure as President, a small fraction of influential families received almost half of the three million acres granted by the government (Staten 33). Additionally, in 1900, only 57 growers received a majority of all government subsidies. As a matter of fact, historian Robert Williams has argued that a few large, capitalist coffee estates dominated the market to a greater extent than anywhere else in Central America, except Guatemala. He makes his case based on data from the 1909 Nicaraguan census, taken shortly before the end of Zelaya’s presidency. Statistics showed that large

farms controlled eighty-one percent of the coffee-producing trees in Nicaragua, a figure far higher than the average on the Central American isthmus during that time period.

Thus, there are two important lessons to be drawn about the policies being pursued by José Santos Zelaya from 1893-1909. The first is that he was adopting a wide-encompassing group of reforms that, in many respects, was similar to those that had been enacted by Costa Rican liberals several decades earlier. These had measurable effects on the state and the economy that, for the most part, were positive. It is true that he governed in an autocratic manner, but Costa Rican reformers before him had behaved similarly before ultimately giving power to successors that governed more democratically. There is no reason to believe that, had things been allowed to take their own course, the same might not have happened in Nicaragua. But because these reforms were enacted so much later than in Costa Rica, and because outside forces intervened to depose Zelaya, these reforms did not have time to fully permeate through Nicaraguan society. As we shall soon see, they were as a matter of fact largely reversed as a result of the American occupation.

The second lesson is a less positive one. As previously discussed, Costa Rican agricultural development, particularly in the coffee sector, took place in a relatively egalitarian manner. Nicaraguan coffee production, however, became far more concentrated in the hands of a few elites and groups of foreigners (Paige 15). This is significant, because as coffee became an incredibly lucrative trade, in many respects the most important one for Central America, wealth inequality became more and more of a problem for Nicaragua. This led to a highly polarized class structure, which in turn lent

itself to internal conflict and made it more difficult for a peaceful transition to democracy.

CHAPTER FOUR

The American Occupation

As has already been discussed, one early and important way that the United States became involved in Nicaraguan affairs was not through any overt governmental action, but through the filibuster William Walker. His 1855 invasion of Nicaragua had tremendous importance, in that it both caused significant immediate damage and tarnished the reputation of Nicaraguan liberals for decades. However, the significance of Walker's brief rule pales in comparison to a historical event that is little-remembered in the United States, but had a massive long-term impact on Nicaragua: the American occupation from 1912 to 1933.

In order to understand the history of the American occupation, we must first begin by examining the history of the dream of a "Nicaraguan Canal." Because of the incredible value represented by a waterway connecting the Atlantic and Pacific oceans, the Spanish Empire was considering proposals for canal construction as early as the sixteenth century ("Nicaragua Canal Project", 3). The sheer expense of these projects made them impossible for hundreds of years, but in the nineteenth century the idea began to be discussed seriously again. In 1825, the Federal Republic of Central America commissioned surveyors to examine the region for the best location on which to build a canal (Insight Guides Central America 55). The site chosen was in Nicaragua.

In 1849, the Nicaraguan government reached an agreement with the American millionaire Cornelius Vanderbilt (Scroggs 798). In it, Vanderbilt received the right to

construct a waterway within the next twelve years. Unfortunately, these plans were put to a halt; first, by the outbreak of civil war in 1854, and then by William Walker's filibuster the following year, with the result that Vanderbilt abandoned the project. By the time that interest began to grow again in a possible Nicaraguan canal, a rival for location had emerged: Panama.

In 1878, the French company "La Société internationale du Canal interocéanique" obtained from the Colombian government (which controlled Panama at the time) a contract granting them the exclusive right to construct a waterway across the isthmus. The project soon proved to be a complete disaster, as the French continually underestimated the time and expense required, and the workers were ravaged by tropical diseases. However, when the American government became interested in constructing a canal in the final years of the nineteenth century, acquiring the rights to the Panama Canal and continuing the work by the French presented a possible cheaper alternative to starting from scratch in Nicaragua. After years of deliberation, in 1902 Congress acquired all of the holdings of the "Compagnie Nouvelle du Canal de Panama" (recently reconstituted from the previous venture), and the hopes for a Nicaraguan canal greatly seemed to diminish.

The problem, which ultimately became one of the chief motivating factors for drawing America into occupying Nicaragua, was that Zelaya was not ready to give up on the idea of a canal through his country. The benefits offered by a canal—in terms of wealth, influence, and prestige—were simply too significant to pass up. Zelaya's attitude at the time is embodied by a letter he wrote in 1908 to an overseas Nicaraguan diplomat: "We have learned that Great Britain and Japan have lately concerted the idea of the canal

by way of Nicaragua...It is my wish, therefore, that you...with the greatest possible care and discretion, should talk with the Japanese ambassador” on the subject of building a canal through Nicaragua (Denny 34). Over the following months, Nicaraguan diplomats did just that, reaching out to the Japanese and German governments about constructing a canal without American involvement. Zelaya must have known how negatively this would be seen by the United States, as in the aforementioned letter he added “You are not to forget that this matter is of the utmost confidence...if the United States were prematurely to get wind of our proceedings, whatever we might do in the matter would cost us dear” (35).

It may seem that the opening of a rival canal in Central America would be of only minor significance, but such a project would actually present a major threat to American interests on multiple levels. First of all, it would impact the United States economically, as a Nicaraguan canal would present competition and remove a monopoly America possessed. Even more importantly, however, the United States considered the Panama Canal to be a cornerstone of all military strategy in the Western Hemisphere. The canal allowed warships to travel from one coast to the other in a fraction of the time that had previously been required. Thus, in many respects, it was considered almost to be part of the American coastline, in a manner similar to the British possession of Gibraltar. American Secretary of State Charles Evans Hughes articulated this view in 1923 by saying “the adequate protection of this canal—its complete immunity from any adverse conditions—is essential to our peace and security...” (Denny 18). It is for this reason that the American government was so disturbed by the idea of another canal in the region that not only was controlled by foreign powers, but was between the Panama Canal and the

United States. Such a canal would complicate American strategy in the region enormously, and pose a threat to effective logistics in wartime. As Secretary Hughes said, “we could not afford to take any different position with respect to any other waterway that may be built...disturbances in the Caribbean region are therefore of special interest to us...for the purpose...of being assured that our own safety is free from menace.” Therefore, Zelaya’s attempts to build a Nicaraguan canal highly inflamed tensions.

There were other factors which contributed to the American decision to intervene. One of them was that a brief war involving Honduras, El Salvador, and Guatemala broke out in 1906, and Zelaya was the only Central American leader to refuse to sign the American-mediated peace agreement which ended the fighting (Staten 36). Instead, he publicly denounced the United States for involving itself in Central America. Attempting to fight what he saw as American imperialism, he deliberately fomented unrest throughout Central America in the following few years. Additionally, in 1907, Zelaya arranged for a loan of over a million pounds to be taken from investors in London (Denny 72). This greatly angered decision-makers in Washington, as it represented an increase in European influence in the country and was considered to be a violation of the Monroe Doctrine, the principle that European countries should not interfere in political affairs in the Americas.

The end result of all of this was that the United States was more than happy to take advantage of a pretext to get rid of the troublesome Nicaraguan leader; and, in 1909, just such a pretext was given. Juan Estrada, a general who had been appointed by Zelaya but had grown dissatisfied with his leadership, had made an alliance with several powerful conservative families in exchange for a promise that he would be selected as

president once Zelaya was gone (Denny 75). He rose up against Zelaya, and although “the United States had advance notice of the revolution,” they “withheld this information from the Nicaraguan authorities” (Millet 36). Although this posed a threat to Zelaya, it was only a small one. Zelaya quickly marshaled his forces, and before the end of the year, the rebels had been soundly defeated. That might have been the end of the whole affair, except that during the fighting Zelaya’s forces had captured two American soldiers-of-fortune who had been attempting to lay mines in a river down which the Nicaraguan army had been travelling. The American consul at Managua insisted that the two men not be killed; Zelaya, however, ordered them summarily executed after brief trial (Denny 80). Despite the fact that the two men had been active participants in a war on Nicaraguan soil, when Secretary of State Knox presented the incident to Congress on December 1st 1909, he described it as “a sinister culmination” of an administration which had been “a blot on the history of Nicaragua” (81). Although the rebellion had been on its last legs, the aggressive American stance towards Zelaya re-energized it. Just over two weeks later, Zelaya fled Nicaragua, never to return. The man he appointed to replace him, the liberal José Madriz, would follow him within the year, defeated by the American-backed rebels.

Over the next twenty years, the United States would effectively control Nicaragua through a series of figurehead presidents. Their puppet governments were kept in power through a permanent Marine detachment in the region. This unit was first dispatched in August 1912 at the request of Adolfo Díaz in order to assist with a rebellion by pro-Zelaya forces, and would remain active in Nicaraguan affairs for years to come (Staten

38). During the twenty years of the occupation, the American government essentially controlled many aspects of Nicaraguan daily life.

Of great significance were the economic controls imposed on the country. One of the first and most significant of these was the Dawson Agreements, which were ratified in 1910. In it, a commission was established to adjudicate all grants and contracts that had been given out by Zelaya's government before its collapse (Munro 188). Because two of the three members on the commission were chosen by the American government, it gave the United States a tremendous amount of influence on the Nicaraguan economy. The agreement also resulted in Nicaragua taking an extensive, custom-free loan from the American government. Nicaraguan opinion on these two measures was divided at the time; some conservative leaders agreed that such measures were necessary to stabilize Nicaragua's economic situation, but popular sentiment was deeply "antagonistic to the United States" (189). Moreover, the long-term impact of the loan was very negative, in many respects, because it increased the debt held by the Nicaraguan government. By 1917, almost half of the national budget was being spent on nothing but servicing that national debt, a truly catastrophic outcome for a country still in the early stages of development (Mahoney 190).

Investors from The United States also took steps towards nationalizing many Nicaraguan businesses during this time. In 1911, as part of the negotiation for a series of loans by American firms, a National Bank of Nicaragua was created (Munro 196). American financiers received fifty-one percent of the stock in the new bank. Investors also received a majority share in the newly-created Pacific Railroad company, through which they came to own several major Nicaraguan railroads (212).

The American impact on Nicaragua's economic development can also be measured in the country's agricultural sector. During Zelaya's tenure as President, coffee production had grown significantly. However, during the American occupation, this growth stopped almost completely. After 1910, the country would match its previous high in export volume only once in the next ten years (Williams 268-269). Moreover, coffee production in the region as a whole continued to increase in size. From 1910 to 1920, Central America as a whole experienced a net increase of more than nineteen percent. It is all but certain that the political and financial instability experienced in Nicaragua during that time period contributed to this stall in growth.

The impact of American involvement in Nicaraguan political affairs was also deep and long-lasting. Contrary to what might have been expected, the occupation arguably contributed to Nicaraguan instability during its first few years, in some respects. On October 11th, 1911, the Nicaraguan legislature selected Luís Mena to become the next President (Munro 199). This was a clear violation of previously-made agreements, which called for all elections to be held via popular vote. The American government failed to take a strong stand against this, however, in part because Mena strongly supported the U.S. agenda on financial matters. Vacillation from the State Department continued for months, and "made the political situation more uncertain by continuing to maintain its equivocal attitude about Mena's assumption of the Presidency" (200). Tensions mounted when Adolfo Díaz, the sitting President, insisted that he would serve the remainder of his term. Finally, in July 1912, war broke out when Mena attempted to occupy an important fort in Managua. This, coupled with Díaz's request for assistance, finally jolted the American government into action, and within the year a significant detachment of

Marines had landed in the region. The civil war came to an end shortly thereafter that same year, with Mena defeated, but not before significant loss of life and destruction of property had taken place. It was this rebellion which convinced the American government to leave a permanent military detachment in the region. The Nicaraguan administrations whose grip on power was assured by this military force would pursue policies of repression, including an almost-continuous state of martial law (Mahoney 230).

A relative peace would be maintained in Nicaragua for more than a decade. By 1925, the American government felt safe in withdrawing its forces from the country. At that time, a Conservative-Liberal coalition government had recently been elected by popular vote; not more than two weeks after the American Marines left, however, an influential politician named Emiliano Chamorro mounted a coup and installed himself as President (Cruz 200). Chamorro quickly moved to expel his political opponents from Congress. He then exiled Carlos Solórzano and Juan Sacasa, the previous President and Vice President, respectively. Although Chamorro was perceived as a member of the ultra-conservatives, the traditionally pro-American political faction, the United States refused to recognize him. The State Department successfully pressured him into resigning in 1926; however, it did not return power to the previous coalition government, because they feared doing so would provoke Chamorro. Instead, they threw their support behind Adolfo Díaz, a conservative politician who had previously served as President. This move was ultimately unsuccessful in avoiding conflict, however, as it was now the Liberals who were incensed. Carlos Solórzano, the previous president, exited the limelight after being exiled; Juan Sacasa however, the former Vice President, defiantly

returned to Nicaragua and declared that he was Nicaragua's legitimate leader. Refusing to recognize anyone other than him, the Liberals broke into open rebellion.

The conflict, which came to be known as the "Constitutionalist War" because the Liberals asserted that Sacasa was the rightful President under the nation's constitution, raged from 1926 until mid-1927 (Cruz 201). At that time, the American government, which had hoped to remain uninvolved, finally felt forced to take action. Returning the Marines to Nicaragua once again, the Americans compelled a cease-fire. Then, in May of 1927, a peace agreement was reached. In it, both sides promised to lay down their weapons, in exchange for the promise of an American-supervised, free election in 1928. All parties involved agreed to this, except for one Liberal general: Augusto César Sandino, a figure of extreme importance to twentieth-century Nicaraguan history. Shortly thereafter, he began conducting guerilla warfare against the Nicaraguans and the American occupiers. This continued through the election of 1928, which produced a resounding victory for José Moncada, senior general and de facto leader of the rebel movement. Shortly thereafter, American forces began steadily withdrawing from the country; by the time of the following election year, 1932, less than 800 American soldiers remained in Nicaragua (Musicant 354). This was despite the fact that, up until 1932 (and despite the fact that the country was being governed by Liberals), Sandino and his men continued to provide armed resistance in the countryside.

The reasons why Sandino chose to continue fighting are an essential component of understanding the United States' long-term impact on Nicaragua. A component of Sandino's rationale was simply that he held a personal grudge against General Moncada, the leader of the Liberal rebels. However, surprisingly, given how strongly Sandino has

come to be associated with anti-Americanism, he did not want for the Americans to leave immediately. Instead, his “preferred scenario was one in which Nicaragua would be ruled directly by an American ‘military governor’ until the 1928 election, which he thought should be held under the marines’ supervision” (Cruz 202). He strongly feared that, without American oversight, election tampering to produce a Conservative victory would take place. This may seem to indicate to us that the U.S.’s influence on Nicaragua was positive, given that the country’s most violent opposition leader actually preferred that the Americans stay a while longer. It does seem to show that some Nicaraguans felt that American involvement had produced some positives. However, it also clearly demonstrates that, over the course of the twenty-one year occupation, the United States fostered a massive amount of dependence on themselves. This was a logical consequence of American involvement; after all, from 1912-1933, the Americans had essentially controlled most major Nicaraguan political and economic apparatuses. The result was that, as the influential Nicaraguan poet Salomón de la Selva noted, many of his countrymen had ceased trying to improve their own lives, and were waiting for “a redemption that [could] only come from within to arrive from outside” (202). This decline in desire for self-determination and increase in acceptance of the status quo is an attitude that is contrary to what is necessary for a successful democracy, and can in many respects be attributed to American involvement.

It was also as a direct result of the United States’ actions during and after the end of the occupation that Anastasio Somoza García came to power, a figure who played a critical role in determining the legacy of the American occupation. During the Constitutionalist War, Somoza served as a general for the Liberal faction (Cruz 201).

This may be seem out of character, given his later status as a right-wing dictator, but a combination of political opportunism and genuine outrage that a legitimate election had been overturned drove him to join the rebellion. Although his service as a commander during the war was hampered by his youth and inexperience, he provided invaluable assistance to the Liberals through his English translation skills during high-level negotiations with the Americans (Leonard 2012). After José Moncada won the 1928 election, Somoza served in his administration as governor of the department of León, consul to Costa Rica, and Foreign Minister. Even more importantly, however, he became a member of the newly-created Nicaraguan Guardia Nacional, and began to rise through the ranks.

The Guardia Nacional came about as a result of the truce reached at the close of the Constitutionalist War. Because it was felt that part of Nicaragua's chronic instability was caused by the lack of apolitical government agencies, one of the provisions of the peace agreement was that "a National Guard under American officers on a strict non-partisan basis" be organized (Millet 124). Over the following months, that is what took place. The Nicaraguan government played a minimal role in the training and development of this force, and was for the most part limited to making requests of the United States about an armed organization that operated on Nicaraguan soil, and in theory was under its control. It should go without saying, but the egregiousness of a situation in which an armed body with legal powers operates without having to answer to a democratically-elected government cannot be overstated. In July 1927, shortly after being formed, the Guardia Nacional began replacing local police forces in many Nicaraguan departments (143).

The 1932 Nicaraguan election resulted in a victory for Juan Sacasa, who in the previous election had been forced aside by General Moncada. However, Moncada continued to attempt to exert influence behind the scenes. One of the ways he did that was by arranging for Somoza, whom he considered to be his ally, to be appointed the first Nicaraguan head of the Guardia Nacional (Cruz 204). In short order, Somoza fostered a massive amount of loyalty to himself within the Guardia. One of the chief reasons for this was a “disbelief, based on long experience” with previous, conscripted armies, “that a Nicaraguan Government would ever pay soldiers a regular salary” (Millet 143). These fears were heightened by the fact that the Guardia’s budgetary and legal status was ambiguous during its infancy. As a result, the Guardia’s “collection of middle-class officers and peasant soldiers...depended on Somoza García’s ability to extract resources from the government” (Cruz 205). The fact that Somoza was largely able to procure both the income needed for the soldiers’ livelihoods and the weapons they needed to effectively fight Sandino’s forces made him a figure whose commands the Guardia would happily follow—even if they conflicted with orders from higher in the hierarchy.

Meanwhile, President Sacasa’s position was growing increasingly untenable. On the one hand, he faced an armed rebellion led by General Sandino, who refused to recognize his legitimacy. On the other, the Guardia Nacional now effectively “staked claim to monopolistic control over the country’s coercive power” (Cruz 206). To make matters even worse, two other influential Nicaraguan politicians who had previously held the Presidency, the liberal General José Moncada and the conservative Emiliano Chamorro, were also jockeying for power. Confronted with so many threats, Sacasa pursued a peace agreement with Sandino, and successfully negotiated a one-year cease

fire with him. However, neither Sandino's forces nor the Guardia Nacional completely honored the agreement; the two continued to skirmish, and Sandino declared that the Guardia was unconstitutional in 1933. Matters came to a head in February of the following year. Shortly after attending another round of peace talks with President Sacasa, and in a clear breach of orders from the government "to guarantee the lives of Sandino and his followers" during the negotiations, Sandino was pulled from his car in Managua and executed by the Guardia Nacional (Hackett 80). President Sacasa now understood the threat posed by Somoza, and asked the U.S. government repeatedly for assistance in moving against him, but the State Department refused even to issue a statement condemning the Guardia Nacional's actions (Cruz 206). Somoza steadily accumulated power during the following two years. In 1936, he successfully purged most officials still loyal to Sacasa, and then in July of that year, forced him to resign. This left Somoza *de facto* in control of the government.

Somoza's family would essentially rule the country for almost four and a half decades, from 1936-1979. Their time in control of Nicaragua would be marked by extreme political repression and corruption. In 1977, a few years before they were forced from power, the Somoza family was conservatively estimated to be worth between four hundred and six hundred million dollars (Valdez 1977). They were also believed to own a staggering twenty-two percent of the arable land in Nicaragua (Goodsell 1980). At the same time that they were enriching themselves, Nicaragua as a whole suffered tremendously. In the last year of the Somoza political dynasty, Nicaragua owed more than one-and-a-half billion dollars to foreign creditors, the highest amount in Central America (Byrne et. al. 43). The general populace also endured an incredibly poor

standard of living, even compared with its neighbors in Latin America. The percentage of Nicaraguans who were illiterate was the fourth highest in the region, with over eighty percent estimated to be unable to read or write in the countryside (Valdez 1977). Over fifty percent of the country's workers earned less than fifty dollars a year, and the infant mortality rate was thirteen percent in the cities, with a much higher number suspected to be accurate in rural areas.

To lay the damage caused to Nicaragua by the Somoza dictatorships solely at the feet of the United States would perhaps be excessive, but there is no doubt that the U.S. played a critical role both in enabling Anastasio Somoza's rise to power and prolonging his family's regime. The power vacuum of which he took advantage had been caused by the American occupation. Additionally, the Guardia Nacional, which became Somoza's personal instrument of control and oppression, had been formed and trained by American Marines. Finally, Somoza received significant material aid from the United States while in power. Although it was well-known in the international community that Somoza was committing human rights abuses, for decades the American government continued to support both him and his family members. This attitude is encapsulated by a quote attributed to President Franklin D. Roosevelt: "Somoza may be a son of a bitch, but he's our son of a bitch" (Dunbar-Ortiz xi). Therefore, it is appropriate to hold the United States at least partially responsible not only for the harm caused during the Somoza family's time in power, but also for the violence and destruction that came afterwards. Somoza's totalitarianism and usage of violence directly contributed to the creation of an environment where a peaceful transition to democracy would be difficult, if not impossible.

CHAPTER FIVE:

Conclusion

In the year 2018, while Costa Rica just concluded the first round of a presidential election that was widely agreed to be free and fair, Nicaragua remains governed by a president, Daniel Ortega, who has done away with term limits and expelled international observers before the most recent election cycle (Carter Center 2016). At the same time, Costa Rica is considered to be a leader in terms of stability, economic development, and education not only for Central America, but for Latin America as a whole. Nicaragua, meanwhile, continues to experience some of the most severe poverty in the hemisphere, and struggles to recover from the devastating civil war conducted thirty years earlier.

The fundamental roots of this diverging state of affairs lie in the nineteenth century. During the period immediately following independence, Costa Rica was relatively free both from internal strife and foreign interference. For this reason, a series of liberal-minded, reforming *caudillos* were able to enact policies that benefited the nation in the long term, such as incentivizing coffee production and building a government based on civil service. Although these leaders were not democratic themselves, their actions paved the way for future popular elections.

Nicaragua, meanwhile, was racked by civil wars for decades after achieving independence from Spain. The persistent enmity between León and the Liberals on one side, and Granada and the Conservatives on the other created a state of persistent political unrest. This made it difficult for Nicaraguan leaders to take a long-term view. Then, in

1893, José Santos Zelaya came to power, and began enacting many reforms similar to those pursued earlier by the Liberals in Costa Rica. In a turn of affairs that wound up being calamitous for the country, however, he was deposed in 1909 by United States forces, which shortly thereafter began a decades-long occupation of Nicaragua. This occupation saw many of Zelaya's policies overturned, and an exploitation of the country on a grand scale. The departure of the U.S. military in 1933 also directly led to the coup by Anastasio Somoza, who would inflict decades of repression and corruption on Nicaragua.

So, what lessons can we draw from this analysis? It seems to me that there are two relatively obvious lessons to be learned by comparing Nicaraguan and Costa Rican history over the past two hundred years. The first is that a country dominated by antipolar ideologies, with no centralized authority or recognized method for resolving conflicts, will almost inevitably fall victim to instability and conflict. While Costa Rican Liberals held hegemonic control from early on in that nation's history, Nicaragua was sharply divided between different political factions, which caused decades of civil war and prevented effective national development. The second is that political intervention, even when conducted for the stated reasons of removing dictators and encouraging democracy, can have incredibly negative effects in the long run for the country being invaded. This was certainly the case with the removal of Zelaya by the United States, and the following occupation. Both of these lessons remain incredibly relevant to modern-day politics, if we are to learn from the mistakes of the past, as opposed to repeating them.

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