Honduras: Transforming La Puta into La Amiga of the United States of America

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Appendix D - UNIVERSITY HONORS PROGRAM
SENIOR PROJECT - APPROVAL

Name: ERIN SCHWIE

College: Arts & Sciences
Department: College Scholars

Faculty Mentor: John Romeiser

PROJECT TITLE: Transforming La Puta into La Amiga of the United States of America

I have reviewed this completed senior honors thesis with this student and certify that it is a project commensurate with honors level undergraduate research in this field.

Signed: John Romeiser, Faculty Mentor

Date: May 1, 2000

Comments (Optional):
HONDURAS:
Transforming La Puta into La Amiga
of the United States of America

Erin M. Schwie
May 1, 2000

College Scholars Committee:
Dr. John Romeiser, Advisor
Dr. Jim Gehlhar and Dr. April Morgan
Purpose Statement

Through the College Scholars program, I have designed my collegiate studies around languages, history, and political science to create a concentration of International Studies. For the most part, my studies typically centered on European affairs until a few months ago when I received my Peace Corps assignment to Honduras. I was excited, but also a little nervous about my lack of knowledge of Central America. I received a folder on Honduras with basic statistics and pertinent information, like a packing list. As I looked over it, I was struck by the repeated warnings against any military or camouflage clothing. Ever curious, I began preliminary research on the military in my soon-to-be home. In Honduran literature, I discovered several references to animosity towards North Americans pertaining to government and military affairs. Of course, this information ignited my desire to explore United States policy towards Honduras on a greater scale.

My research begins in 1981, the year that an electoral democracy returned to Honduras and President Reagan entered office. My goal in this paper is to educate myself on the history of United States intervention into Honduran affairs, while taking an analytical approach in examining the Reagan and Clinton policies. After my research, I now have a better understanding of this complex relationship. With my conclusions, I hope to turn la puta, or “the whore” of the United States, as Honduras was called in the 1980’s, into una amiga in the new millennium with the creation of an ideal policy.
Introduction

Over the past twenty years, two important stories in the international arena are the end of the Cold War and the transformation of developing nations -- both of which help define this paper. American foreign relations with Honduras have fluctuated greatly, depending on world circumstances and strategic games, and this paper focuses on the foreign policy period from 1981 to present day. In 1981, Honduras returned to democratic rule with free elections, coinciding with the commencement of the Reagan administration in the United States.

Foreign aid consists of military or economic assistance that one country gives to help another. Since it varies in form, encompassing donations of money, goods, services, and technical knowledge, it can be difficult to calculate an exact amount. Countries extend foreign aid for humanitarian reasons and, more often, to advance their own foreign policy objectives.

Securing funding from Congress for foreign aid has been a growing problem for several reasons, including lack of public support. Surveys taken in recent years generally revealed that less than half the American public supported foreign aid and a smaller percentage supported selling military weapons and equipment abroad. Public perception is that the United States spends more on foreign aid than in reality [see Appendix A]. For example, at least half of the respondents to a 1995 survey thought that 15 percent of the federal budget went to foreign aid, although the actual level at the time was approximately one percent. In reality, the United States actually gives the equivalent of one quarter of one percent of the gross domestic product in foreign aid.¹

¹ Peter Slevin, "A Fall From Grace; Foreign Aid Spending Continues to Decline, Much to the Dismay of those who Fear a Loss of U.S. Influence Abroad," Tampa Tribune (27 April 1996), 6W.
Honduras is an independent country, small in size and importance to the United States. Within its region of Central America, it retains the lowest gross domestic product of $810, yet boasts the second largest population, creating serious social and economic problems for this tiny nation. Honduras is located on the isthmus of Central America, located between Guatemala and Nicaragua, directly south of New Orleans across the Gulf of Mexico [See Appendix B].

Over time, relations between the United States and Honduras have ranged from strong to weak, stemming back to early colonial times. Typically, the United States addresses Central American concerns and policies with one blanket foreign policy, except in extreme situations. In this project, the Honduran and Central American policies are interchangeable, except where specifically noted.

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History of foreign intervention and world events

Stemming back to the era of Spanish colonization, Honduras’ experience of external intervention into its domestic affairs and foreign policy creates an unfortunate cycle. In 1823, President James Monroe proclaimed the role of the United States in regard to protecting the Western Hemisphere from European interests with the Monroe Doctrine. With this proclamation, the United States ushered in an era of surveillance over Honduras and Central America. The Roosevelt Corollary to the Monroe Doctrine in 1904 formally created an asymmetrical bilateral obligation by the United States to serve as the “international police power” in the hemisphere. In 1907, the Taft administration took over control of the $120 million Honduran debt structure from the United Kingdom, exchanging British influence and control for United States. In essence, Honduras became a protectorate, as the United States supported and insured Honduran efforts to remain independent throughout the following decades.

The watchful eye of the United States continued into the 20th century with the heavy-handed gunboat diplomacy by President Teddy Roosevelt, Jr. While a full scale Marine invasion of Honduras never occurred, the Good Neighbor Policy of President Franklin Delano Roosevelt’s was a welcome change from the “overweening sense of paternalistic self-righteousness” of the big stick diplomatic methods.

The defeat of the Axis powers in World War II led to the fall of the iron curtain across the globe, with the United States diametrically opposing the Soviet Union. States and nations around the globe scurried to align themselves with one of the two world

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powers. The United States was quick to assert itself with the Truman Doctrine in 1947. Projecting the message of the Monroe Doctrine on a global scale, President Harry Truman announced his intent to provide military and economic assistance to any nation that felt threatened by communism.

While most nations in Central America remained in the hands of the United States, a few countries, like Cuba, strayed to the Soviets. The Cuban Revolution of 1959 and the rise of Fidel Castro made the United States uneasy, as the communist ideology surfaced in the Western Hemisphere. In an attempt to reassert American and capitalist prominence, the United States concocted the Bay of Pigs scheme. This disastrous incident in Cuba in April 1961 led to an embarrassing defeat by Castro over mismanaged American troops, resulting in increased tensions between the two American and Soviet superpowers. In October of 1962 the severity of the Cuban Missile Crisis revealed the thin red line separating the tense superpowers.

With the assassination of President Kennedy and onset of American involvement in Vietnam, the failing Latin American program, Alliance for Progress, came to an end. Serving as the preeminent influence in the Western Hemisphere, a hegemonic relationship was the cornerstone of United States’ foreign policy for Central America.

Spanning almost twenty years, the lengthy Vietnam War finally drew to a close in 1975, following the defeat of the American-backed South Vietnam troops. What began as an earnest effort to fight the communist North Vietnamese Army ended in a bloody mess. This armed conflict noisily divided the American public, giving rise to term,

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Vietnam syndrome. American Presidents following Vietnam continually had to answer to the American public for foreign military involvement with a quick and direct win when committing American troops.

Carter and his soft foreign policy

With numerous foreign policy disasters, President Carter entered the 1980 election with a noose tightening around his neck. Major foreign policy disasters during his administration included the Iranian hostage situation and Russian invasion of Afghanistan, which killed Carter’s efforts to ratify SALT II arms control, as gas prices also rose sharply in 1979.\(^7\) He was credited with giving away the Panama Canal. Many of the problems were beyond his control, but America’s strong public reaction against Carter revealed increasing apprehension. The principal criticism Carter faced was not being tough enough toward the Russians. His policy focused on diplomatic negotiations and humanitarianism while Ronald Reagan, a media darling in the upcoming presidential elections, focused on stronger tactics in dealing with the Soviet Union.

Origins of the Central American crisis

A major event occurred in mid-1979 that dramatically altered relations with Central America. In July, the rule of the Somoza dynasty of Nicaragua ended as the revolution arrived in Central America and the Sandinista National Liberation Front rose to power. Guerilla activity contributed to eminent civil wars in Guatemala and El

\(^7\) Ibid, 28.
\(^8\) Schulz and Schulz, *The United States, Honduras, and the Crisis in Central America*, 57
With its history of foreign intervention and influence, the United States became increasingly worried about Honduras, as it was geographically located between the two troubled states. It was also important to the United States that another country not fall into the hands of Marxist rule. Riding on this issue, Ronald Reagan took the Presidency.

Prior to the revolution in Nicaragua, the United States policy towards Honduras and Central America can best be described as uninformed and unimportant due to more pressing issues in the international arena. Central America was mainly thought of as containing "derivative areas," important only when the Cold war extended to its land.10

Hondurans' behavior during the 1980's followed a precedent of political culture and history, set back in the colonial era. In the face of growing danger, the Honduran leaders turned to its foreign protector -- the United States. Lacking a strong sense of national pride and sovereignty and traditionally susceptible to bribery, they opened up the country to massive North American economic, political, military, and cultural penetration. This penetration and abuse of power indicates why Honduras received the nickname la puta of the United States. In the 1980's, unparalleled amounts of economic aid and military support would flood Honduras. In the process, Honduras tended to overlook the fact that its and United States' interests, while similar, were not identical.

**Reagan replaced Carter's "carrot" with a big stick**

The Reagan administration came to power in 1981 with a preconceived doctrine that defined the Central American crisis primarily in Cold War terms which called for

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military solutions. Furthermore, President Reagan was determined not to repeat Carter's accommodating foreign policy that proved to be a failure. One of his major goals was to create ideological consistency by developing conceptual and policy-oriented statements like the Santa Fe report, Caribbean Basin Initiative, Kissinger Communist Study and the Reagan Doctrine. 11

From containment to roll-back, Reagan's foreign policies focused exclusively on political and strategic gains for the United States, usually put into action via the military. His first and foremost policy goal was the urgent desire to stop the spread of communism, especially within the Western Hemisphere, as emphasized by the Santa Fe paper. 12 At the heart of his policy, Reagan deliberately wanted to make an example out of Central America and emphasize the United State's power to the world, especially following Carter's weak foreign policy.

With this realist perspective, Reagan and his administration viewed the developing world as little more than a stage for East-West conflict. The anti-Soviet strategy replaced all efforts to deal with revolutions and problems in the third world as a local problem. This adopted approach ignored the deep-seated national roots of unrest and, instead dealt with the crisis as a part of the strategic confrontation between the two world powers.

Reagan's initial policy in Central America differed from Carter's in four significant ways. It incorporated a global position, rejected peaceful negotiating with the

10 Wiarda, U.S. Foreign and Strategic Policy in the Post-Cold War Era, 2.
left, relied heavily on American military power, and de-emphasized the importance of human rights.13

Instead of soft tactics, Reagan’s policy emphasized restoring United States’ hegemony in the Central American region, incorporating United States military power, strengthening security assistance to the region, and augmenting support for pro-United States regimes despite their human rights history.14

Overall, the administration ignored economic and social policy in light of more pressing military and political concerns. One Pentagon official commented that “economic and social reforms are impossible unless you have political stability,” revealing the thinking behind the lack of strong socio-economic support.15

United States’ policy towards Honduras during the administration of Reagan was dualistic in nature. On one hand, they directed the country to continued rule of a democracy, reinforced the country’s military strength, and prevented economic collapse. On the other hand, such policies undermined the shaky democracy and weakened economic development and national security. The restoration of an electoral democracy was accompanied by serious human rights violations. The massive build-up of armed forces would undermine civilian leaders by ensuring that national security policy would remain in the military’s hands. The perpetuation of the war in El Salvador and the onset of a new conflict in Nicaragua would make it impossible to attain the regional stability required for socioeconomic development. Meanwhile, the Honduran economy deteriorated as unemployment and homelessness grew, and the presence of the

14 Ibid., 86.
15 Ibid., 93.
Nicaraguan Contra army on Honduran soil raised serious issues of internal sovereignty, human rights, and possible conflict with Nicaragua.  

Reagan felt that the Nicaraguan problem would be quickly resolved by discarding the Carter policy of containment. In his plan, Honduras would become a launching pad to overthrow the Managua government through the creation of the Nicaraguan Counterrevolutionary Army while discreetly hosting the Contras within Honduras. The United States and the Central Intelligence Agency committed to fighting the covert war against the Sandinistas on the condition that the United States was in charge.

The United States used its seemingly endless supply of economic and military resources to manipulate the Honduran government and armed forces to concede to Washington’s way. With Honduras’ traditional vulnerability for bribery, the Reagan administration used enormous material incentives to obtain cooperation. In 1982, more military aid and sales were transacted in Honduras than in all the years from 1946 to 1980. Between 1980 and 1984, military aid increased almost twentyfold from $4 million to $78.5 million, with economic aid more than tripling to $168.7 million.  

This influx of dollars strengthened the Honduran forces, kept the economy from collapsing, and provided ample opportunities for corruption. In 1985, aid for Honduras peaked with $57 million in military support and $0.3 million in other aid categories.

With the intensification of violence and public anxiety over the Central Intelligence Agency support for the Contras, the American public became increasingly concerned with the legality of suspicious activities within Central America. While

16 Schulz and Schulz, The United States, Honduras, and the Crisis in Central America, 54.
17 Ibid, 73.
18 Tracy Wilkinson, "A Legacy of Conflict, Confusion; in the ‘80s, the U.S. Spent Billions to Aid Central America," Los Angeles Times, (17 Oct. 1993), 1A.
Congress cut off all further funding and prohibited United States personnel from aiding the Contras, the 1987 Iran-Contra hearings revealed the reluctance within the executive branch to adhere to this order.\(^{19}\) Peace talks between Central American leaders and the United States extended over seven years. As Reagan’s presidential term came to an end, Congress repeatedly refused to sign contra aid packages, so Central American leaders took matters in their own hands by signing an initial cease fire in 1988.\(^{20}\) With economies in Central America sagging, the Sandinistas were finally defeated politically in the 1990 presidential election in Nicaragua, signaling the end of the war in Nicaragua and the hosting of Contras by Honduras.\(^{21}\)

In a country of traditionally weak civilian rule, the American-supported strong Honduran military had ample opportunity to commit human rights abuses. In the Honduran city of Choluteca on the Pacific coast, El Salvadoran, Nicaraguan, and Honduran leftists, detained under the suspicion of gunrunning, simply disappeared. Between 1981 and 1984, scores of people were assassinated or “disappeared” for political reasons.\(^{22}\) With the blessing of the Reagan administration, the genial corruption of Honduran military politics was transformed into something far more ominous.

In 1984, Reagan proposed the Caribbean Basin Economic Recovery Act in response to a call for a long-term policy towards Honduras. It was intended to fight the enormous trade deficit in the region, resulting from the influx of so much foreign aid

\(^{19}\) Coleman and Herring, *Understanding the Central American Crisis: Sources of Conflict, U.S. Policy, and Options for Peace*, 205.

\(^{20}\) Arson, *Crossroads: Congress, the President, and Central America*, 224-225

\(^{21}\) LeFebre, *Inevitable Revolutions*, 352-353.

\(^{22}\) Schulz and Schulz, *The United States, Honduras, and the Crisis in Central America*, 69.
from the United States.\textsuperscript{23} The purpose of the act was to expedite the economic
development and export diversification of the Caribbean Basin economies. Also called
the Caribbean Basin Initiative, this economic policy netted minor positive gains in 1986,
despite some restrictive features.\textsuperscript{24}

One of the few successful policy items was beginning tentative democratic rule
within Central America. However, true democratic institutions are still missing in
Honduras. Today, an efficient judicial system with basic accountability is absent, despite
the billions of United States dollars spent to promote them. United States officials now
acknowledge that as long as Hondurans obeyed American demands regarding the Contras
and military ventures, no questions were asked about where the money went.\textsuperscript{25} With that
kind of blind support, few Hondurans dared to challenge the military backed by Reagan,
even as it abused its privileges.

According to the United States Department of State, another successful foreign
policy tool is a distant relative of the American government, the Peace Corps program.
This was an especially important grass-roots social tool, contrasting with the harsh
military policies of Reagan's administration. The volunteers were American citizens who
work directly with the Honduran people to educate them on social issues concerning
health, education, agriculture, and business.\textsuperscript{26}

Overall, the United States' policy focused more on keeping a lid on the pressure
cooker than addressing the cause of problems. The push to militarize the country

\textsuperscript{23} Nancy Peckenham and Annie Street, \textit{Honduras: A Portrait of A Captured Nation}, (New York: CBS
\textsuperscript{25} Wilkinson, "A Legacy of Conflict, Confusion; in the ‘80s, the U.S. Spent Billions to Aid Central
America,” 1A.
strengthened the very forces that most threatened democracy and wasted scarce monetary resources that would have been better invested in economic development.

In the end, the Reagan administration became so fixated on the communist enemy that it was blinded to the destructive impact of its policies on Honduras. Honduras was reduced largely to an instrument of United States policy, valued not so much for itself as for its usefulness in the crusade against the Sandinistas. The consequence of this policy was that the administration’s Honduran policy became increasingly counterproductive; a strategy intended to bolster the country’s stability had precisely the opposite effect.  

**Bush Years, a hiatus in Honduran relations**

The transition of power from Reagan to George Bush in 1989 was a minor precursor to an approaching global transformation of power and politics. With the fall of the Berlin Wall in late 1989, the break-up of the Soviet Union, and the dissolution of the Warsaw Pact, it was time for the United States to rethink foreign policy and assumptions held since 1946. The shift from a strategic threat-oriented policy to an opportunity-based policy would take time to understand and incorporate.

Almost immediately after his election, President Bush focused on getting re-elected and neglected maintaining foreign relations in this newly unipolar international community. In general, Bush largely ignored all foreign actors, with the exception of the changing Soviet Union. His administration discussed a policy concerning a “New World Order,” with compliance to international law as monitored by the United Nations in order to establish a multilateral framework for peace and stability, but nothing ever

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27 Schulz and Schulz, *The United States, Honduras, and the Crisis in Central American*, 55.
materialized. There was no consensus on what kind and how to enact a serious policy change, so this simply led to inaction.

In the meantime, Central America was forgotten and moved to the bottom of the priority list. Defining Bush's plan for disengaging the United States from Central America is difficult, mainly because there was not one. The Bush administration marked a brief hiatus in foreign policies for Honduras. With the end of the cold war, Washington soon lost interest in Central America's strategic position in the world, slashing the assistance that flowed south. Relatively little attention was directed towards Central America. At a time when Central American leaders needed economic assistance more than ever, the Bush administration kicked off the 1990's with sweeping budget cuts in foreign aid expenditures. With cuts for Central America totaling $14.8 billion, Honduras received $133 million in 1990, dropping almost $50 million from 1989 [see also Appendix C].

After hyper-attentive relations in the 1980's, this sudden neglect of Central America was especially difficult for its leaders to swallow, provoking frustration and resentment. After receiving $1.4 billion in American assistance to host the Contras, Honduras in particular struggled to adjust to again being near the bottom of United States priorities as a region that had largely fallen from view. Moreover, the consequences of the destructive military tactics employed by the United States in Honduras came to fruition. American officials involved with Honduras in the 1980's paid little attention to

28 Wiarda, U.S. Foreign and Strategic Policy in the Post-Cold War Era, 4.
29 Arnson, Crossroads: Congress, the President, and Central America, 228.
Honduras’s development through the years of plenty, as long as their Contra policy was allowed to go forward.

President Rafael Callejas was haunted by the dependence that the massive foreign aid brought. Callejas lamented about this relationship with the United States saying, “In reality, the majority of aid was wasted in the military field. It did nothing to help development. The decade of the 1980’s was one huge step backward, economically and socially. It was a lost decade.”

After the militarization of Honduras scared away foreign investment, its superficially bloated economy created a terrible fiscal situation, as the country was virtually bankrupt when President Callejas took office in 1990. Much of the foreign aid received in the 1980’s was cancelled out by capital flight and debt service, resulting in a neutral or negative net effect, especially in light of the destructive effects of the United States sponsored war of the contras. At the end of the Cold War, Honduras found itself poorer than before the billions of dollars from the United States entered the economy.

Despite pleas for help from Honduras and other states in Central America, the United States turned a deaf ear. Former United States ambassador to Honduras, Cresencio Arcos said, “We never asked Honduras to do anything except to be a base for Contras. They were close allies...maybe they didn’t use all the money the way we wanted, but the place at least stayed afloat.”

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32 Ibid.
33 Schulz and Schulz, The United States, Honduras, and the Crisis in Central American, 106.
34 Wilkinson, “A Legacy of Conflict, Confusion,” 1A.
America in the 1980's was based on protecting an ally, the United States blatantly shunned helping its allies rebuild their land.

During this period of confusion and neglect, Central American leaders deeply felt the absence of United States support. One Honduran political scientist summarized the hurt, "Honduras of the '90s is so different from the Honduras of the '80s. We no longer believe in the promises of North America".35

**Clinton: Socioeconomic Policy Arrives**

During 1992 election, Clinton played to the sentiments of isolationists by emphasizing the need to solve domestic issues. Without the rise of another superpower, many Americans felt justified in thinking that the United States could escape the problems of the world by retreating into our borders; a renewed isolationism swept the country. America was no longer willing to be global cop, but still wanted to retain the ability to pick and choose involvement in world activities. President Clinton quickly learned while that he might prefer to concentrate on the domestic issues that got him elected, events on the outside kept interfering.36 Global interdependence and the highly integrated world market increasingly demanded the attention of the United States. With such economic interdependence, the United States needed a vigorous foreign policy to maintain the stability, as found in sound domestic and social programs.37

Clinton encouraged stronger support for international organizations like the United Nations through a policy of "aggressive multilateralism."38 This encouraged

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37 Ibid.
38 Ibid, 10.
employing international forces and offices in various local conflicts, rather than committing United States' forces alone. The hemispherical group, the Organization of American States, grew more independent from the influence and control of the United States. Following a failure in Bosnia, Clinton changed this foreign policy briefly to one of "enlargement," then settled on flexible instruments for implementing foreign policies pertinent to the situation.  

In general, Clinton's administration focused primarily on economic policy for Honduras, with limited social policies announced in reaction to Hurricane Mitch in 1998. The major political goal was to sustain democratic rule in the region. With stagnant to declining levels of United States foreign aid overall [see Appendix D], Honduran foreign assistance from the United States declined from $51 million in 1993 to $29 million in 1997. The United States planned to increase assistance for Honduras by working through international lenders such as the World Bank and the private sector. Despite the unfortunate tendency to chop foreign aid budgets, economic and political changes continued to transform Central America from an area with a tendency to be antagonistic into an important partner.  

Several of Clinton's economic policies towards Honduras included implementing regional programs. Policymakers understood the need for more attention to the neighbors in Latin America after watching the former Soviet Union unravel, and thereby created potentially negative effects on the world market. Originating at the 1994 Summit of the Americas, the establishment of a Free Trade Area of the Americas by the year 2005 for the Western Hemisphere has progressed, despite Congress withholding fast-track

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39 Ibid.  
authority from Clinton. In effect, this agreement consolidates various trading alliances, like NAFTA, into one hemispheric union. Since the summit, the effort to unite the economies of the Western Hemisphere into a single free trade arrangement has been an ongoing fight to progressively eliminate barriers to trade and investment.

Honduran leaders criticized Clinton for requesting greater American access to Central American markets without granting the weaker and smaller markets reciprocal benefits. So in 1998, Clinton proposed breaks for Central America in conjunction with NAFTA, as well as a temporary enhancement of the Caribbean Basin Initiative to lower tariffs for textiles and apparel produced in Central America. Nearly a year later, in November, Congress finally voted in favor of granting Central American countries many of the preferential treatments under the North American Free Trade Agreement. These trade enhancements hold a greater importance in Honduras' economy in the aftermath of Hurricane Mitch.

Another notable event in Honduran policy was Clinton's 1997 call to end the embargo on advanced weapon sales to Central America. Clinton justified his policy by arguing that Latin American countries have largely overcome internal conflicts and retain a new level of maturity and dialogue, with a renewed need to modernize armed forces.

An expert in United States relations with Central America, Julio Yao, called the removal

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41 Wiarda, U.S. Foreign and Strategic Policy in the Post-Cold War Era, 133.
44 John Donnelly "Senate OK's bill giving Africa trade benefits; Proposal calls for reduced tariffs" The Boston Globe, (4 Nov. 1999), 2A.
of the embargo “an open provocation of Latin America peoples impoverished by neoliberal policies,” revealing a lingering distrust of American political policy.45

Honduras and Central America finally achieved a significant level of attention and aid from the United States following the violently destructive Hurricane Mitch in October 1998, which caused over $3 billion in damages in Honduras alone.46 The United States used the recovery period following Mitch to loan Honduras American technology and knowledge for the reconstruction period, as well as deploying thousands of Marines to help out. In all, the United States pledged approximately $250 million in assistance to help a crippled Honduras get back on its feet.47

Some analysts argue that the disaster relief was not simply a handout, but a payback for the damage the world powers caused through past ideological conflicts, such as the Cold War.48 Overall, the American public supported this foreign aid package for disaster-relief in Honduras mainly because the damage was incredible and visible.

As a result of Hurricane Mitch, the Peace Corps created a special department called the Crisis Corps to bring immediate relief to Honduras, in addition to regular Peace Corps volunteers. This group is composed of former Peace Corps volunteers who return to service for short-term relief for natural disasters or humanitarian crises.49 While the Crisis Corps volunteers left Honduras several months after working on reconstruction projects, the Corps continues to be an important foreign policy tool that focuses on alleviating social concerns.

48 LaFranchi, “Rebuilding Central America,” 2.
Several months after Hurricane Mitch ravaged Honduras and Central America, President Clinton toured the area. In a noteworthy speech, he apologized for the past wrong-doings of the American government in Central America. He stated, "for the United States, it is important that I state clearly that the support for military forces or intelligence units which engaged in violent and widespread repression ... was wrong." 50

In early February 2000, Director of United States Agency for International Development Brady Anderson spoke on foreign policy goals for the final year of Clinton's presidency. While new issues such as narcotics trade and immigration policies are becoming increasingly important, Anderson focused once again on the desire for economic access as the primary goal of United States foreign policy to Honduras. He stated that the continued peaceful transition to democracy in Central America would create more opportunities for American investment, which will benefit both the United States and Central America. 51

Ideal Policy for the New President on Honduran Relations

Despite remarkable economic prosperity, the United States continues to focus primarily on domestic issues, as shown by ranking last in percentage of gross domestic product given as foreign aid among major Western donors; only 1 percent of the federal

budget's devoted to foreign assistance. Overall, Congress recently cut foreign aid programs by an average of 33 percent, shrinking foreign aid to a 50-year low.52

It is important that the United States stay actively involved in humanitarian acts and aid packages especially since it is the last remaining superpower. In 1997, the United States ranked third in development assistance, behind Japan's $9.4 billion and $6.3 billion from France, according to recent numbers from the Organization for Economic Cooperation and Development.53

Japan and Europe have become increasingly generous with foreign aid for Latin America. It is evident that the United States cannot afford to neglect its regional neighbors. Ironically, after Reagan's declaration to strategically help Honduras fight communism, it is now in our best strategic interests to keep Honduras and Central America dependent on aid from the United States, not nations outside of the region. As the strongest leader of the Western Hemisphere, the United States must develop and maintain a strong relationship and support structure for Central America.

The new President will have the opportunity to learn from two drastically different foreign policies over the past twenty years and to create an ideal relationship that is mutually beneficial to Honduras and the United States. The new administration can learn from American mistakes of the past and use history to formulate new, creative thoughts and ideas regarding Honduras.

With the Cold War becoming ever distant, the new policy can focus not only on economic issues but also on social policies. Since the United States is secure and

52 "How much of the Federal Budget is Spent on Foreign Aid?" Public Agenda. Lexis Nexis Database. (2 Nov. 1998).
53 Mary Dalrymple, "Foreign Aid Languishes In an Age of Indifference Advocates Warn that in the post-Cold War world, U.S. is in Danger of Losing the Peace," CQ Weekly (3 July 1999), 1627.
confident with a large surplus of economic and military power, our leaders can pursue objectives that other nations would not consider.\textsuperscript{54} In order to genuinely help Honduras address its problems, the root cause of problems in Honduras must be addressed. Honduras and the United States need to mount a united response to social issues that transcend politics, or else the Hondurans that most need the help will forever be short-changed as a result of shifting governments and political situations. Unlike trade and national security, the problems of income inequality, poverty and inadequate access to education are not currently evident in United States foreign policy concerns.\textsuperscript{55} The new president has the opportunity to change status quo.

After witnessing gradual gains in social standing in recent years, the time is ripe for increased social policy and reform support for Honduras. From 1998 to 1999, the country moved up to 114th from 119th rank on the United Nation's Human Development Index, which measures a country's achievements in three basic dimensions of human development through life expectancy, education and standard of living statistics.\textsuperscript{56}

Specific areas where the United States could help Honduras achieve better social standing would be through access to and reform of education and health systems. Land reform and income distribution policies must be adjusted to realize increased social equity. While Honduras tries to remedy some of these problems through public work initiatives, debt payment notices accounted for 21 percent of the budget in 1999, more than education or public health.\textsuperscript{57} The total external debt of Honduras exceeds $4 billion,

\textsuperscript{54} Stephen Walt, "Two Cheers for Clinton's Foreign Policy," \textit{Foreign Affairs} (March/April 2000), 6.
\textsuperscript{55} Fishlow, \textit{The United States and the Americas: A Twenty-First Century View}, 79.
with revenues of only $655 million. This debt is an enormous burden on the Honduran economy and needs to be forgiven.

Another important component in the Honduran-United States relationship is debt forgiveness. Congress recently voted in favor of easing ten of the International Monetary Fund's most "heavily poor indebted" countries' debts of $2 million for fiscal year 2000, but Honduras is not included in that list. With Honduras falling to this International Monetary Fund category, the new administration can focus attention on easing the debt burden of Honduras.

"Trade, not aid" was a catchphrase in the 1990's, but the new administration needs to reexamine that philosophy. If aid is earmarked to help particular social problems, then the United States and Honduras together can begin to pinpoint solutions for social change. Before Honduras can even become a stronger trading partner, the poverty that affects 53 percent of the population must be alleviated, or there is no room for the Honduran market to grow.

As for economic policies, United States must continue to open its markets to Central America and take positions that help the region to create economic development through policies such as privatization or industrialization. In 1999, companies within the United States invested $900 million in Honduras, which equals 75 percent of all foreign investment in the country. American investment in Honduras is expected to rise, especially in conjunction with the Hurricane Mitch recovery period. Congress cannot retreat to protectionist policies as the new millennium dawns. Despite Clinton's push for

opening markets in the 1990's, the American and global economy continue to be overwhelmingly prosperous.

The new president must receive fast track authority for trade negotiations; a privilege granted every President since Nixon except Clinton, to fully implement the Free Trade Area of the Americas.61 This new administration must seek fast track authority for trade alliances from Congress at the earliest possible moment. Without this authority and continued delays from the United States, other Central American countries are becoming increasingly agitated and willing to look to other countries such as Brazil or Chile for leadership in this trade agreement.62 Implementing the Free Trade Area of the Americas is an important building block for a liberal economic order in this hemisphere. Failure to pass this legislation and help out Central America will again encourage the region to turn to Europe or Asia for market access.63

Also, the administration of the new president needs to recognize that United States can provide only limited assistance, especially when implementing goals, due in part to the non-committal nature of Congress relating to foreign assistance. Similar to Clinton's encouragement of multilateral organizations, the new president can use America's influence and votes in institutions such as the World Bank or Organization of American States to successfully achieve better relations with Central America. The amount of public funds available for assistance continues to dwindle in comparison to the private capital flow in Central America education.64 Groups like the Inter-American Development Bank can more easily aid in the implementation of specific educational

61 Walt, "Two Cheers for Clinton's Foreign Policy."
63 Wiarda, U.S. Foreign and Strategic Policy in the Post-Cold War Era, 147.
policies over direct aid from the United States. However, the United States still needs to be actively involved in the creation of foreign policy and in the decision making processes of multilateral institutions.

With continued peace in the region, the new administration does not need to develop a tough political policy for Honduras. After Reagan's highly military policies for Honduras, the country is grateful to be at peace with the United States and far away from America's political interests. With a small military base in Honduras, the American military maintains a low profile in the country. The American and Honduras militaries conduct joint activities in disaster relief, especially following Hurricane Mitch. The United States armed forces provide logistical support for medical, engineering, peacekeeping, and counter-narcotic activities for the benefit of Honduran people. These goodwill activities help curb the lingering animosity towards the United States due to the detrimental military tactics in the 1980's.

The year 2000 marks new beginnings for the century and the President of the United States. Ideal foreign relations with Honduras will transpire not out of economic gain, but more importantly, through social policies. Henry Kissinger has acknowledged that the United States, perhaps uniquely among nations, could not operate on the basis of power politics alone, that it needed moral purpose and a sense of doing right and good in the world to have a successful foreign policy. In this new millennium, let relations with neighboring Honduras echo Kissinger's thoughts.

66 Wiarda, U.S. Foreign and Strategic Policy in the Post-Cold War Era, 8.
Appendix A
U.S. Foreign Aid: Myths and Realities

Public Opinion Poll of Amount Spent on Foreign Aid

- Too little: 4%
- About Right: 17%
- Too much: 75%

Should the U.S. give more Foreign Aid compared to other countries?

- No: 5%
- Yes: 80%
- About the Same: 9%

What do you (U.S. Public) think about spending 1% of the entire U.S. budget on Foreign Aid? Is it...

- About Right: 47%
- Too Much: 19%
- Too Little: 34%

Foreign Aid as a Percent of GNP

<table>
<thead>
<tr>
<th>Country</th>
<th>U.S.</th>
<th>Japan</th>
<th>Britain</th>
<th>Germany</th>
<th>France</th>
<th>Denmark</th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of GNP</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>0.8</td>
<td>1</td>
<td>1.2</td>
<td></td>
</tr>
</tbody>
</table>

Slevin, Peter. "Fall from Grace, Foreign Aid spending continues to decline, much to the dismay of those who fear a loss of U.S. influence abroad." Tampa Tribune 27 April 1996, p.6.
Appendix B
Maps of Honduras and Central America

Source: Map Quest

<http://maps.excite.com>
Appendix C
USAID Assistance to Honduras

In Millions of U.S. Dollars
Appendix D

Clinton and fight for foreign aid

Spending on International Affairs
Spending on international affairs, which includes foreign aid, as a percentage of the federal budget, 1960-1997

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
</table>
| 1960 | 4.48%
| 1965 | 3.24%
| 1970 | 2.21%
| 1975 | 2.14%
| 1980 | 2.15%
| 1985 | 1.71%
| 1990 | 1.10%
| 1995 | 1.08%
| 1997 | 0.95%

Source: Budget of the United States Government, fiscal year 1999
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