

With Them and Against Them: Canada's Relations With Nicaragua, 1979-1990

by

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## **Abstract**

Canada's relations with Nicaragua changed greatly during the 1980s after the Sandinista National Liberation Front (FSLN) came to power in a revolution which overthrew the Somoza dynasty. For the first few years of the new regime in Nicaragua, Canada provided little support, declaring that Canadians had no significant interests in the country and there was no reason for them to get involved in Central America's ongoing conflicts. When Brian Mulroney first came to power with Joe Clark as his Secretary of State for External Affairs, the Progressive Conservatives generally held to the course set by the previous Liberal government. However, as the 1980s went on the Conservatives began providing Nicaragua with more bilateral aid, and became increasingly involved in the regional peace process known as Esquipulas; this culminated in Canadian peacekeepers entering the region in 1990 as part of a UN peacekeeping force. The major impetus for the government's change in attitude was the strong and consistent pressure placed on the government by the Canadian public. Aid raised privately by Canadians for Nicaragua overshadowed government aid for much of the decade, making the government response look weak. The support of the Canadian public for action in Central America was the major factor which pressured the federal government into becoming more involved in Nicaragua, even though the government was not as supportive of the new regime in Nicaragua as a large portion of the Canadian public often was.

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## 1 Introduction

Canada's relations with Central America have never been especially prominent. In terms of trade, there has also never been an especially large volume of goods travelling between the two regions. In terms of aid, Canada has typically focussed on the old Commonwealth Caribbean and Southeast Asia. In terms of diplomacy, Canada has tended more towards the Caribbean, with its traditional British ties. Canadian companies have not been especially involved in Central America either. While they had reasonably extensive contacts with South America, there have only been a handful who have gone to Central America, typically mining companies.<sup>1</sup> Canadian church groups were quite active in Latin America, but their focus was again on the Caribbean and South America. While there were 313 people employed by Canadian diocese of the Catholic Church in Brazil in 1970, 420 in Haiti, and even 40 in Cuba, there were just 10 in Nicaragua.<sup>2</sup> As small as Canada's business and religious ties with Nicaragua have been, the federal government has been even less involved. In the 1940s Canada had a most-favoured nation agreement with Nicaragua so that Canadian companies were able to gain the same beneficial status as companies from any of Nicaragua's other trading partners, but trade between the countries was not large enough for the deal to make much of a difference.<sup>3</sup> Canada did not even have diplomatic representation in Nicaragua until after the Sandinistas left office.

While Canadian church and labour groups had some limited ties to Nicaragua in the period leading up to the Sandinista revolution in 1979, Canada's main ties were through its mining companies, who had been involved in the Nicaraguan economy and the country's politics for some time. Beginning in the 1920s, two Canadian companies had a near-monopoly on Nicaraguan gold. The first, Noranda,

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1 See J.C.M. Ogelsby. *Gringos From The Far North: Essays in the History of Canadian-Latin American Relations, 1866-1968*. (Toronto: Macmillan, 1976), Chapter 4.

2 Ogelsby, 202.

3 Peter McFarlane. *Northern Shadows: Canadians and Central America*. (Toronto: Between the Lines, 1989), 63.

had been started in 1922 by James Murdoch, who ran the company from an office in Rosedale, Ontario, and had little direct contact with his company's branch in Nicaragua. The venture was immensely profitable: he opened his first mine in Nicaragua for \$40 000, and within a year it was turning a \$675 000 yearly profit.<sup>4</sup> Adjusted for inflation in 2009, that would be about \$8.5 million dollars. Not a bad profit for one year of operation given his small initial investment. The other Canadian mining venture in Nicaragua was started up in 1928 by Thayer Lindsley. This company was then known as Ventures Ltd. and has been more well known in recent years as Falconbridge. Unlike Murdoch, who had little contact with his immensely profitable mine, Lindsley made near-daily phone calls to his new operation and frequent visits to assess its progress. In 1939 Ventures bought the La Luz mine, one of Nicaragua's largest.<sup>5</sup>

The Canadians' efforts in the country were helped by the fact that between 1937 and 1979, it was ruled by the powerful Somoza family. This was typically executed directly by Anastasio Somoza García, Luis Somoza Debayle, or Anastasio Somoza Debayle, though on a few occasions the country was governed by puppets. The Somozas were able to maintain their rule through their control over the ruthless militia known as the National Guard. The two Canadian mining companies were both happy to take advantage of the protection provided by the National Guard, which required a pay-off; towards the end of the Somoza regime, the mining companies were paying hundreds of thousands of dollars per year directly to Anastasio Somoza. In addition to that, they provided military supplies that he used to fend off armed insurrection against his family's despotic rule.<sup>6</sup> In exchange for their support of the Somozas, the mines were able to use the National Guard to keep themselves union free and the profits flowing.<sup>7</sup> When the Sandinistas came to power, Canadian companies were among their first targets. While the La Luz mine had been sold in the 1970s, protecting Falconbridge from reprisals, Noranda's

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4 McFarlane, 63-5.

5 McFarlane, 63-5.

6 McFarlane, 67.

7 McFarlane, 85.

Empressa Minera was taken over and nationalised in the final days of the conflict.<sup>8</sup>

Previous explanations of Canadian actions in Central America during the time period examined here have generally focussed on Canada's role in the international system and have not put much emphasis on the role of domestic interest groups, which is one of the main areas which this paper focusses on. Two dominant explanations have emerged, both of which are instructive about at least some aspects of Canadian policy in Nicaragua. The most common explanation has argued that Canada's role in the region was generally defined by the Americans; that is to say that Canadian governments were acted upon by the U.S. government and dominant American interests and either did not have their own interests in the region or were not able to pursue them. Discussions of Canada's foreign affairs policy since World War II have frequently focussed on its purported role as a "middle power", a country large enough to wield some influence on the world stage, but not large enough to direct major events. B.J.R. Stevenson argues that Canada actively shunned this role in Central America during the 1980s and instead acted quietly, cautiously, and hesitantly out of fear of the U.S.<sup>9</sup> He notes that Canada's approach to El Salvador, Guatemala, and Honduras - all countries with right-wing governments - was the same as that of the U.S. Only in Nicaragua did the government take a different position; Stevenson declares this to be a contradiction.

His stances on some of the issues in the region are puzzling. For example, he declares that Canada attempted to increase trade with Nicaragua in light of the trade embargo enforced by the Reagan government, yet evidence shows that the government did not do this and actually assisted the American embargo indirectly.<sup>10</sup> He also says that Nicaragua was an example of the challenges to U.S. dominance which were occurring in the 1980s, and that the emergence of new regional arrangements in the 1980s reduced the importance of the United Nations.<sup>11</sup> A more likely explanation for the decrease

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8 McFarlane, 161.

9 Stevenson, 9.

10 Stevenson, 8. This issue will be addressed in more detail in the chapter on Canadian-American relations.

11 Stevenson, 4.

in the importance of the U.N. is put forward by Tom Keating, who argues that the Reagan administration used its power to actively sabotage the ability of the U.N. to operate. Keating quotes former Canadian diplomat John Holmes, who declared that U.S. actions in Nicaragua, Grenada, and Libya in the 1980s were running the danger of causing irreversible damage to the U.N. system.<sup>12</sup> This is evidence of the fact that the U.S. did not have diminished power: it could single-handedly disrupt attempts by the international community to resolve conflicts.

Keating discusses Canada's role in the region as part of a long-standing process in Canada's foreign policy of using multilateral institutions to increase its influence and prestige. According to Keating, since the 1940s Canada has actively supported a wide range of multilateral institutions, and has done so not merely out of concern for the way that the international community was organised, but also out of a "conscious interest in the substantive content of the international order".<sup>13</sup> He describes multilateralism as being a tool for protecting the interests of middle-power nations such as Canada.<sup>14</sup> A number of people within the Canadian government put forward that view in the 1980s. Joe Clark declared that "no other major power has Canada's institutional reach",<sup>15</sup> while Brian Mulroney saw it as such a priority that he identified that revitalization of multilateral institutions as a pressing foreign policy objective in the 1984 Speech From the Throne.<sup>16</sup> Keating's explanation is accurate in at least one respect - Canada's insistence on finding regional, mutually negotiated solutions to the conflicts in Central America reflect this world view. At the same time, Canada's actions did not represent a "conscious interest in the *substantive content* of the international order" (emphasis added). As this paper will show, Canadian actions and statements very rarely carried with them any tangible, physical actions. Instead, they were very much directed out of a concern about how the international

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12 Tom Keating. *Canada and World Order: The Multilateral Tradition in Canadian Foreign Policy*. (Don Mills, ON: Oxford University Press, 2002), 112.

13 Keating, 4.

14 Keating, 11.

15 Keating, 1.

16 Keating, 113.

community was organised, contrary to what Keating argues.

## The Sandinista Years

The Somoza regime was overthrown in July 1979, when the Sandinista National Liberation Front (FSLN) took over Managua, its last remaining stronghold. At the time, the FSLN was composed of a broad coalition that included orthodox Marxists, those advocating for a mixed economy, members of the business community such as Violetta Chamorro, and church leaders. Before long it was clear that it was those who advocated for a mixed economy, led by Daniel Ortega, who would have most of the power in the new government, and eventually a number of prominent members of the group, such as Chamorro, would leave to oppose the Sandinistas. The U.S. was unhappy with the result, not wanting the Sandinistas in power. They would fund an insurrection against the government (staged primarily from Honduras), until 1990, when the pro-Western candidate Chamorro came to power.

Canada did not respond to the revolution with violence, and initially neither did the U.S. Canada - led at the time by Joe Clark's Progressive Conservatives - recognised the Sandinistas as being the legitimate governing party of Nicaragua within days of their taking Managua. The U.S., led at the time by Democratic President Jimmy Carter, also recognised them quickly. Shortly after this, Clark was defeated in an election by Pierre Trudeau's Liberals, who also recognised the legitimacy of the Sandinistas. But aside from recognising that they were the legitimate governing party of Nicaragua, the Liberals were not especially active in response to the revolution. Virtually no aid was provided to Nicaragua in the first years of FSLN rule, though towards the end of Trudeau's time in office Canada did provide a fairly significant amount of food aid, and a large line of credit was extended to Nicaragua in 1983 for the purpose of increasing their dairy capabilities. The Liberals were not very active diplomatically either. They put virtually no pressure on the United States to stop destabilising the region, except to express displeasure that they had not been notified about the invasion of Grenada before it was launched in 1983. If anything, Trudeau's Secretary of State for External Affairs, Mark

MacGuigan, seemed to be at least nominally supportive of the U.S. He repeated the American line as Canada's own in the House of Commons on multiple occasions, and frequently said that he trusted the U.S. Toward the end of Trudeau's final term, Allan MacEachen replaced MacGuigan as Secretary of State for External Affairs and he set a more moderate tone, one which was largely mirrored by his Progressive Conservative successor, Joe Clark, who took over the position following the victory of Brian Mulroney. On the whole, the Liberal response to Nicaragua and its revolution was that Canada had no substantial interests in Central America, nor any particular reason to get involved in the region's disputes. The Liberals only real involvement in the country was in the food aid that was provided toward the end of their time in office.

It would be useful here to clarify the term "interests", which will be used many times throughout this thesis. The Liberals and Progressive Conservatives often used terms such as "Canadian interests" while American politicians also referred to "American interests". The terms are not especially accurate, however. What was seen as being in the Canadian interest had little to do with any benefit for the average Canadian citizen. What was typically meant was the interests of Canadian business or finance. Occasionally it also meant Canada's image on the world stage, or its influence in multilateral organisations. When MacGuigan claimed that Canada had no interests in Nicaragua, he was clearly mistaken. Canadians were immensely concerned with the troubles in the region, and especially in Nicaragua. Canadian churches were involved in development in Nicaragua, as were Canadian unions, before the revolution occurred. Afterward, private Canadian citizens, primarily through non-governmental organisation (NGO) campaigns, became heavily involved in development efforts in the region, both by donating money and by working directly in Nicaragua. The same was at least somewhat true in the U.S., where there was also a large protest movement against American actions in the region united under the slogan "No more Vietnams."<sup>17</sup>

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<sup>17</sup> B.J.R. Stevenson. *Canada, Latin America, and the New Internationalism: A Foreign Policy Analysis, 1968-1990*. (Ottawa: Queens University Press, 2000), 18.

When the Progressive Conservatives first came to power, their tactics toward the Sandinistas were quite similar to those of the Liberals. While the Tories were expected to take a hard-line position more similar to that of the Americans, leader Brian Mulroney surprised many people when Joe Clark, known for being more moderate than some of his colleagues, was named Secretary of State for External Affairs and ordered a review of Canada's policies towards Central America in response to the immense public interest in the issue. The Conservatives ended the Liberal strategy of providing significant food aid to Nicaragua, and initially provided the country with money primarily through loans. Later in the decade, once the Tories had completed a review of Canada's foreign aid strategy,<sup>18</sup> Nicaragua then became a fairly significant recipient of official development assistance (ODA), as it saw the amount of aid provided by Canada jump by approximately nine times in just one year. The Progressive Conservatives also took part in both the Contadora and Esquipulas negotiations which sought to bring peace to Central America - negotiations which the United States opposed from the outset. However, like the Liberals, the Tories were careful not to stray too far from the American line. While it was clearly in the interests of both Clark and Prime Minister Mulroney to appear as though they supported a strong, independent foreign policy for Canada - and both made sure to tell people they thought that was exactly what they were doing - Canadian policy was still constrained by that of the U.S. However, the Conservatives were more involved in Nicaragua than the Liberals had been on two important fronts: they provided more aid in the last few years of the decade, and they were more involved in the peace negotiations.

Unlike the federal government, the Canadian public was both vocal and active in regard to Nicaragua. In the early aftermath of the revolution in Nicaragua, Canadian labour leaders were among the first to meet with the new Nicaraguan leadership (they were in the region for an unrelated conference at the time). Private aid, especially from the Canadian Labour Congress, reached hundreds

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<sup>18</sup> Canadian International Development Agency. *Sharing Our Future: Canadian International Development Assistance*. Hull, Quebec: Minister of Supply and Services Canada, 1987.

of thousands of dollars very quickly afterward, easily overshadowing the government's general inaction. Over the next several years, there were several times when the amount of annual private aid raised for Nicaragua was greater than that donated by the government, though by the last few years of FSLN rule, the federal government was providing a good deal more than was being raised by NGOs. Canadians started letter writing campaigns, petitions, and participated in other forms of awareness raising to help out the people of Nicaragua. The crises in Central America, where Nicaragua was front and centre, were among the most common issues that Canadians wrote to their Ministers of Parliament (MPs) about. Parliamentary committees dealing with the issue were surprised to receive such a large amount of communication about Canada's role in Central America.<sup>19</sup>

What is most interesting about the public support for Nicaraguans is that it was so varied and consistent. Unions took centre stage at times, but many other campaigns were run and supported by ordinary Canadians. The NGO which raised the greatest amount of donations for Nicaragua, Tools For Peace, was started by a group of fishers in British Columbia (B.C.), before expanding across the country. Aid for Nicaragua came from every region of the country and all classes. While newspapers reported that support for the Sandinistas was greatest among the middle class and the university educated,<sup>20</sup> NGOs countered that the bulk of their money came from the lower class.<sup>21</sup> Across employment, region, education, and income level, Canadians from all aspects of society were willing to give to Nicaragua. The government had no choice but to respond in the face of such overwhelming public support.

Canada's role in Nicaragua throughout the 1980s was somewhat consistent across the activities of both Liberal and Progressive Conservative (PC) governments. Neither took entirely the same stance as the Reagan administration, but both were concerned about differing from it too forcefully. The

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19 "On Nicaragua: It's Time To Speak Out", *Toronto Star* (July 26, 1986), B2.

20 "Majority Oppose Greater U.S. Role In Latin America", *Globe and Mail*.

21 "Canadian Aid The Best Approach", *Toronto Star* (January 13, 1986), C1.

Liberals were nominally supportive of the Sandinistas, but just as frequently criticised them and provided no real support beyond a year or two of food aid. They seemed to be in agreement with the U.S. on everything except the use of force. The Tories had a more difficult time of it as there were clear divisions within their party over how closely to mirror the American position. In the end, they were more supportive of Nicaragua than the Liberals had been, but only when doing so did not risk seriously offending the Americans. They provided more aid than the Liberals and were more involved in the peace process, largely at the request of Mexico. Clark and Mulroney both saw Central America as a region where they could demonstrate their independence to Canadians. Like the Liberals, they were extremely cautious about doing anything which might upset the Reagan administration, even when it seemed as though taking a more forceful stand could have positively influenced the chances for peace in the region. The one factor which was consistent with both governments, however, was the support for the new regime in Nicaragua amongst the Canadian people. No matter how inclined they may have been towards the American position at times, both Liberal and Tory governments had little choice but to show at least some degree of support for Nicaragua due to the demands Canadians made of them.

## **The Public and NGO Response**

Much of what has been written about Canada's relationship with Central America during the 1980s treats public engagement as an afterthought. The main focus is typically on Canada's role in the Contadora and Esquipulas peace negotiations. However, Canada's main engagement with Nicaragua during this period was not government-to-government, but people-to-people. Canada's oldest connections were business ties, primarily through its mining companies. Religious and other aid groups from Canada were also involved in Nicaragua long before the federal government decided to play a role in the region, though their impact does not stretch back as far or as deeply as that of Canada's mining companies. Stevenson links the involvement of Canadian church, labour, and NGO groups in Latin America with the overthrow of Salvador Allende in Chile in September 1973. According to Stevenson, it was outrage over this action that got Canadians interested in social justice in the region.<sup>22</sup> Perhaps the clearest evidence of the involvement of the Canadian public in Nicaragua was the fact that the main reason the federal government became involved at all was due to public pressure.<sup>23</sup> It demanded government get involved directly, through its letter writing, petitions, and responses to public opinion polls; they also pressured the government indirectly because the huge amount of aid that Canadians privately donated to Nicaragua made the government's response look weak at times. It is for this reason that this thesis begins by examining the public response to the Sandinista regime; the public response directed and framed virtually every other aspect of Canada's relationship with the region during this period.<sup>24</sup>

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22 Stevenson, 6.

23 According to Joe Clark, public opinion polling by the Progressive Conservatives after they came to power in 1984 determined that Central America was an area that many Canadians wanted their government to take an active interest in, and that was one of the main reasons that the party became involved in the region to the degree that it did. Interview with Joe Clark, Waterloo, ON, October 26, 2008.

24 There were, of course, other factors, which will be dealt with in the following chapters, but the public response was the most important.

## Action on the Ground: The Church and NGO Response

The initial Canadian response to the revolution in Nicaragua came not from the federal government, but from Canada's unions. In the immediate aftermath of the civil war in 1979, the Clark government pledged the paltry sum of \$180,000 worth of aid. However, the Canadian Labour Congress had by that point already collected \$250,000 worth of donations, making the government's response look weak.<sup>25</sup> The Tories came under fire for this from both the public and the House of Commons. On October 16, 1979, three months after the Sandinistas had come to power, Pauline Jewett, the New Democratic Party foreign affairs critic, lashed out at the Clark government for failing to provide for a country which had recently undergone a democratic revolution after a bloody civil war. She wanted to know why the government had, as of that point, not provided any aid to the people of Nicaragua, while the Canadian public had already raised \$400,000, primarily through the labour movement. The only government contribution at that point, was the planes which they had used to deliver the privately raised aid.<sup>26</sup> Further, the Tories were attacked by the NDP during the rest of their short term in office for ignoring the needs of Nicaraguan refugees,<sup>27</sup> and for refusing to make Nicaragua a country eligible for bilateral aid through the Canadian International Development Agency (CIDA).<sup>28</sup>

Unlike the government, however, some sectors of the Canadian public were quick to react. Canada's unions quickly raised hundreds of thousands of dollars from their members to donate to a country where the interests of the working class were seen as triumphant. One would expect Canada's unions to be supportive of a revolution from a coalition that had made goals such as land reform and workers' rights a prominent part of its agenda. What is more surprising was how quickly Canadians

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25 McFarlane, 162, 164.

26 Pauline Jewett. Canada, *House of Commons Debates*, (October 12, 1979), 141.

27 Margaret Mead. Canada, *House of Commons Debates*, (October 16, 1979), 283.

28 Bob Ogle. Canada, *House of Commons Debates*, (November 1, 1979), 832.

from a wide variety of backgrounds came together to show their support for the democratic revolution of Nicaragua. By 1981, Canadians were well aware of what was occurring in Nicaragua, and several non-labour groups had started collecting donations. Canada's churches, too, quickly became involved in the region, and members travelled to Nicaragua, returning with information that helped inform and shape public opinion.<sup>29</sup>

By 1981, in the non-governmental sector a variety of projects were beginning to build momentum. An organisation known as Tools For Peace was started up in British Columbia in 1981. It was originally made up of a group of Canadian fishers who decided they wanted to help out their counterparts in Nicaragua. That year, they donated \$25,000 in fishing equipment to Nicaragua.<sup>30</sup> This campaign formed the template under which much of the private Canadian aid would be raised and donated to Nicaragua throughout the remainder of the decade, and Tools For Peace became the most successful of Nicaraguan fund raisers. Like many grass-roots efforts, the campaign was not raising money for a government, but for a particular group of people. The fishers simply saw an opportunity to help out people who they saw as being somewhat similar to themselves, even though they lived thousands of miles apart.

The other way in which this campaign helped to establish the precedent for fundraising efforts later in the decade is that Tools For Peace did not collect money, but goods. This was important, because it meant that the people organising *and* the people donating both had to be at least somewhat familiar with the situation in Nicaragua. They needed to know what had happened in Nicaragua, what was currently happening, and what kinds of materials would actually be of use to its people. One of the things that Nicaragua needed at this time was food, so what better way to help them out then by providing materials to make it easier for them to feed themselves? It not only raised awareness of the

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29 Canada, House of Commons Sub-Committee of the Standing Committee on External Affairs and National Defence. *Canada's Relations with Latin America and the Caribbean*. (Ottawa: Queen's Printer, 1981-82), 8:11.

30 "Canadian Group Boosts Sandinistas", *Toronto Star* (March 18, 1986), A17.

fact that Nicaragua needed aid, but that a specific set of conditions required a specific type of aid.

Tools For Peace was not the only group in Canada raising money for Nicaragua. British Columbia was once again the leader when it came to Oxfam Canada's ability to raise money to help. Toward the end of 1981, Oxfam Canada's British Columbia chapter sent \$70,000 in aid to Nicaraguans. Again, this amount may seem small, especially in light of the fact that the federal government had provided more than twice as much bilateral aid that year, but it is worth emphasising that the amount of money that Oxfam had raised just for the Nicaraguan cause in 1981 was greater than the amount of money that the organisation had raised for all causes combined during the previous year.<sup>31</sup> British Columbians had clearly become quite interested about what was going on in Central America.

Public interest and concern about the region continued to rise during the following year as well. Canadians wanted to help out Nicaraguans and they also wanted the United States to stop meddling in the region. In the spring of 1982, Pauline Jewett introduced a petition into Parliament on behalf of a newly formed Canadian advocacy group which called itself Canadian Action for Nicaragua. The organisation had collected 5,000 signatures condemning any outside threats against the sovereignty of Nicaragua,<sup>32</sup> implicitly meant to indicate disapproval for American activities in the area. Many other petitions on the issue were presented in the House of Commons over the next few years, such as one from Saskatoon requesting that the Liberal government publicly condemn the United States for its interference in Nicaragua, something the government refused to do,<sup>33</sup> another came from residents of Ontario asking the Liberals to make a request to American officials for them to stop their activities in Nicaragua.<sup>34</sup> A third originated in Hamilton which requested that the government formally communicate to the United States that Canada would condemn any invasion of Nicaragua as well as El

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31 "Ship Leaving Vancouver Today Oxfam Defies U.S. Sends Nicaragua Aid", *Globe and Mail* (December 8, 1982), P1.

32 Pauline Jewett. Canada, *House of Commons Debates*, (April 27, 1982), 16654.

33 Bob Ogle. Canada, *House of Commons Debates*, (February 28, 1983), 23282.

34 Dan Heap. Canada, *House of Commons Debates*, (June 22, 1983), 26672.

Salvador, which remained a serious concern throughout the 1980s.<sup>35</sup> Of interest is the fact that the petition expressing concern over a potential invasion of Nicaragua was presented by a Member of Parliament representing the government of the day, Stanley Hudecki; Hudecki would later take part in Parliamentary committees under the Progressive Conservative government which examined the Central American crisis in more detail.

Another petition from the city of Saskatoon was introduced in February 1983 by a Progressive Conservative MP, this one expressing concern that the people of Nicaragua were potentially being harmed by the FSLN government; most of the other petitions were presented by NDP MPs who wanted the government to show more support for the Sandinistas.<sup>36</sup> One problem with these petitions is that it is rarely clear how widely they were circulated, or how many Canadians actually supported them, since the Parliamentary record does not indicate how many signatures many of them had. Petitions were presented on behalf of many different regions in Canada, however, so interest was not limited to one particular part of the country.

Churches and other religious organisations within Canada were also very active at this time both within Nicaragua and at home trying to raise awareness about the needs of the people of Nicaragua. Given the strength of the Liberation Theology movement in Central America around this time and the heavy involvement of some elements of the Catholic Church within Central American political culture, this should not be surprising.<sup>37</sup> There had long been a strong element of a similar movement within Protestant churches known as the Social Gospel, and a number of its followers were members of the

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35 Stanley Hudecki. *Canada, House of Commons Debates*, (November 15, 1983), 28895. Other similar petitions were presented in front of the House of Commons on numerous occasions over the following years, these few were simply chosen as demonstrative examples.

36 Gus Mitges. *Canada, House of Commons Debates*, (February 23, 1983), 23143.

37 Liberation Theology is a movement in the Catholic Church which was at its peak around this time. Its practitioners argued that Christian doctrine required that followers of God be willing to fight for the social reforms necessary to improve the plight of the poor and that they should not stay out of national politics. It is perhaps most commonly associated with Salvadoran Bishop Oscar Romero, who was assassinated during Mass by a right wing paramilitary associated with the U.S. Army's School of the Americas. See H. Mark Roelofs, "Liberation Theology: The Recovery of Biblical Radicalism", *The American Political Science Review*, Vol. 82, No. 2 (1988), 549-566.

New Democratic Party. This included then-sitting MP Bob Ogle, who was one of the most frequent and vocal critics of Canada's policy towards Nicaragua.

Canadian church groups had been operating within Nicaragua before the federal government had any real idea what was going on in the country, and religious groups helped to inform Parliament about the situation on the ground. Andre Vallée, Secretary General of the Canadian Conference of Catholic Bishops, returned from Nicaragua in 1982 to tell a Parliamentary sub-committee what he had witnessed. With reports coming out of the U.S. indicating that Nicaragua was charting a Marxist course of development and was trying to export its revolution to the rest of the region, Vallée told the sub-committee that while, the new government in Nicaragua was not capitalist, neither was it socialist. Rather, the country was being rebuilt by its own people, the poor majority, for their own benefit.<sup>38</sup>

Vallée had just returned from an eleven day trip to Nicaragua, where he had met with both church and political leaders. Nicaraguan leaders showed a surprising willingness to meet with Canadians from a variety of backgrounds during this period; the Sandinistas met with labour officials almost immediately after they came to power (there was a labour conference in the region at the time), they met with church groups such as the delegation that Vallée had gone with, and they met with Canadian politicians. The new government had much to do to repair a country torn apart by civil war and years of exploitation, but the Sandinistas also felt it was important to elicit support internationally, especially given the aggressive stance toward the new regime shown by the United States.

Vallée informed the government that, contrary to reports they may have heard, Nicaragua had a relatively free press, and allowed free association of political parties.<sup>39</sup> The view provided by the head of the Conference of Catholic Bishops contradicted the one given to the sub-committee by Secretary of State for External Affairs, Mark MacGuigan, who had previously suggested that, while the Sandinistas

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38 House of Commons Sub-Committee of the Standing Committee on External Affairs and National Defence, 8:11.

39 Sub-Committee of the Standing Committee on External Affairs and National Defence, 8:11.

were an improvement over the Somozas, they were still moving the country in the wrong direction.<sup>40</sup> The federal government (and parts of the civil service, as will be demonstrated in the chapter on development assistance, wanted a liberal, centrist government which would be sympathetic to Western economic perspectives, so to them a government which nationalised major industries was a move in the "wrong" direction. While the churches were primarily pressuring the government to support the Nicaraguan people rather than the Sandinista government, they did also favour some of the FSLN's policies; for example, Vallée complained that private firms in Nicaragua would pay the lowest wages they were legally allowed to, and were criticising the government because they did not like unions being set up where the National Guard had previously prevented them from existing.<sup>41</sup>

Private aid grew quickly and considerably after 1981. In 1982, Tools For Peace raised \$150,000 - six times the total they had raised in their initial year of operation. By 1983, they were raising \$1 million a year.<sup>42</sup> Discussion around aid, particularly aid donated to NGOs, often centres around the question of how much aid actually reaches the people it is intended to help. How much money is spent on administration and salaries? How much money is taken by "corruption" in the recipient country? In this case, the answer is obvious - all \$1 million in aid went to the people who needed it. Tools For Peace did not send money, but goods, and they were sent directly to the people who were intended to use them. All the work needed for the campaign was carried out by volunteers. The Tools For Peace campaign also helps to illustrate the fact that the effort was contributed to by people across Canada, and why there was no need for large administrative fees. Canadian freight companies donated transportation to Vancouver for goods that had been collected across the country, while longshoremen in British Columbia loaded the containers for free.<sup>43</sup>

A wide variety of Canadians contributed to the cause, and did so in many different ways. Some

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40 Sub-Committee of the Standing Committee on External Affairs and National Defence, 1:34..

41 Sub-Committee of the Standing Committee on External Affairs and National Defence, 8:12.

42 "Private Aid Sails to Nicaragua Today", *Globe and Mail* (December 12, 1983), P3.

43 "Private Aid Sails to Nicaragua Today", *Globe and Mail* (December 12, 1983), P3.

purchased goods; some volunteered at local Tools For Peace branches by raising awareness and organising the donations; some donated resources, such as trucks; some donated the work necessary to ensure the goods were shipped. People will often say that they support a cause, but that does not necessarily mean that they will go to the effort of actually seeing it through. The Nicaraguan cause, however, brought a wide segment of the Canadian population to action in order to help out people living thousands of kilometres away. It was not merely students, activists, or other people who could be dismissed as being on the "fringe"; a large number of Canadians from a variety of backgrounds and circumstances donated in a wide variety of ways to the cause of development in Nicaragua. With such a broad cross-section of the Canadian public getting involved in ways that were very visible and seemed to cut across any clear partisan lines, the federal government was left with little choice but to get involved as well.

What was the overall public perception of the situation in Central America? Opinion polls taken in 1984 give us some idea. Liisa North reports that one Gallup poll from the summer of 1984 revealed that two-thirds of Canadians opposed U.S. policy in Central America.<sup>44</sup> However, a poll discussed in the *Globe and Mail* in the fall of that year was a bit more ambiguous. There, only half of respondents said they were opposed to a wider role for the U.S. military in the region, while the remaining respondents were more or less split on whether or not they would favour it or were unsure. The results of the poll were highly skewed by class: only 35 percent of those with less than a university education were against an expansion of the U.S. military in the region, while nearly twice as many people with university degrees (65 percent) were against such an expansion. Even simply having an opinion was an indicator of class, as far fewer of the people who did not possess a university degree were able to give a definite answer, an indication that awareness of the issue seemed to be much more

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<sup>44</sup> Liisa North, ed. *Between War and Peace in Central America: Choices for Canada*. (Toronto: Between the Lines, 1990), 51.

common among the middle and upper class.<sup>45</sup> That result is interesting in light of the fact that much of the work done in the campaigns to raise money for Nicaragua was done by people in occupations more traditionally associated with the working class - fishers, truck drivers, dock workers, factory workers, and people in other similar positions.

Perhaps the most interesting thing about these two polls is that they closely mirrored public opinion in the U.S. In May 1983 the *Washington Post* reported on a poll which revealed that 63% of Americans believed that the U.S. should never consider overthrowing a Latin American government, while 24% said that it would be acceptable to do so.<sup>46</sup> The questions asked of Canadians and Americans were a bit different (Americans were asked explicitly about regime change, while Canadians were not), but they both showed that approximately two-thirds of their citizens were against military action in the region. B.J.R. Stevenson has argued that American NGOs and civil society groups had much more power in the U.S. than in Canada during this time.<sup>47</sup> However, in the case of Nicaragua, the opposite was true. Campaigning on behalf of Nicaragua may have had some effect on American Congressional voting, as Congress was not as consistently supportive of the Contras as the Reagan administration was, but this campaigning had virtually no effect on foreign policy. On the other hand, consistent public pressure in Canada did help guide public policy.

A poll taken for the *Toronto Star* about a year later also showed the public generally, but not overwhelmingly, against American policy in the region. In that poll, 56 percent of those polled blamed the unrest in Central America on poverty and injustice, which was the position held by the Mulroney government as well. Yet 28 percent said that the Soviet Union and Cuba were the leading cause of the problem, and only 12 percent said that the U.S. was the main culprit.<sup>48</sup> At first glance, this appears to

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45 "Majority Oppose Greater U.S. Role In Latin America", *Globe and Mail*.

46 R.A. Pastor. *Not Condemned To Repetition: The United States and Nicaragua*. (Boulder, CO: Westview Press, 2002), 295.

47 Stevenson, 19.

48 "82 percent Want Canada Neutral on Middle East", *Toronto Star* (November 12, 1984), A4.

indicate that Canadians were more than twice as likely to blame the Soviet Union than they were to blame the U.S., an apparent reversal of other polls showing that Canadians disagreed with U.S. policy in the region. A more likely explanation, however, is that those who believed the United States was a destabilising force in the region *also* thought that poverty was a major cause of the unrest. That was, for example, the view espoused by many Canadian church groups.<sup>49</sup> Those who blamed the Soviet Union were unlikely to be sympathetic with issues like workers' rights, land reform, and nationalisation of industry, so it is fair to say that in fact far more Canadians opposed the U.S. role in the region than supported it.

Another figure from the same *Star* survey seems to contradict the *Globe's* finding that many Canadians were unsure about Central American policy: 80 percent of those surveyed said that Canada should be concerned about what was occurring in Central America.<sup>50</sup> This seems to be the only poll concerned specifically with how Canadians viewed *Canada's* role in the region. All of the other questions referred specifically to U.S. policy in the region, and how Canadians felt about that. Unfortunately, the press and pollsters seemed to be fixated on what the U.S. was doing and not what Canada could be doing. In the mainstream press, the attitude seemed to be that Canada's role in the region could be nothing but a response to the United States. Canadian aid groups acted differently, though. They were simply trying to help out people who had undergone a democratic revolution after decades of despotism.

While responding to the U.S. was not the goal of most Canadian aid efforts, it was impossible for aid groups not to respond in some way. Indeed, the Somoza regime had been propped up by the U.S. for many years. By the mid-1980s, U.S. policy was beginning to affect Canadian aid in a much more noticeable way - the mining of Nicaraguan harbours carried out by the U.S. was making it difficult and dangerous for aid to get to its target. The United States had decided to place underwater

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49 Sub-Committee of the Standing Committee on External Affairs and National Defence, 2:7.

50 "82 percent Want Canada Neutral on Middle East", *Toronto Star* (November 12, 1984), A4.

mines in Nicaraguan water due to what they claimed were threats to American national security posed by the Sandinista regime. Ostensibly the mines were intended to prevent Soviet or Cuban military aid from reaching Nicaragua; however, mines are not able to pick out ships based on nationality or cargo. The end result was that the U.S. was indiscriminately targeting all ocean-bound shipping into or out of Nicaragua regardless of origin or purpose.

And the mines did indeed affect the delivery of private Canadian aid which was intended for the people - not the government - of Nicaragua. When Mark MacGuigan was asked about the mining of Nicaraguan harbours, he was uncharacteristically critical of the American government, declaring in no uncertain terms that Canada considered it to be an illegal action. Nevertheless, he declared that the mining was not impeding the delivery of Canadian aid.<sup>51</sup> This would have been news to many of Canada's aid groups, who were in fact having difficulty delivering aid because of the illegal American action.

The United Fishermen and Allied Workers Union, B.C.'s largest fishermen's organisation, built a boat to send to Nicaraguan fishers. They had originally planned to buy materials and ship them to Nicaragua so that the boat could be built there, but they were unable to find a freighter company which would be willing to ship the materials through Nicaragua's mine-infested waters. They were not entirely certain how they were going to get the boat to Nicaragua once they had finished building it in B.C. either.<sup>52</sup> The problems facing organisations shipping to Nicaragua were brought to the attention of Parliament a few years later by Liberal MP Lloyd Axworthy, who apparently did not think it was a big enough issue to raise in Parliament when his own party was in power. Axworthy told the House of Commons that Farmers For Peace were encountering great difficulty in getting aid to Nicaragua on account of the mined harbours. In order to get their goods to the people of Nicaragua, they had to send ships south, past Nicaragua, and into Costa Rica, where they could safely reach harbour. After that, the

51 "MacEachen's Harder Line On Nicaragua", *Globe and Mail* (May 2, 1984), P7.

52 "Building A Boat To Help Fishermen" *Toronto Star* (December 27, 1986), B5.

goods were shipped along the roads from Costa Rica into Nicaragua, requiring more time, money, and manpower than would have otherwise been necessary.<sup>53</sup>

Despite the difficulties, Canadians continued to donate in large volumes. In 1985, Tools For Peace raised \$1.5 million for Nicaraguans, about 50 percent more than the federal government's bilateral aid program to Nicaragua for the 1985-86 fiscal year.<sup>54</sup> As was the case with Tools For Peace in previous years, it was goods and not money that had been raised. For that year's efforts, the primary focus was on Nicaragua's remarkable literacy campaign which had drastically increased the literacy rate in just a few short years. Items sent included pencils, paper, notebooks, and typewriters. The aid was not only practical, but also symbolic; to that end, electrical supplies, batteries, and candles were donated for a campaign intended to represent "the hope that sustains Nicaraguans in their struggle for independence." In addition, 10,000 blankets were donated to help out some of the families who had been forced from their homes as the result of paramilitary attacks. It was estimated that there were about 300,000 displaced people within Nicaragua at the time as a result of the ongoing aggression of the Contras. Contradicting the *Globe's* poll results, which reported that people with less education were more likely to be in favour of American actions in the region, a Tools For Peace co-ordinator told the *Toronto Star* that there had "been a massive willingness and openness, especially on the part of lower-income people" to provide anything they had available to the cause, whether it was time or goods.<sup>55</sup> While the middle-class may have been more likely to say they were supportive of the changes in Nicaragua, the lower-class was more likely to get physically involved in efforts to support them.

The scale of this campaign should not be underestimated. Combined private aid from the United States, Canada, Europe, and Japan for Nicaragua totalled about \$5 million per year at this

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53 Lloyd Axworthy. Canada, House of Commons *Debates*, (December 2, 1987), 11414. Goods had to be shipped south into Costa Rica due to the presence of the Contras along Nicaragua's northern border with Honduras.

54 CIDA, *Annual Report 1985-86*, 79.

55 "Canadian Aid The Best Approach", *Toronto Star* (January 13, 1986), C1.

time.<sup>56</sup> Tools For Peace was by the middle of the 1980s raising approximately one-third of the total private aid provided to Nicaragua from the industrialised world. In 1986, \$3.5 million worth of aid for Nicaragua was raised by Canadian NGOs,<sup>57</sup> three and a half times the amount of bilateral aid given to Nicaragua by the federal government!<sup>58</sup> It was the citizens of Canada, not the federal government, who were providing the bulk of aid heading to Nicaragua from Canada.<sup>59</sup> In the face of such strong public support for development in Central America, the government was forced to take a more active role, as it did in the latter part of the decade.<sup>60</sup>

Mined harbours were not the only difficulty facing Canadians trying to help out in Nicaragua. The Contras were also involved in the destruction of several Canadian aid projects, and the killing of a Canadian priest. The first of these attacks occurred at the beginning of August in 1986. Canadians with a group calling themselves the Louis Riel Brigade volunteered in a small village in rural Nicaragua, where they helped to build a school and some houses, in support of the Sandinista literacy campaign. The day after the Canadians involved in the effort left the village to return home, Contras attacked it, destroying much of what the Canadians had helped to build. Even more devastating to the people who had volunteered, and to the people who lived there, five villagers were killed and 26 were injured during the attack.<sup>61</sup>

Another attack occurred the next summer, on a village that another Canadian aid group, Farmers For Peace, had helped rebuild. Farmers For Peace had purchased \$118,965 worth of farm equipment for the village of Macotal and \$86,522 had been provided to the village by CIDA.<sup>62</sup> The issue was raised in Parliament, where it was revealed that this was the second time that this village had been

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56 "Canadian Group Boosts Sandinistas", *Toronto Star* (March 18, 1986), A17.

57 "Canadians Go To The Rescue Of Embattled Nicaragua", *Toronto Star* (November 15, 1986), B5.

58 CIDA, *Annual Report 1985-86*, 79 and *1986-87*, 103.

59 CIDA did have a program where they would match donations provided to NGOs; in 1986-87 they gave NGOs \$1.63 million in funding through this program, bringing the government's total funding level closer to the amount raised privately, though it was still about one million dollars less. CIDA, *Annual Report 1986-87*, 137.

60 The level of government aid will be addressed in more detail in Chapter 3.

61 "Canadian Aid Believed Cause of Contra Raid", *Toronto Star* (August 3, 1986), A19.

62 "Canada Protests Contra Attack On Aid Project", *Toronto Star* (June 2, 1987), A9.

attacked after Canadians had helped to rebuild it. Given that the Contras, who carried out the attack, were funded almost entirely by the United States, Joe Clark was asked by an opposition MP if Canada was prepared to use the United Nations as a forum to condemn the act as terrorism, provide money to rebuild the village out of CIDA funds, and ask the United States to pressure the Contras to release four villagers who had been kidnapped in the raid. Clark responded that he would consider the last two out of the three suggestions, but that he was not willing to condemn the act as terrorism.<sup>63</sup> In October of that year, the same aid project was attacked yet again, but even after having been rebuilt and raided multiple times, the government still refused to issue any sort of public statement about the attacks.<sup>64</sup> This was consistent with Canada's Central American policy under both the Liberals and Conservatives. The government would announce to Parliament that it was going to let its views be known to the United States in private meetings, but would not make any sort of public declaration about the issue; they certainly would not publicly criticise the U.S.<sup>65</sup> Circumstances may have made it seem as though a public protest in this instance would have been futile. Just a few months earlier, an official in the State Department had told Canadian media that Canada should cut off its aid to farms in Nicaragua, because those farms were being used as military bases.<sup>66</sup> This certainly would have been news to the Louis Riel Brigade, who had gone to Nicaragua to build a school. But, as will be explained in the next chapter, the federal government likely had more influence with the U.S. than it was willing to admit.

Two Canadians were killed as a result of the Contra war in the 1980s, one by the Contras, and one by the Sandinistas. In March 1986, Reverend William Arsenault of Bonaventure, Quebec was killed by Contra guerillas while working in a training centre in Honduras, where the Contras were operating. He was beaten and shot to death while helping to build a house for physically and mentally

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63 Joe Clark. Canada, House of Commons *Debates*, (June 4, 1987), 6730.

64 Canada, House of Commons *Debates*, (October 13, 1987), 9912.

65 This issue will be dealt with in much more detail in the next chapter.

66 "U.S. Official Attacks Canada's Foreign Aid 'Shoring Up' Nicaragua", *Toronto Star* (January 7, 1987), A14.

handicapped children.<sup>67</sup> While no Canadian aid workers had been killed by the Contras, eight European volunteers were between 1983 and 1986.<sup>68</sup> These incidents failed to inspire any public response from the federal government, however. Being on good terms with the United States was of much greater importance than standing up to thugs who murdered aid workers, killed farmers, and destroyed schools.

Another Canadian, Peter Bertie, was killed by the Sandinistas in 1987. Bertie was a writer who had been travelling with the Contras and was supportive of their cause. He travelled with them on eight missions between 1984 and his death, wearing the Contra battledress with a tiny Canadian flag pinned to it. He was killed while accompanying the Contras to a battle with the Sandinistas in March of that year.<sup>69</sup> This incident did not draw much of a response from the federal government either, though it should be obvious that an enormous difference exists between someone who follows soldiers into battle wearing a soldier's uniform (as Bertie had) and a pastor building a home for the disabled.

Church groups continued pushing for stronger involvement on the part of the federal government. In March of 1986, a telegram was sent to the government which urged it to put pressure on the United States to support the peace efforts that were ongoing in the region, and in which Canada was taking an active role. The telegram was signed by a large number of prominent figures in both Catholic and Protestant churches, including the General Secretary of the Canadian Council of Churches, the Primate of the Anglican Church of Canada, the moderator for the Presbyterian Church of Canada, the Executive Secretary of the Council of Christian Reformed Churches in Canada, the executive director for well known Catholic aid group Canadian Catholic Organization for Development and Peace, and a number of Roman Catholic bishops and other prelates from all regions of the country.

A story about this telegram was front page news in the *Toronto Star*.<sup>70</sup>

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67 "Canadian Priest Murdered by Contras, Bishop Says", *Toronto Star* (March 27, 1986), A20.

68 North, 109.

69 "Toronto Writer Believed Killed With Rebels In Nicaragua Battle", *Toronto Star* (March 22, 1987), A2.

70 "17 Church Leaders Urge Mulroney to Oppose Reagan's Nicaraguan Policy", *Toronto Star* (March 18, 1986), A1.

As was the case with the efforts of Canada's NGOs, church groups in Canada were united on the issue of development in Nicaragua despite differences they might otherwise have had. Almost every major Christian denomination was lobbying the government on the issue, including leaders from Anglican, Evangelical, Presbyterian, and Roman Catholic churches, and members of these churches represented every region of Canada. In Central America, there were often arguments within the Catholic Church over how to respond to development issues. The Liberation Theology movement had many supporters, especially among the poor, rural residents who made up most of Central America's population, but in Central America the Church hierarchy was far from united on issues of development and peace. In contrast to their Central American counterparts, Canadian churches appear to have been much more united, as there were no prominent rebuttals of their views from other religious leaders in major forums such as the press.

In 1986, several of these leaders appeared before the House of Commons Special Committee on the Peace Process in Central America to help inform the committee about what was occurring in Nicaragua. Many people had visited the country as a part of religious delegations and they were able to provide unique insights that the government could not readily gain on its own because of the limited diplomatic representation in the region. A representative from the Canadian Council of Churches told the Committee that they wanted Canada to tie its aid program to "true human development" and a respect for human rights.<sup>71</sup> Neither of these things were criteria for aid at the time, though they would be made so one year later.<sup>72</sup> The Canadian Council of Churches wanted the government to favour an approach to development that was very much like Liberation Theology; they thought that aid and economic development should be approached only in ways that were compatible with human dignity.<sup>73</sup>

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71 Canada, House of Commons Special Committee on the Peace Process in Central America. *Minutes of Proceedings and Evidence on the Special Committee on the Peace Process in Central America*. 2nd Session, 33rd Parliament. (Ottawa: Queen's Printer, 1986-88), 2:7.

72 Canadian International Development Agency. *Sharing Our Future: Canadian International Development Assistance*. (Hull, Quebec: Minister of Supply and Services Canada, 1987), 28.

73 Special Committee On The Peace Process In Central America, "Minutes of Proceedings", 2:7.

This contradicted the approach of both the Liberals and the Conservatives, who favoured free market capitalism as the path to development. The religious leaders also complained that the government was defining human rights only in terms of civil and political rights, leaving out economic, social, and cultural rights, which were at the heart of the independence movement in Nicaragua. They praised the Nicaraguan government for its dedication to equitable development: illiteracy had been reduced to about 10-12 percent from about 50 percent at the time of the revolution, a health services network was being built that was repeatedly praised in the international community, and land reform was being carried out that was enabling workers to enjoy the fruits of their own labour.<sup>74</sup> These programs were all supported extensively by ordinary Canadians, but not by the federal government.

### **Why Did Canadians Support Nicaragua?**

Canadians took an immense interest in what was occurring in Nicaragua. A special joint committee on international relations in 1986 received more submissions on Central America than on any other subject.<sup>75</sup> A report released by another government committee revealed that parliamentarians, ministers, and committees received more mail on Central America than "virtually any other aspect of Canadian relations with the Third World."<sup>76</sup> Based on Canada's aid policies and foreign affairs history, this is not what one would expect to see. The areas typically targeted for CIDA aid have been the Commonwealth Caribbean, due to its former association with the British empire, and South Asia, where Canada's attempts to fight "communist expansionism" date back to the Colombo Plan of the 1950s. The Ethiopian famine of 1984-85 - not the Contra war - was the most visible issue in international development. And yet, the Canadian public took an exceptional and unusual interest in the plight of the Nicaraguan people. The federal government was not any more heavily involved in the

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74 Special Committee On The Peace Process In Central America, "Minutes of Proceedings", 2:10.

75 "On Nicaragua: It's Time To Speak Out", *Toronto Star* (July 26, 1986), B2.

76 Canada, House of Commons Special Committee on the Peace Process in Central America. *Supporting the Five: Canada and the Central American Peace Process*. 2nd Session, 33rd Parliament. (Ottawa: Queen's Printer, 1988), 25.

region than other countries were; Sweden provided Nicaragua with \$26 million in aid in 1987-88, for example.<sup>77</sup> Yet the people of Sweden did not donate on nearly the scale that Canadians did. Of the approximately \$5 million in private aid raised in the West each year for Nicaragua, Canadians gave more than two-thirds.

While support for Nicaragua was most visibly associated with the NDP or Canada's churches, many Canadians who were not members of those groups were also supportive. Within the federal government, members of both the Liberals and, to a lesser extent, the Progressive Conservatives were sympathetic to Nicaragua. There was one factor which seemed to connect all of these groups though, and that was concern about the actions of the United States. As Clark correctly points out, there is a recurring phenomenon in Canada of Canadians taking interest in the United States using its power in ways of which Canadians do not approve.<sup>78</sup> Unlike other nations which took interest in the activities in Central America, such as Sweden or West Germany, which are geographically separated from the United States, Canadians constantly feel the influence of their superpower neighbour. Despite having relatively little in common historically, Canadians were able to relate to Nicaraguans because they understood what it meant to have the United States attempting to influence domestic policies in ways that were unwelcome.

A letter to the editor printed in the *Toronto Star* made the connection perfectly clear:

Despite the deep concern sensible people everywhere feel at his hate-campaign fabrications against Nicaragua, the Reagan administration's appeal is not to reason. Its real pitch is to wealthy right-wing Americans whose monies have so far provided much more funding to the Contras than the U.S. government itself. *Canadians wanting an independent Canada, beware.*<sup>79</sup> (emphasis added)

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77 North, 107. North does not clarify what the breakdown of this aid was, however. Figures for Canada's aid to Nicaragua that are reported often include loans, emergency assistance, or other things which are quite a bit different from technical assistance or project aid. It is possible that substantially less than \$26 million was actually provided as direct bilateral aid. Also of interest is the fact that Sweden's government was donating so much more than Canada's despite having only a third of the population.

78 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

79 "Could Canada Be Next?", *Toronto Star* (April 8, 1986), A16.

Nicaraguan embassy personnel also made the link explicit. Nicaragua's consul general declared that "Ronald Reagan and other United States presidents have no respect for countries like Canada and Nicaragua and treat them as minions." The reason, he said, was that the United States was not fond of countries that stood up for their rights.<sup>80</sup> Whether he meant the people of Canada or the government of Canada is unclear. The federal government had stood up to the U.S. to a small degree, but was generally interested in keeping relations between the countries strong. It may be that the consul general was referring to the people of Canada, who had shown a considerable willingness to try to counter-balance U.S. actions in the region by donating considerably in terms of time and money. This would be a sensible connection to make, as the Sandinistas were pushing a revolution that worked from the grassroots within Nicaragua, so support for grassroots efforts in Canada made perfect sense.

## Conclusion

The Canadian public was very active in raising money for development efforts in Nicaragua. When the Sandinistas first came to power, labour and church groups from Canada were able to make contact with the new government before Canada's federal government was because they were already active in the region, which the government was not. Canadians donated in the immediate aftermath of the civil war, when the federal government was doing little, and they continued to do so in the following years while the government was still figuring out what its response would be. Private aid efforts ballooned dramatically after the first few years of Sandinista rule. One aid organisation, Tools For Peace, went from not existing in 1980, to donating \$25,000 of fishing equipment in 1981, to providing \$1 million worth of varied supplies in 1983; it continued to grow after that. Canadians provided almost all of the private aid that was raised for Nicaragua during this period. They donated more money than did their own government during several years, particularly up until 1987 when the

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<sup>80</sup> "Nicaraguan Consul Calls Reagan 'Bully'", *Toronto Star* (September 30, 1985), D23.

federal government began providing drastically increased aid to Nicaragua. They also donated far more than the citizens of any other Western nation, even nations whose governments gave more generously than Canada's.

The presence that Canadian citizens provided in Nicaragua was quite large. In 1986 there were 300 Canadian private aid organisations operating in the country, and the Nicaraguan government estimated that several thousand Canadians had visited Nicaragua between 1979 and 1986. According to Nicaragua's consul general, he could not "think of any country that has done more for Nicaragua than Canada has." He went on to state that "[t]he truth is that there isn't a place in our country that you can go where the Canadian presence isn't felt."<sup>81</sup> Nicaragua's ambassador also recognised that it was the citizens of Canada and not their government who were truly helping his country, saying "[t]o be very truthful, our real links are with Canadian non-governmental organizations, church groups, unions, and so on."<sup>82</sup> Even when the federal government did provide more money, it never got behind Nicaragua's development efforts in the same way that private citizens did.

And it was because of the tremendous support for development in Nicaragua within the Canadian public that the federal government was forced to take such an active role in the region. At the end of Nicaragua's civil war Canadian private aid was quickly raised by unions while the Progressive Conservatives were slow to respond, and the Liberals did not look any better after they took office and private aid rose far more quickly than official development assistance did. Canadians also put considerable pressure on their government to act in Central America. They did it directly, by writing to their MPs and making submissions to Parliamentary committees, and they did it indirectly through opinion polling that showed the strong support for a peaceful resolution in the region. If it was not for the strong, consistent support for Nicaragua shown across wide swathes of Canada's population, it is

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81 "Canadians Go To The Rescue Of Embattled Nicaraguans", *Toronto Star* (November 15, 1986), B5.

82 "Nicaragua: Is Canada Living Up To Its Word? Critics Say Ottawa Is Not, And Our Image Is Suffering", *Toronto Star* (December 27, 1986.)

doubtful that the federal government would ever have taken as much of an interest as it did.

## **Canada - U.S. Relations and the American Influence**

While the Canadian public was pushing the federal government to take a stronger stance on Nicaragua, the United States government was taking a stronger stance in the opposite direction. The Reagan administration, which came to power in 1981, shortly after the Sandinistas did, was extremely hostile to Nicaragua, and seemed to view it as another Cuba. The U.S. constantly raised fears that the Sandinistas were just like the Soviets and the Cubans, who were themselves actually quite different, saying that they wanted to violently export a communist revolution elsewhere in the hemisphere, and that they were a danger to the national security of the United States. What the U.S. was actually concerned about was not a physical threat from Nicaragua, which never existed, but the threat of "successful defiance". The real fear was not that Nicaragua would physically export its revolution, but that the Sandinistas would prove that it was possible to disobey the imperial master and chart a different course of development, which could inspire other countries to do the same *peacefully*.<sup>83</sup>

Because of these fears within the Washington elite, allies such as Canada were pressured to pursue the same path as the U.S. on Nicaragua. Canada-U.S. relations went through some interesting times during the Sandinista years. The Trudeau government was not seen as being on the best of terms with the U.S., yet it was extremely reluctant to take actions which might anger the U.S. on the issue of Central America. The Mulroney government came to power later in the 80s having promised to improve relations with the U.S. The Progressive Conservatives also wanted to lay claim to a more independent foreign policy for Canada, and thus were pulled between trying not to offend the Americans and also not be seen as simply mirroring the American position. The free trade negotiations which were occurred while the Tories were in power have been seen as being a tempering factor on

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<sup>83</sup> Noam Chomsky. *Hegemony or Survival: America's Quest for Global Dominance*. (New York: Metropolitan Books, 2003), 96.

Canada's actions in Nicaragua.<sup>84</sup>

Over the course of this period, the parties who held power in Canada were rarely critical of American policy. Both the Liberals and the Progressive Conservatives tended to frame their criticisms of American actions as criticisms of "outside intervention", which included the Soviet Union in an attempt to avoid offending anyone, though there was never any real threat of Soviet expansionism in Nicaragua. It was also part of Canada's long-standing practice of framing its policies in terms of international institutions and obligations, which both the Trudeau and Mulroney governments frequently did. Neither government refrained from criticising American actions entirely, and the United Nations was considered to be an acceptable place to criticise the U.S., though sparingly, and only if it was another country which had brought forward the motion. Within both governments, and certainly within the civil service, there was a solid level of support for American actions and interpretations, though Canada's official response never directly mirrored that of the U.S. In the end, the Canadian and American governments wanted essentially the same thing in Nicaragua - a liberal, capitalist government sympathetic to Western business interests. The main difference was that the U.S. was willing to wage war to accomplish this, while Canada tried to push for it through diplomacy and wanted to see the result achieved through elections.<sup>85</sup> Canada's actions in Nicaragua were largely aimed at increasing the stability of the region peacefully, but its policy still mirrored that of the U.S. in a number of important ways.

### **The American Position Under Carter and Reagan**

The Jimmy Carter administration in the United States was known for having a much less aggressive attitude toward the Sandinista government than was the Ronald Reagan government.

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84 Jonathan Lemco. *Canada and the Crisis in Central America*. (New York: Praeger, 1991), 21.

85 This particular issue, of Canada wanting a liberal, capitalist democracy in Nicaragua will be addressed in more detail in the following chapter on Canada's aid program.

However, while Carter did recognise the Sandinistas as the governing party of Nicaragua after the revolution took place in 1979, in the lead up his administration attempted to prevent them from coming to power in the first place. They hoped they could orchestrate a "peaceful" transition from the Somoza regime to a more moderate but still pro-U.S. regime and cut-off the chance for the FSLN to take power.<sup>86</sup> When it seemed unlikely that this would occur through negotiations, they tried to use the Organisation of American States to orchestrate a "peace force" which would ensure this objective. Only after Mexico led the effort to derail the creation of such a peace force did Carter grudgingly accept that the Sandinistas would be the governing party of Nicaragua.<sup>87</sup> While he did not want the FSLN in power, Carter was at least willing to work with them somewhat. The U.S. provided aid to Nicaragua for the first 18 months after the Sandinistas came to power, under the belief that it was more likely to have some influence with the Sandinistas, who were none too fond of the U.S., by providing aid than by being belligerent.<sup>88</sup> This attitude of cautious acceptance characterised the Carter years, which lasted until the beginning of 1981.

Ronald Reagan came to office having promised to restore the prominence of the U.S. on the world stage. Taking a hard line in Central America was part of that pledge, and so aid to Nicaragua was cut-off almost immediately after Reagan took power. The Reagan administration frequently linked the Sandinistas to two long-standing opponents of the U.S.: Cuba and the Soviet Union. Their main concern was Nicaraguan support for rebels in El Salvador who were seeking to overthrow the government which the U.S. supported there. They claimed that both the Sandinistas and the Soviets were supporting the rebels, drawing links between all three groups.<sup>89</sup> Daniel Ortega, leader of the Sandinistas, acknowledged that his government had been "permissive" in allowing Salvadoran rebels to

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86 Pastor, 6.

87 Pastor, 121.

88 Pastor, 6.

89 Pastor, 190.

operate around the Nicaraguan border, and pledged to stop doing so.<sup>90</sup> The Reagan administration said that it did not believe that Ortega was negotiating in good faith, and continued to accuse the Sandinistas of supporting Salvadoran rebels. They accused the FSLN of being belligerently anti-American.<sup>91</sup>

This is the stance that R.A. Pastor, who was an official in the Carter administration, takes. While Pastor is somewhat critical of Reagan's hard-line stance, he suggests that the military build-up in Nicaragua throughout the 1980s was the result of "anti-Americanism".<sup>92</sup> He was similarly concerned about the prospect of a group hostile to U.S. interests coming to power in the region and allying itself with an rival of the U.S.<sup>93</sup> A more likely explanation is that those actions were a response to American actions and not the cause of them. The increase in the size of the Nicaraguan military was the result of quite rational fears in Nicaragua that the U.S. was a threat to them. Based on the build-up of American military staff in Honduras and the history of American interventionism in the region - including the invasion of Grenada in 1983 - the Sandinistas had ample reason to be concerned that the U.S. would invade them.

### **Relations Under Trudeau and the Possibility of an American Invasion**

In the immediate aftermath of the revolution in Nicaragua, Canada did not have a major response. The Joe Clark government officially recognised the Sandinistas as the legitimate ruling government shortly after they forced Somoza to leave the country by taking over Managua, as had the Carter government. A spokesperson for the government declared that Canada was looking forward to a "fruitful and mutually profitable" relationship with the new regime.<sup>94</sup> The Trudeau government which came to power shortly afterward also recognised the Sandinistas. The United States, on the other hand,

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90 Pastor, 191.

91 Pastor, 193.

92 Pastor, 203.

93 Pastor, 293.

94 "Sandinistas Recognised", *Globe and Mail* (July 25, 1979), P9.

refused to acknowledge their legitimacy. The difference had less to do with any intention of setting out on an independent path and more to do with Canada's long-standing tradition of recognising popularly supported governments, as it had done in places such as Cuba.

For the next couple of years, however, Canada had little to do with Nicaragua. Virtually no aid was provided, and the government did not publicly address the issue. There was also some dispute over how to view the FSLN within the Canadian civil service. Some members of the new government were described as "doctrinaire Marxists", while embassy staff in Costa Rica expressed concern that the members of the new coalition who had business ties would be isolated or made figureheads.<sup>95</sup> Canadian diplomats may have been somewhat sympathetic to American views that the Sandinistas were too left-wing, but they also thought that the U.S. was being somewhat paranoid about the likelihood of Nicaragua actually posing a physical threat.<sup>96</sup> Throughout the time that the Sandinistas remained in office, some elements of the Canadian civil service continued to be skeptical of their intentions.

It was not until 1981 that different views were heard in the House of Commons over Canada's role in the region in relation to the U.S., which is not surprising given that it would take some time to react once Reagan had come to power and taken a hard-line on dissent in the region. The role of the U.S. in El Salvador, where the U.S. was supportive of far-right politicians associated with widespread human rights abuses, was what initially drew public and Parliamentary scrutiny. Despite the position of the government that "third parties" (meaning the U.S. and the Soviet Union) should not be getting involved in the politics of the region, Secretary of State for External Affairs Mark MacGuigan told the media that Canada would not make any official protest of the decision of the U.S. to send military weapons and advisors to El Salvador. According to MacGuigan, Canada would not "pass judgement on what people are doing in other countries, especially in the absence of any vital Canadian interest in the

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<sup>95</sup> McFarlane, 157.

<sup>96</sup> McFarlane, 157.

area or the absence of any real information."<sup>97</sup> This statement was indicative of two recurring elements of the Canadian response while MacGuigan was acting minister. The first was that MacGuigan would repeatedly claim that he had no knowledge of American policy. The other was that Canada suffered from a lack of information about the region itself due its small diplomatic representation in the region.<sup>98</sup>

The latter problem posed difficulties for Canada in its ability to properly assess the situation on the ground. R.V. Gorham, the Assistant Under-Secretary for the Bureau of Latin American and Caribbean Affairs, appeared before a House of Commons committee in 1982 and told it that he had no knowledge of any Canadian companies which had been nationalised in Nicaragua.<sup>99</sup> However, Noranda's Empressa Minera had been taken over in the final days of the civil war, and was nationalised shortly afterward.<sup>100</sup> It is unclear whether Gorham was genuinely uninformed about the takeover, or whether he had other reasons for making the remark.

The Liberals seemed to more or less repeat the American line in Parliament. MacGuigan told Parliament that the United States claimed to have "incontrovertible evidence" that communist arms were being shipped to Nicaragua through El Salvador, and that some of these weapons had been identified as American weapons left behind in Vietnam.<sup>101</sup> He would not criticise the U.S. for arming right wing extremists, but elements on the far left with weapons simply could not be tolerated. The evidence they claimed to have was never produced, nor even shown to MacGuigan, as evidenced by his remark that the U.S. merely "claimed" to have it.

When he was asked by Pauline Jewett, the NDP's external affairs critic, to condemn the suggestion made by the U.S. that the government of Nicaragua should be violently overthrown,

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97 "No Right To Comment: MacGuigan", *Globe and Mail* (March 4, 1981), P12.

98 Canada had only two embassies in Central America during the 1980s, one in Guatemala and the other in Costa Rica. The embassy in Costa Rica was also responsible for El Salvador, Honduras, and Nicaragua, while the embassy in Guatemala was reduced in 1986 out of concern for the safety of embassy staff.

99 Sub-Committee of the Standing Committee on External Affairs and National Defence, 15:6.

100 McFarlane, 161.

101 Mark MacGuigan. Canada, House of Commons *Debates*, (March 9, 1981), 8033.

MacGuigan responded by saying that he did not anticipate the U.S. taking action.<sup>102</sup> This is an odd response to the United States openly suggesting that such an idea would be a good thing. The Liberals also claimed to believe that the U.S. had no intention of invading Grenada, which they did in 1983. Jim Manly of the NDP questioned the Liberals on this. If the U.S. lied to Canada about Grenada, what reason did Canada have to believe the U.S. when it said it had no plans to invade Nicaragua, especially in light of the 5,000 army personnel who were operating in Honduras?<sup>103</sup> Plans to invade Nicaragua were also under way in the U.S. Oliver North, well known for his role in the Iran-Contra scandal (where the U.S. had sold arms to Iran in order to raise money for the Contras) drew up plans to arrest Central American activists (within the U.S.) for an indefinite duration in the event that the invasion was ever carried out.<sup>104</sup> The U.S. was searching for a pretext to invade Nicaragua, and even went so far as to attempt to create one; one of the main goals of their support for the Contras was to draw Nicaragua into attacking Honduras, which would give the United States an excuse to invade Nicaragua and overthrow its leadership.<sup>105</sup> There was ample evidence that the United States harboured aggressive intentions towards Nicaragua (and much of Central America), and given American actions in places like Cuba, an invasion of Nicaragua should have seemed likely.<sup>106</sup> MacGuigan, however, told Parliament that the U.S. did not harbour aggressive intentions.

While plans had been made for a potential invasion of Nicaragua by the Americans, it never took place. Instead, the U.S. used the Contras, who they funded for hundreds of millions of dollars over the course of the 1980s. The Contras were made up of a variety of groups who were unhappy with the revolution in Nicaragua, but the foremost among these was the former National Guard, which had fled in the wake of the revolution. The National Guard had been Somoza's hit squad, eliminating

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102Mark MacGuigan. Canada, House of Commons *Debates*, (November 25, 1981), 13241.

103Jim Manly. Canada, House of Commons *Debates*, (October 27, 1983), 28441-2.

104Greg Grandin. *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism*. (New York: Owl Books, 2006), 139.

105Grandin, 117.

106Particularly the disastrous Bay of Pigs invasion. Grandin, 45.

political opponents and intimidating the population. They had been used by Canadian mining companies as well, which is one of the main reasons Noranda's Empressa Minera mine was nationalised during the revolution.<sup>107</sup> The Contras waged guerrilla warfare on the new regime, killing Sandinistas and civilians alike, aiming to cause destruction rather than directly taking aim at the FSLN leadership. They operated out of Honduras where U.S. military staff and advisors were stationed to aid them. So, while the United States may not have ever launched a direct invasion of Nicaragua with their own troops, they did spend hundreds of millions of dollars funding a war against Nicaragua fought at least partially on their own behalf by troops who had helped secure U.S. interests under the Somozas. U.S. troops may not have entered Nicaragua, but they were present in Honduras where they helped train and support the Contras. For all intents and purposes the United States did invade Nicaragua, and carried out a war aimed at regime change for a decade. It should have been plainly obvious what was occurring in Central America, but the Liberals claimed to have no suspicions.

Within the civil service, there seemed to be a lack of concern over the formation of the Contras. Canada's ambassador in Costa Rica told a Parliamentary committee that Canadian officials did not consider the National Guard to be a factor. The reason he gave for this was that the National Guard were not part of the group of dissidents who were proposing to "champion a democratic system".<sup>108</sup> Somehow the fact that they *were not* aiming for a peaceful resolution meant that they were not to be worried about, however one comes to such a conclusion. According to the ambassador, the National Guard were neither "visible" nor were they a "contentious factor".<sup>109</sup> At this point, however, the United States had been organising the National Guard into a fighting force for well over a year. If the ambassador did not know about this he clearly should have, and Parliament certainly would have wanted to know as well.

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107McFarlane, 161.

108Sub-Committee of the Standing Committee on External Affairs and National Defence, 24:54.

109Sub-Committee of the Standing Committee on External Affairs and National Defence, 24:54.

The NDP continued to press the Liberals to take a stand on American actions in the region. Bob Ogle requested that the government protest to the United States about its "destabilizing influence" in the region.<sup>110</sup> Charles Lapointe responded on behalf of the government that Canada had told the U.S. through its embassy that it did not approve of interference in the "domestic affairs of foreign countries".<sup>111</sup> This was as harsh as most of Canada's criticism of the United States in regards to this issue would get throughout the 1980s. More frequently, the government would respond by claiming that it was against *any* interference or aggression in the region, which was meant to imply that the Soviet Union was also a destabilising force in Nicaragua, which it never was. This was precisely the tactic that Lapointe took a few months later when Ogle again requested that the government condemn U.S. actions, this time referring to joint U.S./Honduran aggression.<sup>112</sup> The government frequently avoided answering the specific question asked, instead responding with a generic remark about Canada's views on international relations more broadly.

Prime Minister Trudeau rarely spoke about Canada's position on Nicaragua, as his Secretary of State for External Affairs handled questions on the topic. However, Trudeau did speak about the issue in front of the House of Commons on a small number of occasions, as he did in May 1983 in an exchange with the leader of the NDP, Ed Broadbent. On this occasion, Trudeau sounded remarkably like his minister. Instead of criticising the United States, as the NDP and a large number of Canadians had been pressuring him to do, he simply stated that Canada's position was that *all* powers should refrain from intervening in the affairs of Central American states. It was immaterial that the Soviet Union was not actively involved in attempting to overthrow a democratic regime in Nicaragua, as the U.S. was. When pressed by Broadbent to criticise the Americans for attempting to overthrow the Sandinistas, Trudeau astoundingly said that the United States wanted a peace agreement in Central

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<sup>110</sup>Bob Ogle. Canada, House of Commons *Debates*, (December 1, 1982), 21167.

<sup>111</sup>Charles Lapointe. Canada, House of Commons *Debates*, (December 1, 1982), 21168.

<sup>112</sup>Bob Ogle. Canada, House of Commons *Debates*, (April 12, 1983), 24399.

America just as Canada did!<sup>113</sup> These were all lines that had previously been spoken by Minister MacGuigan. It is also difficult to believe that anyone in the government genuinely thought the United States wanted a peace agreement. According to one former ambassador to much of Central America, the United States was uninterested in anything other than the "total eradication of leftism" through physical force.<sup>114</sup> The Liberals were unwilling to publicly say so, however.

The government even refused to get involved when Canadian goods were being routed into Central America in support of the Contras. In May of 1983 it was revealed that bullets manufactured in Canada were being used by the Contras. The bullets were found in a rebel camp in crates which were marked "Made in Canada" and "NATO", and were believed to have been shipped into Nicaragua by the CIA.<sup>115</sup> What was the government's response to the redirection of goods that were ostensibly for the protection of the North Atlantic to help wage an illegal war of aggression against a popularly supported government? There was no response. There was, at least, no public response. Representations may have been made to American officials behind closed doors, but there were no remarks or actions made publicly, either in the House of Commons or the press.

On only one occasion on did the Liberals make a public statement which was clearly critical in nature and specifically named the United States. It was made by Allan MacEachen, who had become the Secretary of State for External Affairs in September 1982, and had been a minister in one department or another consecutively from April 1963 until the Mulroney government came to power in 1984 (except for the brief period where Joe Clark led a minority government). MacEachen was questioned by a journalist about the mining of Nicaragua's harbours by the U.S., to which he responded:

Canada certainly doesn't approve of the mining of Nicaraguan waters. Canada thinks it's not only a violation of international law but also that it is likely to contribute adversely to the

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<sup>113</sup>Pierre Trudeau. Canada, House of Commons *Debates*, (May 2, 1983), 25046.

<sup>114</sup>Paul Durand. E-mail to the author. June 20, 2009.

<sup>115</sup>"Canadian Bullets Sent To Nicaragua by CIA, Envoy Says", *Globe and Mail* (May 30, 1983), P5.

tension that already exists . . . [w]e have expressed our disagreement with the United States on a number of occasions both publicly and privately.

However, MacEachen quickly tempered the remark by adding that Canada was against the "military presence of *any* third party in Central America. That includes the United States and includes any other foreign presence like the Cubans or the Soviet Union" (emphasis added).<sup>116</sup> Even in this situation, though, the Liberal Cabinet minister did not unreservedly criticise the U.S., even though he was clearly upset with their decision.

While the Liberals were pressed to take a more active stance against the United States by the NDP (and members of their own caucus, like Stanley Hudecki), some members of the Progressive Conservatives pressed them to side more strongly with the American position. The most prominent member of the Tories in this regard was Sinclair Stevens, their External Affairs critic. Stevens was a vocal critic of the Sandinistas from the early days of their rule. In 1982, he expressed concern that Canada was focussing its criticism on human rights violations in El Salvador, which had tried to go the "electoral route", when Nicaragua had had no elections.<sup>117</sup> What Stevens neglected to mention was that the elections in El Salvador had been won by Roberto D'Aubuisson, leader of El Salvador's right-wing death squads, and that it is rather difficult to organise elections in the immediate aftermath of a civil war in a country like Nicaragua that had been ruled by despots for decades and was under constant threat of attack from counter-revolutionaries funded by the world's largest military power. In fact, while the Sandinistas originally pledged to hold elections in 1985, they felt that progress was sufficient to move them up one year and held them in 1984 instead.

Stevens was quite pleased to repeat Reagan administration claims in Parliament. On May 11, 1983, he stood before the House of Commons and told Parliament that there were Cuban soldiers in Nicaragua who were part of a large arms build-up. He wanted the government to institute a review of

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<sup>116</sup>"MacEachen's Harder Line On Nicaragua", *Globe and Mail* (May 2, 1984), P7.

<sup>117</sup>Sub-Committee of the Standing Committee on External Affairs and National Defence, 24:51.

its aid to Nicaragua and potentially cut them off, as had been done in El Salvador on the basis of human rights abuses.<sup>118</sup> There were Cubans in Nicaragua, but they were doctors and teachers. The large arms build-up that was occurring was a result of fears within Nicaragua that the United States was planning an invasion, a well founded fear, as was demonstrated earlier. Other members of the Progressive Conservatives were sympathetic to the American view. MP Robert Wenman cited a *Washington Post* article claiming that the Sandinistas were worse violators of human rights than the Somozas had been.<sup>119</sup> David Kilgour told Parliament that he believed the Sandinistas were committing human rights violations that were comparable to what was occurring in El Salvador and Guatemala.<sup>120</sup> On the whole, Tory MPs were strongly supportive of Reagan and U.S. policy in the region, making the Liberals seem like the moderate party in between the pro-U.S. views of the Conservatives and the pro-Sandinista views of the NDP. When Brian Mulroney brought the Progressive Conservatives to power in the fall of 1984, though, the reality turned out to be somewhat different.

### **Mulroney, Clark, Reagan, and Shultz**

When the Tories came to power in 1984, it was believed that the new Secretary of State for External Affairs would be Sinclair Stevens, who was more or less in line with Reagan's views on Central America. Because he was their most outspoken MP on the issue of Central America, the Progressive Conservatives had become associated with Stevens' views. Instead of Stevens, though, Mulroney named the more moderate Joe Clark as Secretary of State for External Affairs. It was decided that the party should re-examine its position on Central America, partly because of the immense public interest in the ongoing troubles in the region, and partly because some people within the party were concerned that they had become publicly associated with a position that they had never

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118Sinclair Stevens. Canada, House of Commons *Debates*, (May 11, 1983), 25438.

119Robert Wenman. Canada, House of Commons *Debates*, (April 19, 1982), 16387.

120David Kilgour. Canada, House of Commons *Debates*, (October 17, 1983), 28074.

actually discussed.<sup>121</sup> Clark's approach to international affairs had more in common with the Liberal tradition of framing Canada's policies within the parameters of international law and institutions such as the United Nations, as opposed to Stevens who was in sympathy with the U.S. With Clark and Mulroney at the helm, Canada did open up relations with Nicaragua somewhat, but relations with the U.S. stayed more or less on the same course as they had under the Liberals. The federal government would continue to support the right of Nicaragua to self-determination while refusing to be actively critical of American interference with that right.

The first action that the Tories took towards Nicaragua was to refuse to send observers to the country for the elections in 1984, though they did note that some Canadian aid organisations were sending their own observers.<sup>122</sup> However, even though observers were not sent, the Tories did recognise the results as legitimate and the Sandinistas as the democratically elected government of Nicaragua. This was one of the reasons that Nicaragua received an increased amount of aid in subsequent years.<sup>123</sup> The United States claimed that the results were invalid and non-representative and continued to fund the Contra attempt to violently overthrow the FSLN.

Mulroney, like Trudeau before him, rarely spoke publicly about Canada's role in Central America, instead leaving the issue to his Secretary of State for External Affairs and his Minister for External Relations, Monique Vezina. He did speak about the issue on a couple of occasions though, generally in an attempt to assert that his government was developing a more forceful and independent foreign policy than previous governments had, something Clark was also interested in proving. When Jean Chrétien questioned the government about the role of the United States' trade embargo against Nicaragua and how it would affect Canadian companies, Mulroney took the rare step of making a public statement against the United States, saying that Canada was against the embargo, which was

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121Interview with Joe Clark, Waterloo, ON, October 26, 2008.

122"No Observers Going to Nicaragua: Clark", *Globe and Mail* (October 27, 1984), P4.

123Interview with Joe Clark, Waterloo, ON, October 26, 2008.

neither "in the interests of Canada nor consistent with our traditions." Having made this slight criticism of American policy, he went on to say that he hoped that the House of Commons would "applaud that declaration of independence in foreign policy."<sup>124</sup> Worth noting is that Mulroney's criticism of the United States was not based on its impact on the people of Nicaragua, but its impact on Canada.

While the government's response was to assure Parliament that the American embargo was not going to affect Canadian business - and that they had gained assurances that the embargo would not be enforced against Canadian subsidiaries of American firms - the Tories were not very active in fighting against it either. When Monique Vezina was asked if the government had any plans to encourage Canadian companies to move into areas of trade with Nicaragua that had been vacated by American companies due to the embargo, her response was that Canada would follow its present course in its trade relations with Nicaragua,<sup>125</sup> which is to say that the government had no intention of pushing for increased Canadian aid to try to fill the gap.

Not only would Canada not try to benefit from the embargo, but aid organisations and Nicaraguan officials both accused the government of indirectly assisting it. Aid groups claimed that they had to go through stepped-up customs inspections and paperwork for aid shipments during 1986, which was delaying the delivery of aid by both church groups and aid NGOs. One organisation, Canadian University Service Overseas (CUSO), complained that it had encountered resistance from Ottawa in its attempts to get permits for the equipment to be used in development projects because some of it was manufactured in the U.S. The Nicaraguan embassy also complained, saying that Canada was the only Western country which had singled it out for stronger customs inspections. It was not only through stepped-up inspections of aid that the government helped to enforce the American embargo. In 1986, government-imposed quotas on beef reduced Nicaragua's exports of beef to Canada

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<sup>124</sup>Brian Mulroney. Canada, House of Commons *Debates*, (May 6, 1985), 4431.

<sup>125</sup>Monique Vezina. Canada, House of Commons *Debates*, (May 2, 1985), 4438.

by half.<sup>126</sup> This was an unusual step considering that Canada had extended a large line of credit to Nicaragua to help them develop its dairy industry less than two years prior. Clark considered this to be one of Canada's most important investments in the region.<sup>127</sup> However, it was not just because of the American embargo that Canada was restricting beef imports, as Ottawa was under pressure from Canadian farmers not to allow beef into the country.<sup>128</sup> That Ottawa chose a protectionist approach must be seen as ironic given the ongoing free trade discussions with the United States at the time.

However, the party was not entirely united on how to respond to the Americans. During a committee meeting in 1985, Nicaragua's deputy foreign minister requested that Canada provide them with increased foreign aid. Tory committee members responded by saying that instead of increasing aid, Canada should join the American embargo.<sup>129</sup> One Progressive Conservative MP, Marcel Tremblay, expressed concern that Nicaragua might be locked into the Soviet Bloc, noting that Canada did not want Nicaragua destabilising its neighbours, even though Nicaragua was the country being destabilised by *its* neighbour, Honduras. Tremblay took a very American approach to the issue, expressing concern about a long list of human rights abuses in Nicaragua, while making only a minor side-comment about the extent of human rights abuses in neighbouring El Salvador or Guatemala, where right-wing forces had power. Tremblay said that Nicaragua was the one area in Central America where there was the most room for improvement.<sup>130</sup> However, these sorts of comments were made much less frequently once the Conservatives came to power than they were when they were the Official Opposition.

Other than his criticism of the U.S. embargo, which his government helped enforce to a small degree, Mulroney's reactions to American behaviour in Central America were normally more in line

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126 "Nicaragua: Is Canada Living Up To Its Word? Critics Say Ottawa Is Not, And Our Image Is Suffering", *Toronto Star* (December 27, 1986), B5.

127 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

128 "Nicaragua Turns to Canada for a Helping Hand in Trade", *Globe and Mail* (October 21, 1985), B12.

129 "Tory Members Cool to Nicaragua Plea for Increase in Aid", *Globe and Mail* (May 25, 1985), P8.

130 Marcel Tremblay. Canada, House of Commons *Debates*, (September 10, 1987), 8847-8.

with those of the previous Liberal government. On a tour of Washington, when he was asked by media outlets whether he thought it was acceptable for the United States to provide military support for the Contras, he repeatedly side-stepped the issue, refusing to give a solid answer, and repeating the broad refrain that Canada supported a peaceful resolution to the crisis.<sup>131</sup> What was America's role in this peaceful resolution? Mulroney was not saying. If anything, he seemed vaguely supportive of the U.S. In the fall of 1986, Mulroney told reporters that Canada was not

in favour of exporting revolution, any more than we approve of third-party intervention anywhere in Central America, whoever the third party may be and regardless of its *legitimate interests* in the area.<sup>132</sup> (emphasis added)

Mulroney's emphasis on the situation being the result of a superpower conflict was odd considering that Clark was on record on numerous occasions saying that the problems in Nicaragua specifically *were not* manifestations of an East-West conflict. A similar response was given the next month when Mulroney said that despite human rights abuses by the Sandinistas, harassment of Catholic priests and censorship of journalists, "that doesn't justify *Canadian* involvement",<sup>133</sup> making sure to list the accusations that the Americans liked to throw at the Sandinistas for good measure.

Joe Clark was often even less likely to criticise the U.S. than was Mulroney. Clark repeatedly told the House of Commons that Canada *should not* criticise the U.S. publicly, in contrast to Mulroney who merely side-stepped the issue. In January of 1986, he said that it was not the purpose of one sovereign country's foreign policy to "give lectures" to others about what they should do.<sup>134</sup> A few months later, while being questioned again about why Canada would not criticise the United States, Clark said that Canada would reduce, not increase, its influence over the U.S. by offering "gratuitous advice".<sup>135</sup> He did not say that Canada should not attempt to influence the U.S.; rather, he said that there

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131 "Mulroney: Lost in a Washington Shuffle", *Toronto Star* (March 22, 1986), B1.

132 "Stop Meddling in Nicaragua, PM Tells U.S., Communists", *Toronto Star* (September 16, 1986), A1.

133 "Mulroney Underscores Differences With Reagan", *Toronto Star* (October 25, 1986), A15. Emphasis added.

134 Joe Clark. Canada, House of Commons *Debates*, (January 28, 1986), 10244.

135 Joe Clark. Canada, House of Commons *Debates*, (March 13, 1986), 11507.

were other avenues which would be more productive. It is unclear whether this approach produced any tangible results.

He did provide some light criticism of the U.S. in public on a few occasions. After one Canadian aid project in Nicaragua had been attacked by the Contras for the second time, Clark finally relented in the House of Commons and acknowledged that he was concerned about the American role in the attacks, and had written a letter to American Secretary of State George Shultz expressing this concern.<sup>136</sup> On another occasion, Clark openly criticised the American mining of Nicaragua's harbours. He and Shultz walked out of a meeting to meet the press together, and were asked about the recent World Court decision that had found the United States' mining of Nicaragua's harbours to be illegal, ordering Washington to pay indemnities. Shultz declared that it was a bad decision that the U.S. would not accept, while Clark said that it was a strong decision and Canada supported it. According to Clark, the two later returned to discussing other issues without animosity, saying "that really was the way we were able to proceed on Central America." He asserts that Canada was free to criticise the United States on Central American issues and would not suffer repercussions for having done so.<sup>137</sup> Like Mulroney, Clark saw Canada's Central American policy as an example of the Progressive Conservative's strength and independence in the area of foreign policy.

One other vocal criticism of the U.S. was made by the Tories, and it was at the United Nations. On November 3, 1986, a UN resolution was put forward calling on the United States to stop aiding the Contras in accordance with the recent World Court judgement. Canada voted in favour of the resolution, while countries not as closely allied to the U.S., such as France, abstained.<sup>138</sup> According to Mulroney, this was one of a number of occasions over the past few years where Canada's voting record

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136 Joe Clark. Canada, House of Commons *Debates*, (June 1, 1987), 6592.

137 Interview with Joe Clark, Waterloo, ON, October 26, 2008. According to Clark, he would have had more difficulty getting away with such criticism if the country had been Cuba rather than Nicaragua.

138 "Stop Aiding Contras, U.N. Urges U.S.", *Toronto Star* (November 4, 1986), A12. Forty seven countries abstained, while only the U.S., Israel, and El Salvador voted against the resolution.

at the UN had shown "unusual, and perhaps unprecedented" independence in foreign policy.<sup>139</sup> Canada's vote on this issue was noteworthy, given the number of countries which had much less to potentially lose and still abstained. The vote carried great symbolic value but no obligation of tangible policy initiatives. Canada certainly did not put any pressure on the U.S. to comply with the ruling and pay Nicaragua the indemnities owed, nor did it take any action against the U.S. in support of Nicaragua. The vote fit well within the Canadian tradition of standing up for the importance of international institutions. While it may have been largely a symbolic gesture, it was a harsher criticism than the Liberals had ever made publicly.

The all-party Special Committee on the Peace Process in Central America was much more openly critical of the U.S. than the government had been. It is worth noting that the committee's final report, *Supporting the Five: Canada and the Central American Peace Process* makes clear that the members of the committee, comprised of MPs from all three parties, unanimously agreed on the recommendations in the report. The report makes numerous explicit references to the American role in perpetuating the conflict and their support of the Contra insurrection. The report stated its concern, that "U.S. military assistance to Honduras has grown enormously over the last few years."<sup>140</sup> It also noted that the Deputy Assistant Secretary of State for Inter-American Affairs in the U.S. had told the committee that the U.S. was not even interested in disarming the various factions. Instead, the U.S. wanted "a rational level of the arms race in Central America."<sup>141</sup> It is not clear on what level deliberately supporting an arms race could be considered "rational" in the face of proposals for verifiable disarmament.

The committee noted that the Soviet Union was completely supportive of the *Esquipulas II Agreement*, a framework for peace in the region written and signed by the five Central American

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139 Brian Mulroney, Canada, House of Commons *Debates*, (November 6, 1986), 1145.

140 Special Committee on the Peace Process in Central America, 3-4.

141 Special Committee on the Peace Process in Central America, 17.

countries involved, while the U.S. was opposed to it.<sup>142</sup> Concern was also expressed with the American position - echoed by some in the Tory caucus - that was calling for a higher standard for what would count as "democracy" in Nicaragua in comparison to the other countries in the region.<sup>143</sup> The panel's recommendations made clear that American interference in the region had to end in order for a lasting peace to be possible; this was something that many Canadians had been pressing the government to acknowledge for some time, without success. The committee recommended that the U.S. should end its embargo of Nicaragua, and abandon its policy of obstructing loans to Nicaragua at the World Bank and the Inter-American Development Bank.<sup>144</sup> It also stated that it "strongly urge[d]" the U.S. to maintain the cut-off of assistance to the Contras that had been imposed recently by Congress.<sup>145</sup> Unfortunately, funding to the Contras was restored, and Canada's government did not take the committee's recommendations in regard to American relations very seriously. The fact that the suggestions were agreed to by members of the Tory caucus illuminates more of the complex dynamic that the party's leadership had to deal with; some in the party were pressing hard to have the Tories adopt the American position, while others wanted the party to publicly chastise their neighbour. It was surely a difficult issue to navigate within the caucus.

One incident occurred while the Tories were in office that was quite embarrassing to them. Ronald Reagan made an appearance before the House of Commons on April 6, 1987, in which he spoke about a variety of topics, one of which was support for the Contras in Nicaragua. Reagan tried to push for a change in Canada's policy in the region, telling Parliament that:

In Nicaragua, we see such a campaign on our own shores, threatening destabilization throughout Central America. This is not just a question of self-protection; the higher principle is that the people of Nicaragua have the right to decide their own future.<sup>146</sup>

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142 Special Committee on the Peace Process in Central America, 17.

143 Special Committee on the Peace Process in Central America, 21.

144 Special Committee on the Peace Process in Central America, 23.

145 Special Committee on the Peace Process in Central America, 20.

146 "NDP Hecklers Embarrassed Canadians, Critics Charge", *Toronto Star* (April 7, 1987), A13.

Any future that complied with the dictates of American capitalism, of course. Indeed, the only campaign of destabilisation being waged in Central America at the time was the one being undertaken by the Reagan administration, which would accept nothing other than the defeat of the Sandinistas; and the people *had* decided their own future, first by supporting the revolution that brought the Sandinistas to power, and then by voting for them in an election that was internationally observed and recognised by just about every country except the U.S. as being legitimate.

On this occasion, three members of the NDP had the courage to stand up to the President of the United States and call him out on his fabrications. Les Benjamin cried "Shame!" while banging his fist on his desk; John Parry shouted "They did decide!"; and Svend Robinson demanded "Stop funding the Contras, Reagan!" The Liberals and the Tories immediately let the press know that they thought the country was embarrassed by the outburst.<sup>147</sup> It is not clear, however, that Canadians would have actually been embarrassed by the remarks, which were well in line with what much of the public had been asking the government to say for the better part of the decade. Canadians were deeply concerned about American support for the Contras and the destabilisation of the region, and they wanted Reagan to be clear about how they viewed his policies. If any party had made Canadians embarrassed about their treatment of Reagan, it was not the NDP.

### **Canadian Money, American War**

The official position of the Tory government was to support the peace process in Central America, and that it was illegal to sell arms to either side in Nicaragua. However, some Canadians still helped the Americans in their efforts to fund the Contras and violently overthrow the Sandinistas.<sup>148</sup> In fact, some of these contributors were Progressive Conservative Members of Parliament. In December

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147 "NDP Hecklers Embarrassed Canadians, Critics Charge", *Toronto Star* (April 7, 1987), A13.

148 To the best of my knowledge, no Canadians provided military aid to the Sandinistas; all of the aid which came from people who were supportive of the revolution went towards development.

1986, it was revealed that four PC MPs had been linked to a group that raised money for the Contras, the Anti-Bolshevik League. One former Tory MP - John Gamble - was the North American chairman of the league, and had connections with two Toronto businessmen who were linked to the Iran-Contra arms scandal. Two of the MPs (one from Toronto and one from Mississauga) had admitted to meeting with John Singlaub, the main American fundraiser for the Contras and a retired U.S. Army general. Two more MPs (one from Toronto and one from Calgary) acknowledged that they had attended a fundraising dinner for the Anti-Bolshevik league, but claimed to have never met Singlaub.<sup>149</sup>

The PC government was confronted about these revelations in the House of Commons where opposition MP Pauline Jewett questioned why the government did not discipline members of its caucus for providing money to fuel a war that the government was involved in trying to resolve peacefully. Clark responded that Canada was a free country, and as such, its citizens were free to raise money for purposes that the government disagreed with. It was not the policy of his party to tell members that they could not make personal contributions to causes they supported. He then turned the accusation back at Jewett, claiming that she supported the state "prohibiting individual private persons from contributing to private undertakings in which they might believe."<sup>150</sup> The answer was somewhat disingenuous. There were already laws in Canada against providing arms to either side in the conflict. The government could not have been enthused about members of its own caucus funding a war which it was currently engaged in trying to resolve peacefully. The Tory leaders were in a difficult position; on the one hand, some members of their caucus were vocally (and financially) opposed to one of the policies they had chosen to pursue, while on the other, Central America was a place where Clark and Mulroney saw an opportunity to prove the independence of their foreign policy.

While it may have been easy for the Tories to brush off these few MPs as simply private members engaging in private affairs, it was much more difficult for the government to take that

149 "Four More Tory MPs Linked to Group That Aids Contras", *Toronto Star* (December 18, 1986), A10.

150 Joe Clark. Canada, House of Commons *Debates*, (December 11, 1986), 2261-2.

approach to another issue, the privatisation of Canadian Arsenals Limited (CAL). CAL was a Crown Corporation with a strong profit margin, which did 90 percent of its business with the Department of Defence. The Tories wanted to sell it. NDP MP Lorne Nystrom criticised the government for this potential sale to a Montreal company, SNC Defence Products. SNC had previously sold ammunition to the Contras, which was against the government's foreign policy. Nystrom accused the government of being complicit in escalating the war in Nicaragua through the sale of CAL, and tried to appeal to the portion of the Tory caucus which was supportive of the Central American peace process to speak up and halt the sale.<sup>151</sup> Nevertheless, the corporation was privatised.<sup>152</sup>

Canadian corporations were involved in supporting the Americans and the Contras as well. RCMP investigations of several companies and individuals occurred in the latter part of the 1980s, though none were ever charged. In November 1986 it was revealed that another company operating out of Quebec - Propair - had sold two Canadian-made cargo planes to a "mysterious" Panamanian company that ended up being used by anti-government rebels in Nicaragua.<sup>153</sup> Further details emerged a few months later. Propair had not only sold the planes, but knew exactly what the planes were to be used for. They had staff in El Salvador helping to maintain the planes and teaching American pilots how to fly them. Both the Canadian and American governments had connections to the sale of the planes. At the time that the planes were sold, 50 percent of Propair was owned by Quebecair, a Crown corporation. The company that had bought the planes, Southern Air Transport, was an American company which had previously been owned by the CIA and was still used by them. The RCMP announced that they were investigating.<sup>154</sup> Like other RCMP investigations into Canadian involvement in the Contra war, though, nothing seems to have ever come of this investigation.

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151 Lorne Nystrom, Canada, House of Commons *Debates*, (March 11, 1986), 11397.

152 See *Canadian Arsenals Limited Divestiture Authorization Act* (1986, c. 20), available online at <http://laws.justice.gc.ca/en/C-11.4/index.html>.

153 "RCMP Probing Sale of Quebec Cargo Planes", *Toronto Star* (November 5, 1986),

154 "Canadian Airline Played Key Role in Contra Supply Flights, Paper Says", *Toronto Star* (February 7, 1987), A1.

A much bigger issue in both Canadian and American media was when a Canadian connection to the Iran-Contra arms scandal was revealed a few weeks later. At first, all that was known was that "unnamed Canadian investors" were accused of being middlemen in an arms deal with the Contras. The Canadian ambassador to the United States expressed displeasure over how the Canadian government learned about this - through the American media. Even after the American media broke the story, the Reagan administration still refused to provide Canada with any information to help the government determine what had occurred. It was at that point that the RCMP began investigating the link on its own.<sup>155</sup> It was eventually revealed that two Toronto area businessmen, Donald Fraser and Ernest Miller, were accused of being involved in the arms deal, but it was unclear to what extent they had been involved, or if there was any solid proof that they were.<sup>156</sup> The RCMP eventually announced the results of their investigation: they were not going to lay charges against Miller or Fraser. However, they did not say that no arms had been sold by the two. Rather, they said that they were unable to pursue the matter any further because the arms were not actually *purchased* in Canada.<sup>157</sup>

By the next spring, more details about Canadian involvement in the war had emerged. Bank statements obtained by U.S. Senate investigators showed that the Contras had paid \$432,000 into a Royal Bank account in Montreal. The money was believed to have gone into an account for Trans World Arms, a company already under investigation by the RCMP for shipping arms to Central America.<sup>158</sup> However, as in other cases of Canadian money helping to fund the Contras, no action appears to have ever been taken. Of all the incidents in which Canadians were involved, of which there were several, no evidence that either the RCMP or the federal government ever seriously pursued any sort of punitive action has come to light, nor did they take any actions to prevent abuses from occurring

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155 "And the Plot Thickens . . . Now There's a Canadian Connection in Iran Arms Scandal", *Toronto Star* (December 13, 1986), B6.

156 "Four More Tory MPs Linked to Group That Aids Contras", *Toronto Star* (December 18, 1986), A10.

157 "Two Canadians Face No Charges In Iran Arms Sales", *Toronto Star* (May 7, 1987), A16.

158 "Canadian Link Found to Contra Arms: Bank Statements Reveal \$432 Paid Into Montreal Account", *Toronto Star* (May 3, 1987), 1987.

in the future.

Another government agency - the Canadian Security Intelligence Service (CSIS) - was more concerned with the people trying to stop the war than the people prolonging it. The Security Intelligence Review Committee (SIRC, the government's watchdog for CSIS) said in 1987 that CSIS was spying on too many Canadians. Among those the SIRC were concerned about were Central American activists. An SIRC report found that the agency was doing a poor job of distinguishing "subversion from legitimate dissent" and it was found to be supportive of the hard-line position of the Reagan administration. It showed only "minimal" interest in Canadians who were raising money for the Contras.<sup>159</sup> It was peaceful activists, not war profiteers, who the authorities were interested in suppressing. The government was prepared to support peace negotiations amongst the Central American governments, but not to ensure that Canadians who were making that peace difficult to achieve were properly policed.

### **How Much Influence Did Canada Have?**

When Joe Clark was asked in the House of Commons to more sternly and publicly criticise the U.S. for supporting the Contras and hindering the peace process in Central America, his response was typically that doing so would reduce Canada's influence, and was therefore likely to be harmful. A wide variety of people disagreed with this view, however, within Parliament, the Central American governments, and even the American Congress. The NDP clearly believed that Canada had influence with the American government, and also suggested that Canada could form a united front with similar European countries to collectively put pressure on the U.S. to adopt a more peaceful approach to the region. Many of the Canadian people believed that as well, as is evidenced by their massive letter writing campaigns, constant petitions, responses to polls, and the statements made to Parliament by

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<sup>159</sup> "Spy Agency Snoops Too Much, Panel Says", *Toronto Star* (June 30, 1987, A1).

those representing church groups or NGOs.<sup>160</sup> The Special Committee on the Peace Process in Central America also held this view, as can be seen in their multiple recommendations for ways that they believed Canada should pressure the U.S. on the issue of the Contras. Non-Canadians also held this view. One Nicaraguan diplomat told the *Globe and Mail* that Canada had more influence on the United States than any other country in the hemisphere, and wished that Canada was more willing to use that influence to pressure the U.S. to change its policy.<sup>161</sup> A few years later, a full page ad was taken out in the *Globe and Mail* by a group which included the Colombian foreign minister, urging Canada to put pressure on the U.S. to halt its military actions in the region.<sup>162</sup> Evidently politicians in South and Central America believed that Canada was capable of playing a more forceful role than it had been.

Perhaps most tellingly, though, members of the American Congress also believed that Canada had the power to influence American policy in the region. According to Liberal MP Lloyd Axworthy, that was what he had heard from the American Congresspeople with whom he had spoken. Axworthy said that the U.S. was the main obstacle to achieving peace in the region, and that Canada needed to speak out about American support for the Contras. According to Axworthy, he had been told by people in Congress that Canada *did* in fact have sway over the U.S. because it was seen as being a good friend, and also had credibility internationally. This was similar to the position taken by some of the South and Central American countries, such as Colombia. While some aspects of Reagan's policy were illegal even in the U.S. (eleven people were convicted in the Iran-Contra scandal), his administration was also seeking funding through Congress. At the time that Axworthy made his remarks, funding to the Contras had been cut off by Congress, but voting on whether or not to reinstate it was close and hotly contested. If Canada would speak out on the issue of Contra funding, it could help sway votes in Congress by lending international credibility to those who wanted to vote against it but were having

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160 Special Committee on the Peace Process in Central America, 2:8.

161 "Positive Nicaragua Role Urged For Canada", *Globe and Mail* (March 5, 1981), P13.

162 "Central American Tour MacEachen Packs His Bags For Trouble Spot", *Globe and Mail*.

difficulty in doing so.<sup>163</sup> When Clark spoke of Canada not being able to influence the U.S. on this issue, he meant that the Reagan administration would not be receptive to public criticism. But Canada's real influence lay not in its ability to sway Reagan or his advisors, but in its ability to influence Congressional voting to deny Reagan the funds that he required to provide aid to the Contras. Those in Congress who favoured a cut-off of aid to the Contras and were seeking to sway votes in their favour believed that public Canadian support for their position would have made it more tenable for other members of Congress to side with them.

## Conclusion

Canada's relations with the United States in regard to the situation in Nicaragua were quite similar under both the Liberal and Progressive Conservative governments. Both governments refused to make outright criticisms of the U.S. government except in rare circumstances. They were willing to do so when institutions such as the United Nations provided them with a less charged atmosphere, but they were not willing to stand out in the process. Both governments generally provided generic responses indicating that they did not think it was acceptable for one country to interfere in the domestic affairs of another. This usually carried with it a tacit implication that the Soviet Union and the United States were equally to blame for the problems in the region, even though it was fairly clear that the United States was trying to stir up revolution in Central America and the Soviet Union was not. The Soviet Union welcomed and approved of the peace process, both the earlier Contadora initiative and the later Esquipulas process;<sup>164</sup> the United States simply did not want a negotiated settlement that would allow the Sandinistas to continue their democratic rule. But neither Canadian government was willing to say so. One possible explanation for this is that since it seemed obvious that the Soviet

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163 Lloyd Axworthy. Canada, House of Commons *Debates*, (December 2, 1987), 11413.

164 For obvious reasons, as - contrary to American statements - they had no real power in the region and were quite pleased at the possibility of U.S. power being somewhat restrained.

Union did not have any sway in the region, a criticism of "any superpower" would have been understood to have been a veiled criticism of only the U.S. This explanation does hold some power. However, given that there were clearly members of the Progressive Conservatives - not to mention the Reagan government - who genuinely did believe the Soviet Union was a threat in the region, it is not entirely clear that this explanation is accurate.

The Liberals never seem to have even seriously considered taking a stronger stance on the Contra war or any American interference in the region. The Progressive Conservatives did, though there were starkly opposed elements in the party pulling in differing directions. Some members of the party wanted to join the Americans in their embargo, while others were providing money to the Contras to continue their war. Still others wanted to criticise the U.S. more forcefully, and expressed displeasure that the Reagan administration was interfering in on-going peace negotiations which were important to the Tories. The Mulroney government was critical of the U.S. behind closed doors, both "at the highest level" between heads of state and Secretaries of State, and down through the diplomatic service.<sup>165</sup> Aside from one or two rare and somewhat muted incidents, though, these criticisms were never made publicly, and they were never supported through political action. Mulroney and Clark both wanted to show that Canada was capable of having an independent foreign policy, but they seem to have only been willing to do so without addressing the American role in the region, a role which framed everything else.

As demonstrated in the previous chapter, Canada's public provided strong, varied, and consistent support of the people of Nicaragua, and often of the Sandinista regime as well. The same can not be said of Canada's business community, particularly the aviation and arms sectors. Several Canadian companies were publicly and prominently associated with the Contras, providing airplanes, military equipment, and armaments to the guerrillas. Neither the Progressive Conservatives nor the

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<sup>165</sup> Interview with Joe Clark, Waterloo, ON, October 26, 2008.

RCMP ever seem to have vigorously pursued any sort of punitive action against these companies. Canada's intelligence agency was not especially concerned with them either; it targeted peaceful activists instead. The federal government may have taken a nominally independent position on the peace process in Central America - particularly under the Mulroney regime - but it was only willing to do so when no serious action had to be taken against those who disagreed.

## **Official Development Assistance To Nicaragua**

Nicaragua was not the recipient of much official development assistance from Canada prior to the overthrow of the Somoza dynasty; indeed the country received no ODA of any sort in the year leading up to the revolution.<sup>166</sup> While Pierre Trudeau had declared in 1968 that Canada had "substantial interests" in Latin America,<sup>167</sup> Nicaragua was never given much attention. Aid to Central America as a region grew rapidly in the latter half of the 1970s, but this aid was not typically directed towards Nicaragua, going instead to countries like Honduras. Further, this aid was frequently tied to full interest loans from Canadian banks and tied to the purchase of Canadian goods.<sup>168</sup> In fact, while much of this money was defined as "aid", it was not really aid in the sense that most Canadians would probably define it. The government was not in the habit of simply giving money to those in need; rather, aid was treated largely as an extension of domestic policy. It may have helped the people it eventually reached, but that was not its primary purpose. The main beneficiaries of Canadian aid were not the citizens of Central America, but the Canadian companies whose materials and products were purchased as part of the aid program.

The practice of tying aid to the purchase of Canadian goods was not a new policy when the Sandinistas came to power; in 1979, 80 percent of Canadian aid was tied. It was believed that untying aid would mean that developing countries would be using Canadian money to support the economies of other industrial countries which Canada was in direct competition with, to the detriment of Canada's place in world markets.<sup>169</sup> Aid in the 1980s was also frequently given in the form of loans. These loans

166 CIDA, *Annual Report 1979-80*, 43.

167 Lemco, 2.

168 McFarlane, 149-50.

169 CIDA, *Sharing Our Future*, 51. Tied aid is the practice of giving aid on the condition that the money be spent only in the country providing the aid. The problems with tied aid are numerous and beyond the scope of this paper, however, the OECD estimates that it may reduce the effectiveness of aid programs by as much as 1/3; see Organization for Economic Co-operation and Development, "OECD Development Centre Studies: The Tying of Aid", available online at [http://www.oecd.org/LongAbstract/0,2546,en\\_2649\\_18108886\\_29412506\\_119699\\_1\\_1\\_1,00.html](http://www.oecd.org/LongAbstract/0,2546,en_2649_18108886_29412506_119699_1_1_1,00.html).

came straight from the Canadian International Development Agency and were often provided on interest-free terms. This practice continued until the 1987-88 fiscal year. That year saw the release of *Sharing Our Future: Canadian International Development Assistance*, a document detailing a new aid strategy for Canada. This document was released after the conclusion of a Parliamentary committee which studied the role that Canada's aid should play, though many of the committee's recommendations were not implemented. At that point, CIDA announced that it would no longer be providing ODA in the form of loans, providing all future aid as grants (though lines of credit were still extended for specific projects).<sup>170</sup> Following the report's release, the amount of untied aid was increased from 20 percent to 30 percent, with the caveat that all untied aid must be spent locally (either in the recipient country or its neighbours), rather than being spent in countries viewed as Canada's industrial competitors.<sup>171</sup> While these changes were made eventually, for most of the period studied here Canada's aid to Nicaragua was primarily in the form of loans, not grants. Given the problems that Nicaragua has had with its external debt for the past 40 years or so, it is difficult to determine whether Canada's "aid" to Nicaragua for much of this period was helpful or harmful.

Nicaragua has struggled with a heavy debt load for most of its recent history. Under the rule of the Somozas, Nicaragua built up a significant amount of private debt, and some multilateral debt as well. In 1980, just after the Sandinistas came to power, 26 percent of Nicaragua's debt was owed to bilateral donors (other countries), 25 percent was owed to multilateral donors, and 48 percent was owed to private investors, such as banks. The Sandinistas were quite eager to eliminate the private debt and their obligations to Western institutions. To this end, they were quite successful - when they left office in 1990, the Sandinistas had changed the make-up of Nicaragua's debt obligations considerably. At that point, only 11 percent of their debt was multilateral, and just 19 percent was owed to private donors, a huge change in just a decade. However, while much of this old debt had been eliminated, the country

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170 CIDA. *Sharing Our Future*.

171 CIDA, "Sharing Our Future", 52.

was not necessarily any better off as significant amounts of money had been borrowed from other countries. Nicaragua's debt burden in 1990 was 70 percent bilateral, money borrowed primarily from the Soviet bloc and Mexico.<sup>172</sup> Canada never loaned Nicaragua money on the scale that the Soviet Union did, but it was contributing to Nicaragua's ongoing debt problems as well. It should be pointed out that CIDA's annual reports between 1978-79 and 1990-91 never show Nicaragua paying back more than \$70 000 a year.<sup>173</sup> It seems likely that Nicaragua was paying back so little because it simply could not afford to pay any more, since at that rate it would have taken Nicaragua centuries to pay back all the money it owed Canada. At a repayment rate of \$70,000 per year, assuming an interest rate of zero, it would have taken Nicaragua 328 years to pay off the loans accumulated from Canada in the 1984-85 fiscal year alone (approximately \$23 million).<sup>174</sup>

Perhaps the clearest example of Canada's troubled policy with respect to loans given to Nicaragua can be found in Canada's support for structural adjustment programs (SAPs). SAPs are programs implemented in developing countries by the international financial institutions (IFIs, primarily the World Bank and the International Monetary Fund). In return for loans (or more recently, the forgiveness of loans) countries are expected to adopt a series of political and economic changes demanded by the IFIs. These changes are intended to bring developing countries in line with the neoliberal economic policies of the Western industrial powers, such as the U.S. and Britain. They typically involve things such as the reduction or elimination of tariffs, privatisation of state provided services such as health care and utilities, and financial deregulation. The SAPs have been disastrous in Nicaragua, as they have been in other places where they were implemented. While Nicaragua managed to avoid having to implement them through the 1980s because the Sandinistas were able to rely on the

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172 Netherlands, Ministry of Foreign Affairs. "Results of International Debt Relief, with Case Studies of Bolivia, Jamaica, Mozambique, Nicaragua, Peru, Tanzania, Uganda and Zambia." *IOB Evaluations No.292*. The Hague: Policy and Operations Evaluation Department, Ministry of Foreign Affairs (2003), 29.

173 See CIDA, *Annual Report 1985-86*, 79 and *Annual Report 1986-87*, 103. No other year between 1978 and 1991 lists any debt repayments on the part of Nicaragua.

174 CIDA, *Annual Report 1984-85*, lists loans of \$7.5 million, \$10.4 million, and \$5.04 million. See pages 25 and 56.

Soviet Union for loans, they became quite damaging once Violetta Chamorro and the UNO came to power and the IFIs began lending to Nicaragua. In *Sharing Our Future*, CIDA stated that Canada supported SAPs and that lending was to be designed around them.<sup>175</sup> Joe Clark articulated his support for some of the main tenets of structural adjustment in the House of Commons, saying that the best ways to boost productivity in the developing world were by stabilising the price of goods, lowering tariff barriers, and increasing capital flows and technology transfers to developing nations.<sup>176</sup> The main goal of SAPs is to force developing countries to adopt policies that are beneficial for industrial economies and not their own. This is another clear instance of Canada supporting a policy which was more beneficial to Canadian industry than to Nicaraguan development.

During this period, Canada was keen to use its aid policy to position itself within the UN system. It is seen as being in Canada's interests to have a strong international system, as Canada is not powerful enough to push for its interests on the international stage without allying itself with similar powers. This is especially true given how geographically isolated Canada is from the rest of the world, except for its superpower neighbour, the United States. Throughout CIDA's documents on aid during this period, one finds frequent reference to United Nations projects, and how Canada's own policies fit within them. CIDA's *Annual Report* for 1978-79 does this on a number of occasions. Further, Mark MacGuigan attempted to position Canada as a strong supporter of the UN system in his introduction to CIDA's 1979-80 *Annual Report*. The 1985-86 *Annual Report* discusses Canada's increased focus on its development programs on women, explaining that this was in accordance with the United Nations Decade for Women.<sup>177</sup> This focus on fitting Canada within an internationally recognised multilateral system can also be seen in Canada's approach to the peace process in Central America, as will be illustrated in the next chapter. These policies also helped lend Canada's programs legitimacy by

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175 CIDA, *Sharing Our Future*, 4 and 57.

176 Joe Clark. Canada, House of Commons *Debates*, (December 19, 1977), 2006.

177 CIDA, *Annual Report 1978-79, 1979-80, 1985-86*.

associating them with non-partisan, internationally respected organisations.

Statements made by Canadian officials shortly after the Sandinistas came to power confirm that Canada's primary interests in Nicaragua were seen as domestic and not humanitarian. In 1980, Mark MacGuigan, while Secretary of State for External Affairs, declared that Canada's aid was a matter of "enlightened self-interest".<sup>178</sup> He also believed that one of Canada's development goals should be to help Canada form a separate identity from the United States.<sup>179</sup> Canada's policies in Nicaragua were designed to show independence from the United States to some degree, though this was more the case under the Mulroney government than that of Pierre Trudeau. This was important domestically, as Canadians are always keen to see themselves as being different from the U.S. It was also important in this particular instance because there was such considerable pressure placed on the government to act out against, and even criticise, U.S. policy in the region. Once the Progressive Conservatives came to power, Joe Clark and Brian Mulroney were also personally interested in convincing others that Canada was capable of an independent foreign policy, perhaps as a counterweight to the perception in some circles that Mulroney was drawing Canada too close to the United States. Continuing to give aid to Nicaragua without fundamentally challenging the position of the United States, was an effective way to try to play to both sides at once without rocking the boat too much in either direction.

Canada's ambassador to Costa Rica (also responsible for Nicaragua, El Salvador, and Honduras) made the link between domestic politics and aid even more explicit. Discussing the situation in Nicaragua with the Sub-Committee of the Standing Committee on External Affairs and National Defence in 1982, he declared that Canada's primary motivation for giving aid to Nicaragua should be to increase Canada's commercial opportunities in the region. He declared that "Aid, in a sense, is a prelude to trade." He went on to describe the way that he anticipated this occurring; Canada would be:

identified with helping them out. We are identified with providing certain types of equipment.

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<sup>178</sup> CIDA, *Annual Report 1979-80*, 7.

<sup>179</sup> CIDA, *Annual Report 1979-80*, 4.

When needs arise because they are insolvent, they will turn to us, or at least look at us favourably, in terms of supplying that equipment.<sup>180</sup>

The goal was to provide "certain types of equipment" with which Canada could be identified. These types of equipment were, of course, those which Canada had a particular desire to export, such as in 1983-84, when Canada extended a \$13 million line of credit to Nicaragua for the purchase of Canadian agricultural equipment, fertilizers, and cows.<sup>181</sup> Helping the Canadian agricultural industry was one of the chief goals of the aid policy during this period. Liberal MP Yves Caron stated in 1978 that food aid was an excellent way for the government to help Canadian farmers, and not necessarily people in the developing world).<sup>182</sup> This policy continued throughout the 1980s. While the Tory government agreed to increase the amount of untied aid in general in 1987, it made no changes to the policy of requiring 95 percent of all food aid (primarily wheat) to be tied.<sup>183</sup>

### **The Early Years of Sandinista Rule**

When the Sandinistas took power July of 1979, while Canadian unions and church groups were quick to organise in support of the new Nicaraguan government, the federal government took a much more cautious approach. It recognised the Sandinistas as the legitimate government of Nicaragua on July 24, just days after they took control of the capital city of Managua,<sup>184</sup> but was not forthcoming with aid for the country, which had been seriously damaged in the course of the civil war that brought the FSLN to power. On October 12 of that year, Pauline Jewett criticised the government for its slow response to what had been occurring in Nicaragua. At that point, the government had provided no aid, except for aircraft for five flights to deliver \$400,000 worth of privately raised aid, which had come

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<sup>180</sup> Sub-Committee of the Standing Committee on External Affairs and National Defence, *Canada's Relations with Latin American and the Caribbean*, 24:47.

<sup>181</sup> CIDA, *Annual Report 1983-84*, 19.

<sup>182</sup> Yves Caron. Canada, House of Commons *Debates*, (March 15, 1978), 3815.

<sup>183</sup> CIDA, *Sharing Our Future*, 52.

<sup>184</sup> "Sandinistas Recognised", *Globe and Mail* (July 25, 1979), P9.

primarily from the labour movement.<sup>185</sup> A few weeks later, another member of the NDP, Bob Ogle, introduced a motion requesting "[t]hat this House instruct the government to make Nicaragua a country of eligibility for bilateral aid through CIDA, to review its priorities, and to provide the needed assistance to Nicaragua." The motion failed to receive the unanimous consent it required to be adopted, however.<sup>186</sup>

It should be noted that while Nicaragua was not officially declared a country of eligibility for CIDA aid at this time, and while the Conservatives were slow to react, the federal government did in fact provide some aid around the time of the revolution. In 1978-79, Canada provided \$185,000 in relief for "civil conflict" in Nicaragua, and provided another \$170,000 for the same purpose in 1979-80. A further \$146,000 was provided that year for "post-war help" and "protection of civilians during conflict". All of this money came out of the emergency relief budget, and thus did not require that Nicaragua be officially declared a country of eligibility for bilateral aid.<sup>187</sup> The CIDA report for 1979-80 also lists an additional \$200,000 in aid given that year, but does not specify its purpose.<sup>188</sup> The Conservatives were being cautious at first, providing relief for civilians affected directly by the war, but not committing to any of the Sandinistas' development goals, as the church and labour movements had.

When the Trudeau Liberals were returned to power in 1980, their approach was similar to that of the Conservatives. By 1981 they had changed their tune somewhat. They were still critical of the Sandinista regime and they had not taken a clear position in regards to American actions in the region but they did begin providing some aid to Nicaragua. The NDP continued challenging the Liberals to provide stronger support for the new regime in Nicaragua. NDP MP Ray Skelly told the House of Commons that Canada should volunteer to help in Nicaragua's ground-breaking health and literacy projects, the two projects at the heart of the Sandinistas early development efforts. Skelly said that by

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185 Pauline Jewett. Canada, *House of Commons Debates*, (October 12, 1979), 141.

186 Bob Ogle. Canada, *House of Commons Debates*, (November 1, 1979), 832.

187 CIDA, *Annual Report 1979-80*, 56.

188 CIDA, *Annual Report 1979-80*, 41.

doing this, Canada would help Nicaragua recover more quickly from its civil war, which would lead to earlier elections and prevent "more extremist forces" from entering into the country's political system.<sup>189</sup> MacGuigan, however, was trying to keep his distance from the ongoing problems in Central America. He responded to Skelly by saying that Canada had no special expertise or capability in Central American affairs, and that Canada's interests (by which he meant commercial ties) in Central America were not as great as they were in other parts of Latin America, such as Mexico, Venezuela, or Brazil. The minister told Skelly that Canada had no greater obligation in Central America than did any other state, and thus would not take a leading role in the region.<sup>190</sup>

For the remainder of their time in office, they provided mostly food aid rather than project aid or technical assistance. The *Globe and Mail* reported in June 1981, nearly two years after the FSLN had come to power, that the government had approved \$15 million in food aid to be sent to Nicaragua.<sup>191</sup> However, this \$15 million was never provided, as there is no mention of it in CIDA's *Annual Report*. The food aid listed for Nicaragua for 1981-82 is \$4.48 million, not \$15 million.<sup>192</sup> This lines up with what MacGuigan told the House of Commons on November 25, 1981, when he said that Canada would be providing \$4.5 million in food aid to Nicaragua.<sup>193</sup> The following year, however, no food aid was provided. Then in 1983-84, \$2.82 million in food aid was sent. This went along with \$170 000 in technical assistance to Nicaragua in 1981-82 (the first non-food or emergency aid provided), \$590 000 in technical assistance in 1982-83, and \$710 000 in technical assistance in 1983-84.<sup>194</sup>

Other publications discussing Canada's role in Central America at the time typically combine all

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189 Ray Skelly. Canada, House of Commons *Debates*, (March 1, 1981), 8053-54.

190 Mark MacGuigan. Canada, House of Commons *Debates*, (March 9, 1981), 8034.

191 "Talks 'Imperative' in El Salvador Broadbent Told by Nicaraguans", *Globe and Mail* (June 4, 1981), P14.

192 CIDA, *Annual Report 1983-84*, 52.

193 Mark MacGuigan. Canada, House of Commons *Debates*, (November 25, 1981), 13241.

194 CIDA, *Annual Report 1983-84*, 52.

of Canada's aid to Nicaragua into one figure.<sup>195</sup> This is somewhat misleading. When one excludes food aid, the amount given to Nicaragua between the revolution in 1979 and the end of the Liberal regime in 1984 is just \$1.79 million, far less than the several million per year often reported. Food aid was uncontroversial, and was intended primarily to benefit Canadian farmers, not Nicaraguans.

The Liberals also provided Nicaragua with some loans toward the end of their time in office. A \$13 million line of credit was extended in 1983-84 for the purchase of Canadian agricultural equipment, fertilizers, and cows,<sup>196</sup> again intended primarily to benefit Canadian farmers. A further \$3.63 million in other unspecified loans were also provided that year.<sup>197</sup> The only significant amount of money provided by the Liberals that was actually intended primarily for the benefit of Nicaraguans was the \$3.16 million provided to Canadian NGOs to continue their work.<sup>198</sup> This money was provided on a matching basis, where the NGOs first had to raise their own, following which Ottawa would provide supplementary funding.<sup>199</sup> However, CIDA was accused of holding up some of this money on political grounds, despite repeated claims made in Parliament by the government that aid was not contingent upon politics. While the federal government refused to get involved in Nicaragua's literacy campaign, the Canadian public did. Two Protestant churches had raised money to contribute to the campaign, and had been granted matching contributions from CIDA, only to have the money held up due to fears within CIDA that the Sandinista literacy project was being corrupted by the "Cuban influence" and "indoctrination".<sup>200</sup> This was a pattern which held long after the federal government had publicly stated it did not believe these were problems.

Spending on aid, particularly to Central America, was up on the whole during this period.

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<sup>195</sup> North's *Between War and Peace in Central America* and Lemco's *Canada and the Crisis in Central America* both do this, for example, and CIDA's own publications conflate the figures at times.

<sup>196</sup> CIDA, *Annual Report 1983-84*, 19.

<sup>197</sup> CIDA, *Annual Report 1983-84*, 52.

<sup>198</sup> CIDA, *Annual Report 1983-84*, 81.

<sup>199</sup> CIDA, *Annual Report 1979-80*, 9.

<sup>200</sup> "CIDA Accused of Holding Back on Literacy Aid", *Globe and Mail* (January 15, 1982), P12.

MacGuigan noted that in the period between 1972 and 1981, Canadian aid to Central America had been \$60 million, mostly to El Salvador and Honduras, the two poorest countries in the region.<sup>201</sup> The amount of aid given to the region continued to rise during the rest of the decade. A large part of the reason for this was public opinion. In 1978, only 59 percent of the Canadian public supported Canada's foreign aid program. That number stayed low into the 1980s. In subsequent years, the following percentage of Canadians supported providing official development assistance (ODA): 65 percent (1979), 67 percent (1980), 64 percent (1981), 67 percent (1982). However, the number shot up shortly after that. In 1983, 81 percent of Canadians supported providing ODA, and that number stayed high until roughly mid-decade, before falling back into the low 70s in the latter part of the decade.<sup>202</sup> There are likely two reasons for the major change in public opinion over ODA. The first is that there was a major recession in the early 1980s and most Canadians were likely more concerned about conditions in their own communities than in those elsewhere. By 1983, the economy had started looking better, and Canadians were more willing to pay attention to the troubles of people elsewhere. The other reason is the Ethiopian famine, which saw widespread media coverage and was a *cause célèbre* in 1984 and 1985. This culminated in the creation of Band Aid and the Live Aid concert, bringing considerable public attention to the plight of much of the Third World. However, once these events faded from view public opinion was no longer as supportive of ODA. Nicaragua was able to benefit from this push between 1983 and 1985, as both the public and the government provided Nicaragua with greatly increased funding (or loans) in comparison to previous years.

One of the most frequent criticisms of Canada's policy in Central America at this time was that Canada's presence in the region was not large enough. It may have made sense in previous decades, when Canada's contacts were not extensive, for the embassy in Costa Rica to be responsible for other nearby countries. However, by the early 1980s when Canada had significant aid programs in El

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201 Mark MacGuigan. Canada, House of Commons *Debates*, (March 9, 1981), 8034.

202 CIDA, *Sharing Our Future*, 16.

Salvador and Honduras, and was beginning to develop an aid program in Nicaragua, one embassy for four countries seemed to be too small a presence to fully handle all of Canada's obligations. The embassy in Costa Rica was understaffed in 1982, with only 22 employees. By contrast, the Colombian embassy had 43.<sup>203</sup> This was in keeping with Canada's general practice to focus its international efforts on trade, rather than aid. Money was spent where there was money to be made.

Because Canada's diplomatic representation in Central America was so light, it was difficult to accurately assess the needs of the region. Indeed, Canada had less diplomatic representation in the region than Britain, France, West Germany, or even Japan, all of whom had embassies in more Central American countries than Canada did.<sup>204</sup> This was despite the fact that Canada had a more significant aid program in the region. Canada was also a significant contributor to the Office of the United Nations High Commission on Refugees (UNHCR) in the region. Because of the limited staff stationed there, however, Canada was unable to determine the extent of the refugee problem, and how it could help most constructively.

In the aftermath of Nicaragua's civil war, Margaret Mead of the NDP criticised the Liberals for ignoring the needs of refugees from Nicaragua.<sup>205</sup> MacGuigan's response to the refugee issue was not to attempt to determine the full scale of the problem or how Canada could help, but to hide behind the banner of the UN. In response to suggestions that Canada should be doing more to help Central American refugees in Honduras and Nicaragua, MacGuigan avoided answering the question directly and instead stated that Canada was the third largest donor to the UNHCR in Central America and also gave to the International Committee of the Red Cross, implying that Canada should not be expected to do anything for the refugees itself, such as accepting more of them into Canada.<sup>206</sup> This fit with Canada's tendency to frame its international policies within a multilateral framework, using

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203 Sub-Committee of the Standing Committee on External Affairs and National Defence, Appendix LAAL-1, 2A:1.

204 "Missing Central American Links", *Globe and Mail* (September 25, 1982), P15.

205 Margaret Mead. Canada, House of Commons *Debates* (October 16, 1979), 283.

206 Mark MacGuigan. Canada, House of Commons *Debates*, (April 7, 1982), 16256.

organisations like the United Nations to provide legitimacy. It allowed Canada to provide some aid to Nicaragua while not directly challenging the position of the United States. Canada's position was that it was not supporting any particular regime, movement, or people; instead, it was supporting strong international institutions, which were seen as important to its own interests.

When MacGuigan was questioned about the possibility of sending Canadians to Honduras to investigate accusations of refugee abuse, he responded by claiming that Canada had no authority to investigate anything in Central America.<sup>207</sup> But there was no reason that Canada could not have a greater presence in the region which would have provided the government with a considerably increased base of knowledge to work from. If there was an embassy in Nicaragua or Honduras, the staff stationed there would have been in an excellent position to provide the government with a much clearer picture of the situation in the region, and the government could have used that information to inform its policies. But the Liberals were determined not to get involved in the region outside of the regular contributions made to multilateral institutions; MacGuigan had gone on record several times saying that Canada did not have any interests in Central America and had no particular reason to get involved, despite ongoing pressure placed by the Canadian public.

The Liberal government (and to a lesser extent the Tory government after them), were also criticised for providing more aid to Honduras than to Nicaragua. The government's critics believed that Nicaragua had undergone a democratic revolution and was worthy of the full support of the Canadian government, while Honduras had a worse human rights record and was not as worthy of support. It was certainly true during the first year of Sandinista rule that Honduras received considerably more aid; for 1979-80, CIDA provided Nicaragua with just \$200,000 in aid (not including emergency relief), while providing Honduras considerably more - \$4.6 million.<sup>208</sup> This was a pattern that continued for

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207 Mark Macguigan. Canada, House of Commons *Debates*, (April 7, 1982), 16256.

208 Sub-Committee of the Standing Committee on External Affairs and National Defence, Annex 1, "Breakdown of CIDA Bilateral Expenditures by Country."

the duration of the Trudeau government: in 1981-82, Canada provided Nicaragua with \$170,000 of bilateral aid; in 1982-83, \$590,000; and in 1983-84, \$710,000.<sup>209</sup> By contrast, in those years Honduras received \$3.2 million, \$4.8 million, and \$3.2 million.<sup>210</sup> On the other hand, Nicaragua received considerably more food aid than did Honduras during this period. Part of that, certainly, was because Nicaragua had undergone a civil war and was in serious need of food. But it is also a reflection of the way that the political situation shaped the delivery of aid. Honduras was a "safe" country to provide bilateral aid to, while Nicaragua was not. Honduras had a right-leaning government that was obliging to the requests of the United States, while Nicaragua was frequently accused of being run by Marxists who were trying to export revolution. The Liberals could give aid to Honduras without risking upsetting any other powerful country, the media, or the business community. The only people likely to be offended were those on the left who held relatively little influence. On the other hand, support for Nicaragua - despite widespread public approval - would have risked angering many of the groups on whose support the Liberals relied.

### Aid During The Mulroney Years

When the Progressive Conservatives came to power in 1984, much of CIDA's aid policy remained unchanged. While many individual members of the Conservatives still expressed serious misgivings about the government of Nicaragua's intentions, Joe Clark and Brian Mulroney both seemed to accept that the Sandinistas were not a security concern. This should not be too surprising. Clark was Prime Minister when the Sandinistas came to power in the summer of 1979, and that government was the one to recognise the legitimacy of the Sandinista government almost immediately after they had come to power. He was also on record many times saying that he believed the problems in

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209 CIDA, *Annual Report 1983-84*, 52.

210 North, 100. It is worth noting that North's numbers do not quite line up with the CIDA *Annual Report* numbers for Nicaragua, so the numbers provided for Honduras may be off by a bit as well. Nevertheless, the difference between the aid provided to Nicaragua and Honduras is quite wide, even after accounting for some discrepancies.

Nicaragua were economic (North-South) and not political (East-West).<sup>211</sup>

Opposition to this viewpoint existed not just within the Conservative party, but also within CIDA as well, which constrained the government's ability to provide aid to Nicaragua. In 1985 Tory MP Alex Kindy reported that CIDA staff had told him "[t]he agency is concerned about the human rights situation in countries such as Ethiopia, Sri Lanka, and Nicaragua" even though all three countries were receiving ODA.<sup>212</sup> Even by the end of the Sandinista regime's time in office, CIDA documents were still calling Nicaragua an undemocratic country. When Violetta Chamorro and the National Opposition Union came to power in 1990, CIDA's *Annual Report* remarked that "[w]ith the election of President Chamorro in Nicaragua, all the countries in Central America enjoy democratically elected governments."<sup>213</sup> These remarks on the part of CIDA officials are curious given that Nicaragua under the Sandinistas had experienced a much more open and pluralistic government than, say, El Salvador or Honduras, who did not come under nearly the same level of scrutiny. The remarks are also strange given that both the Liberals and the Conservatives had recognised the democratic legitimacy of the FSLN. CIDA's published documents over this period were more supportive of right-leaning, even authoritarian regimes than left-leaning regimes like Nicaragua.

The record of aid to Nicaragua under the Mulroney regime is mixed. Nicaragua was always a recipient of some degree of bilateral aid during the time the Tories were in power. The money provided during the first few years of the PC government was primarily in the form of loans. Some money was also provided through direct bilateral aid, as well as through NGOs or multinational institutions. In the latter part of the 1980s, once the government announced that all future aid would be in the form of grants rather than loans, direct aid to Nicaragua went up dramatically. Prior to that, aid to Nicaragua went up somewhat, but still stayed at relatively low levels. In the first year of the Conservative

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211 See for example, Canada, House of Commons *Debates* on May 23, 1985, 5003 or January 28, 1986, 10244.

212 "CIDA's Policy Cautious on Human Rights Issues, MPs Told", *Globe and Mail* (May 17, 1985), P5.

213 CIDA, *Annual Report 1990-91*, 33.

government, Nicaragua was provided \$1.57 million in grants, double what the Liberals had given, but still a pretty small amount. Loans also went up by a significant amount, from \$3.6 million in the last year of the Trudeau government to \$5.04 million in the first year of the Mulroney government.<sup>214</sup> Direct bilateral aid remained low for the next few years. It fell to \$1.02 million in 1985-86, and then was just \$1.01 million in 1986-87. Loans remained somewhat higher during this period; \$5.06 million in 1985-86, and \$2.89 million in 1986-87.<sup>215</sup>

While bilateral aid and loans continued roughly at the same level as they had at the end of the Liberal government, there are two noteworthy differences between the way their aid policies treated Nicaragua. One is that, early on, the Progressive Conservatives were much less supportive of NGOs than the Liberals had been. Aid to NGOs working in Nicaragua fell by half to \$1.68 million during the first year of Tory government, then fell by half again the following year to \$0.88 million the year after that, before rebounding to \$1.63 million in 1986-87.<sup>216</sup> While CIDA's reports do not list the reasons for decreased aid to NGOs, it seems unlikely that the change would have been due to decreased NGO activity. Indeed, as was demonstrated in chapter 2, Canadian aid groups were extremely active during this period, and were raising a considerable amount of money to fund their operations in Nicaragua. There was ample opportunity for the government to provide matching funds, as was its policy. It is unclear exactly why funding to NGOs in Nicaragua was so drastically reduced for those three years.

The other noteworthy change is that the Conservatives more or less stopped providing food aid. Between the time that the PC party came to power and the time the Sandinistas were voted out of office, the only bilateral food aid provided to Nicaragua by the Government of Canada was a \$0.97 million allotment in 1987-88. No other year of Tory government saw Canada donate food aid of any amount, though small amounts of money (in the range of \$100 000 to \$200 000) were given to NGOs

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<sup>214</sup> CIDA, *Annual Report 1984-85*, 56.

<sup>215</sup> CIDA, *Annual Report 1985-86*, 79 and *1986-87*, 103.

<sup>216</sup> CIDA, *Annual Report 1984-85*, 56, *1985-86*, 111, and *1986-87*, 137.

to provide food aid during some years. Some of the multilateral institutions to which Canada gave money did use Canadian money to purchase food aid, though this multilateral aid was itself much smaller than the food aid provided under the Liberal government. Multilateral food aid went as high as \$3.47 million in 1987-88, but generally hovered around \$1.5 million per year between 1985 and 1990.<sup>217</sup> Much like the reduction in NGO aid, it is not entirely clear why food aid fell so dramatically. Food security was a problem throughout the time that the Sandinistas were in power. Farms were a constant target for Contra troops, and they had been battlefields since the 1970s.

Another change that occurred under the Conservative government was that they began providing loans for specific projects in Nicaragua. Two of the largest were announced in their first year of government: a \$7.5 million loan for the rehabilitation and construction of potable water systems, and a \$10.4 million loan to help out with the production of the Momotombo II geothermal power station which was funded jointly by several countries.<sup>218</sup> This was by far the most money provided to Nicaragua by the Canadian government since the FSLN had come to power. The combined total value of bilateral loans and grants extended to Nicaragua that year was \$24.51 million, a significant amount of money. However, as was the case in previous years, the majority of money being provided to Nicaragua was in the form of loans which they would eventually have to pay back, rather than grants. Just 6.5 percent of the money given to Nicaragua in 1983-84 was in the form of grants. While the money loaned for potable water systems and power generation was undoubtedly valuable, even as loans, given the country's tenuous situation with debt Canada's aid would have been far more beneficial for the long-term prospects of development if the money had been given as grants. Providing loans was in keeping with the long standing policy of Canada, and especially the Tories, to treat international development as a business rather than a strictly humanitarian endeavour. That topic will be dealt with in more detail later in this chapter.

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217 All figures taken from CIDA's *Annual Reports* between 1985-86 and 1989-90.

218 CIDA, *Annual Report 1984-85*, 25.

After these two big-ticket items, little further funding was provided to Nicaragua over the next few years for specific projects. CIDA's descriptions of its activities in Nicaragua tended to discuss the ongoing nature of those two large projects. The further two years' reports both mention the potable water project as CIDA's biggest activity in Nicaragua. However, the money was slow to be spent. By 1986, only \$1.6 million worth of materials had been purchased and delivered out of the original allotment of \$7.5 million.<sup>219</sup> Because of this, it may be unfair to include the loans as aid for any particular year, as they were spread out over the course of the projects, both of which were several years in duration. While the official figures show much more aid given during 1984-85 than the next two fiscal years, because of the nature of the projects the money was more likely spread out over the course of several years.

The next big item that the government loaned money for was the second phase of a dairy management project in 1987-88.<sup>220</sup> CIDA's reports are unclear as to what the particular dollar amount of the project was, however, Joe Clark described the project as Canada's major undertaking in the region.<sup>221</sup> The following year saw Canada's biggest loan to Nicaragua yet - a \$41.5 million line of credit for the creation and maintenance of potable water systems.<sup>222</sup> Much like the money provided for potable water systems a few years prior, this money would have been given over the course of several years, and it is unclear if Nicaragua was able to take advantage of the full amount originally offered. That same year saw the Momotombo II generator come online, which at that point was providing 20 percent of all of Nicaragua's energy.<sup>223</sup> The potable water systems and the Momotombo generator were Canada's two largest contributions to development in Nicaragua during this period.

The International Development Research Centre (IDRC), a Crown Corporation, was involved in

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219 CIDA, *Annual Report 1985-86*, 32 and *1986-87*, 44.

220 CIDA, *Annual Report 1987-88*, 47.

221 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

222 CIDA, *Annual Report 1988-89*, 28.

223 CIDA, *Annual Report 1988-89*, 28.

many small projects in Nicaragua at this time, and the focus of many of them was on ways to improve yields on small farms. However, IDRC research was often hampered by the ongoing conflict with the Contras, rendering research difficult, if not impossible to complete.<sup>224</sup> CIDA was also involved in funding a fair amount of smaller-scale research, particularly research regarding the role of women (which became one of CIDA's areas of focus in 1987 after the release of *Sharing Our Future*).<sup>225</sup> The bulk of funding, though, was directed towards the larger projects such as the geothermal energy plant and the dairy project. Much like the decision to provide food aid made by the Liberals, these projects were likely chosen because they were politically acceptable. For example, cows were sent to Nicaragua under both Liberal and Conservative governments, and this aid would have been difficult for critics to complain about. On the other hand, the Tories opted not to take part in what were the two biggest and most important projects undertaken by the Sandinistas, which were their literacy campaign and health reforms.<sup>226</sup> CIDA did provide some funding for some smaller health and education projects,<sup>227</sup> but the Canadian government never got behind either of those goals in a big way. They were much more politically contentious. The Tories played it safe, as the Liberals had, and gave money (and loans) primarily in areas that were difficult to object to, though the American government did try anyway.<sup>228</sup>

The government continued to come under attack for the amount of aid that it was providing Nicaragua, and the way in which it was doing so. In March 1985, Pauline Jewett of the NDP continued

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224 Examples of this research include IDRC, "Rural Employment (Central America) Phase II" Project #800080, "Cropping Systems (Nicaragua) - Phase II" Project #800114, and "Female Agricultural Labour in Nicaragua" Project #850143, among others.

225 List of CIDA projects in Nicaragua between 1980 and 1989 provided to the author by CIDA. Currently on file with the author.

226 Land reform was also very important for the Sandinistas, however, that was not really an area where international aid had much of a role to play, unlike health care and education.

227 See note 197.

228 The Assistant Secretary of State for Inter-American Affairs in the Reagan regime claimed that Canadian aid was being used to fund the Nicaraguan military, and that the farms that Canadian aid was being used on were being used as military bases rather than for agricultural output. However, these criticisms don't seem to have been taken very seriously. "U.S. Official Attacks Canada's Foreign Aid 'Shoring Up' Nicaragua", *Toronto Star* (January 9, 1987), A14.

to press the government to do more for Nicaragua, complaining that the aid being provided was "paltry". She was also concerned that the government had resumed giving aid to El Salvador - a practice discontinued under Trudeau out of concern for human rights. While the government claimed that the human rights situation in El Salvador was improving, it was still a serious problem. Jewett wondered why the Conservatives were willing to support a country like El Salvador, with its troubling human rights record, when Nicaragua's land reform and literacy programs were among the best examples in the developing world of a country improving the economic situation of its citizens.<sup>229</sup> The multilateral institutions which Canada held in such high regard agreed. Nicaragua's performance in the early 1980s was lauded by the World Bank and the Inter-American Development Bank as "laying a solid foundation for long term socio-economic development", while in 1986 UNICEF declared that Nicaragua had shown "one of the most dramatic improvements in child survival in the developing world".<sup>230</sup> Those statements are quite interesting when one considers that the U.S. had blocked Nicaragua from receiving loans from both the World Bank and the Inter-American Development Bank once the Sandinistas had come to power. That made it too risky for Canada to support Nicaragua's development policies, even though these powerful multilateral institutions would have provided some legitimacy.

The Tories were also criticised for continuing to support Honduras through the aid program when Honduras was also contributing to the destabilisation of the region. Honduras had been a recipient of aid long before Nicaragua; it was also one of the poorest countries in the region, so the government did have a legitimate claim to providing aid to them. Dan Heap of the NDP was the chief critic of the government in this regard. He suggested that Canada should use its aid programme to either pressure Honduras to stop allowing the Contras to use their territory as a staging ground for their training and attacks on Nicaragua, or else shift that aid to Nicaragua. He acknowledged that the

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229 Pauline Jewett. Canada, House of Commons *Debates*, (March 12, 1985), 2946.

230 Chomsky, 98.

Canadian aid programme on its own could not compete with the American aid programme, so he recommended that Canada should approach like-minded European countries to form a "consortium for peace" that could collectively provide enough money to counteract U.S. military assistance to Honduras.<sup>231</sup> Jean-Guy Hudon, Clark's Parliamentary Secretary, responded to Heap by saying that "apparently the Hondurans have formally requested that the Contra forces leave their territory", and that Canada was concerned about Nicaraguan troops violating Honduran sovereignty by crossing the border in pursuit of Contra soldiers.<sup>232</sup> This was part of an ongoing effort by some elements in the Progressive Conservative Party to cast the Sandinistas as violators of human rights and a threat to peace on the same level as the other countries in the region. Heap pointed out that Honduras was not attempting to get the Contras to leave, however. They had turned over the Swan Islands and El Tigre to the United States to train Contras, they had provided access to air bases to the Contras, and they were sharing the El Agucate military base with U.S. troops and the Contras.<sup>233</sup> Honduras was not only allowing the Contras to operate within their borders, it was actively aiding them.

Clark believed that it would not be helpful to cut off aid from Honduras. Rather, he thought the correct approach was to increase aid to Nicaragua. The position of the government was that there was a "Central American problem" that needed to be resolved which would not be adequately addressed by dealing with individual countries. One of the reasons that aid was increased to Nicaragua was to help balance out the aid programme in the region.<sup>234</sup> Due to Canada's role in the ongoing peace negotiations in the region, it was believed that Canada would best be able to contribute by acting as a neutral third party. This required that Canada not take the side of any particular country, as cutting off aid to Honduras and shifting it to Nicaragua would have required. However, Heap's suggestion would have provided *more* support to Honduras, not less, allowing Canada to remain supportive of all five

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231 Dan Heap. Canada, House of Commons *Debates*, (January 20, 1987), 2501 and (September 1, 1987), 8683.

232 Jean-Guy Hudon. Canada, House of Commons *Debates*, (January 20, 1987), 2501.

233 Dan Heap. Canada, House of Commons *Debates*, (January 20, 1987), 2501.

234 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

countries involved in the peace negotiations. Clark later remembered that he was quite taken with Heap's analysis and that it helped guide some aspects of Canada's Central American policy.<sup>235</sup>

In 1987, CIDA underwent a review and released a major report detailing what the government's foreign aid priorities would be in the upcoming years. This report was entitled *Sharing Our Future: Canadian International Development Assistance*, and it came on the heels of a Parliamentary Committee recommending new directions for Canada's ODA programme, as well as a response to the Parliamentary report on the part of the government. It listed several priorities that it would use to focus its programs; programs would seek to alleviate poverty, emphasise the role of women, promote environmental and ecological sustainability, strive for food security, and emphasise energy availability. They would also help design structural adjustments that would take into account the "human impact" of those they were meant to assist.<sup>236</sup> The new priorities were a mix of the recognition of humanitarian goals and the government's desire to push an economic framework which would be beneficial to the industrialised nations on the developing world.

Further to those guidelines, decisions on bilateral aid would be made each year in cabinet, and would be based on the following criteria: an individual country's needs; their commitment and capacity to manage aid effectively; the quality of the country's economic and social polices (or the willingness to improve them); Canada's political and economic relations with the country; the country's human rights record, and their commitment to involve their population in the development process.<sup>237</sup> Nicaragua would have scored quite well on all of those measures, except that it did not have much of a history of political or economic relations with Canada. It was certainly a needy country with a strong human rights record (relative to its neighbours), and the entire purpose of the revolution had been to involve the population in the development process. *Sharing Our Future* also made clear what government

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235 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

236 CIDA, *Sharing Our Future*, 4.

237 CIDA, *Sharing Our Future*, 30.

critics had been requesting for many years, as human rights violations were officially made a criteria that could be used to exclude a country from eligibility for bilateral aid (though no country would be barred from emergency aid needed as a result of natural or man-made disasters).<sup>238</sup> CIDA also announced that it would begin providing all ODA as grants rather than loans as had often been the case in the past. CIDA did, however, continue to provide lines of credit for specific, large scale projects.

Nicaragua seems to have benefited from the new criteria as aid was increased notably in the years immediately following the release of this report. In 1987-88, the amount of bilateral aid provided to Nicaragua skyrocketed to \$9.22 million dollars, more than nine times the amount Managua had received the previous two years. Bilateral aid remained high the next year, at \$7.55 million, before falling to \$2.54 million for the following year, which was still more than Nicaragua had received in any year prior to the release of *Sharing Our Future*. Funding for NGOs working in Nicaragua also shot up, returning to the level they had been at the end of Trudeau's final term. In 1987-88 Canada provided \$2.53 million for NGOs working in Nicaragua, and then followed that up with \$4.62 million the following year and \$3.25 million the year after that. Some degree of food aid was provided through multilateral institutions as well, including \$3.47 million in 1987-88, though the government continued not to provide any bilateral food aid.<sup>239</sup> While CIDA documents do not reveal the reason for this large jump in aid, the most probable explanation is that it was a reward for Nicaragua's participation in the peace negotiations which Canada was heavily involved in. Nicaragua was widely lauded for being the most consistent in upholding its end of the agreements in these ongoing negotiations; the Parliamentary Special Committee on the Peace Process in Central America noted that Nicaragua was the only Central American country whose National Reconciliation Commission was both active and forceful,<sup>240</sup> while a representative for the Canadian Council of Churches informed Parliament that Nicaragua was the only

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238 CIDA, *Sharing Our Future*, 28, 30.

239 Figures from CIDA, *Annual Reports, 1987-88 to 1989-90*.

240 Special Committee on the Peace Process in Central America, *Supporting the Five*, 14.

Central American country working towards full compliance with the *Esquipulas II Agreement*.<sup>241</sup> It seems as though Nicaragua was being rewarded for its attempts to live up to the agreements Canada had helped to broker.

Ottawa was still under pressure to open up an embassy in Nicaragua, since by 1986 there was only one fully functioning embassy in Central America. In February 1986, Jean Chrétien told Parliament that he thought Canada should open up an embassy in Nicaragua, which is curious given that the Trudeau government in which Chrétien was a cabinet minister repeatedly resisted requests to do the same thing. Joe Clark responded by saying that he thought Canada's money was better spent providing aid directly to Nicaragua, and that there was no need for an embassy.<sup>242</sup> The estimated cost to open up an embassy in Nicaragua was about \$1 million, with an expected operating budget of \$800 000 per year thereafter.<sup>243</sup> A *Toronto Star* article was critical of the government's refusal to open up an embassy in Managua, citing it as evidence that the government was being less helpful than it claimed.<sup>244</sup> The release of *Sharing Our Future* in 1987 saw the announcement that four new regional field offices would be opened to assist with the delivery of Canada's aid program. However, none of these were in Latin America, let alone Nicaragua.<sup>245</sup>

Criticism came from within Parliament as well, when a committee consisting of Liberals, New Democrats, and Progressive Conservatives recommended that Canada should have embassies in all five countries in the region, and if that was not possible, that at the very least there should be a *charges d'affaires*.<sup>246</sup> The advice was not taken. The government did eventually relent somewhat with the announcement in 1988 that aid offices were to be opened in Nicaragua, Honduras, and El Salvador in

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241 Special Committee on the Peace Process in Central America, *Minutes of Proceedings and Evidence*, 2:8.

242 Joe Clark. Canada, House of Commons *Debates*, (February 11, 1986), 10683.

243 Missing Central American Links", *Globe and Mail* (September 25, 1982), P15.

244 "Nicaragua: Is Canada Living Up To Its Word? Critics Say Ottawa Is Nt, And Our Image Is Suffering", *Toronto Star* (December 27, 1986), B5.

245 CIDA, *Sharing Our Future*, 4. The four regional field offices were to be located in South Africa, the Sahel, the Caribbean, and Southeast Asia.

246 Special Committee on the Peace Process in Central America, *Supporting the Five*, 34, 37.

order to ensure that Canada's aid programme had a physical presence,<sup>247</sup> and later that year Clark announced that an honorary consulate would be opened in Managua.<sup>248</sup> It was not clear, however, at what level they would be funded or staffed, and they fell well short of the full embassy status critics had been calling for. This was also part of the government's strategy to ensure that no special treatment was given to any particular country. While government critics had primarily been pushing for an embassy in Nicaragua, aid offices were opened in all three countries in the region where Canada lacked a physical presence.

As was discussed earlier, Canada's aid programme to Nicaragua in many instances was intended to provide benefit to Canadians rather than Nicaraguans. One of the chief manifestations of this was that Canada's international development policy had for a long time been guided by attempts to push a particular capitalist vision of economics in the international community. This attitude was more prevalent under the Progressive Conservatives than it had been under the Liberals, but it was present in governments led by both parties.

Joe Clark, while discussing Central American policy in 1977, had put forward a neoliberal understanding of the issues being faced in Central America. He claimed that "low productivity" was the cause of underdevelopment. If countries like Nicaragua could lower tariffs, increase capital flows, and improve technological transfers, they would find that development would occur much more easily,<sup>249</sup> despite the fact that virtually no country had ever developed by following that kind of path. It has been far more frequent for capital flows to increase *as a result* of development rather than to cause it, and even highly industrialised countries such as Canada and the United States heavily protect certain industries to guard them from competition, as for example when Canada restricted Nicaraguan beef imports after lobbying from Canadian farmers. And while "low productivity" may have been a

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247 Joe Clark. "Report of the Special Committee of HC on Central America." in Arthur E. Blanchette, ed. *Canadian Foreign Policy: 1977-1992, Selected Speeches and Documents*. (Ottawa: Carleton University Press, 1994), 25.

248 Stevenson, 7. There is still no full embassy in Nicaragua as of August 2009.

249 Joe Clark. Canada, House of Commons *Debates*, (December 19, 1977), 2006.

problem, wide-scale repression of workers, intimidation of unions, and exploitation by domestic and international companies were certainly just as important. Labour rights and public goods, however, were not part of Clark's proposal to improve living conditions in Central America.

During the events leading up to and shortly after the Sandinistas took power, Canadian embassy staff in Costa Rica were concerned that the incoming government was too left-wing. Some of the leading Sandinistas were described as "doctrinaire Marxists" while Daniel Ortega, it was thought, "may also lean toward the Marxist." Embassy staff were concerned about this. They praised one member of the coalition, Alfonso Robelo for his business connections, but worried that he would be isolated in the new government and that left-wing concerns would take precedence. What did Canada really want? A "moderate centrist regime composed of liberal elements and other Christian democratic groups".<sup>250</sup> A regime that was too far to the right would be difficult to support due to public pressure. A regime on the left was troublesome because it held different ideas about what development meant and how economics should be handled. Therefore, a regime closer to the right but less distasteful to the Canadian public, and which would respect business interests but wasn't too authoritarian, was the ideal option.

CIDA documents during the late 1970s and early 1980s show that business interests were held to be important within the development agency as well. One report notes that Canadian businesses had been allowed to attend the Inter-American Development Bank's annual Board of Governor's meeting in Vancouver, where they had asked about having improved access to Latin American markets. This is quite interesting given that the purpose of the IADB is supposed to be to lend money to Latin American countries for the purpose of development. It is not supposed to be an organisation for North American businesses, but for Latin American development. The same report explains that most of Canada's aid programme is in fact not implemented by the government, but the private sector.<sup>251</sup> Aid is big business.

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250 McFarlane, 157.

251 CIDA, *Annual Report 1978-79*, 13.

While neoliberal economic goals have been present in Canada's civil service and aid programme for some time, the emphasis placed on them was much greater under the Mulroney government than it had been under the Trudeau government. According to Monique Vezina, Mulroney's Minister for External Relations, in places where aid had been successful it was usually because the private sector had "been allowed to play its proper role". It was her belief that the private sector should play a larger role in development.<sup>252</sup> At the time, many people on the political right believed that the main route to increased prosperity in the developing world was to create the proper conditions for investment; if such conditions could be created, investors would gain confidence and start heavily investing in developing economies. This was merely theory, however, not fact as Vezina claimed. In reality, economic growth nearly always precedes international investment and not the other way around.<sup>253</sup>

While Vezina may have believed the private sector should play a larger role, NGOs delivered a large portion of Canada's aid under both the Trudeau and Mulroney governments. In 1983, Canada provided a larger percentage of its ODA through NGOs than any other country in the Organisation for Economic Co-operation and Development (OECD) other than Switzerland did.<sup>254</sup> The amount stayed at roughly 10 percent of Canada's total aid budget under both Liberal and Conservative governments in the 1980s. On the other hand, the private side of aid picked up considerably as well. In 1987, CIDA noted that Canadian businesses were more involved in Canada's aid programme than they had ever been. In 1984, there were 3300 small and medium sized enterprises registered with CIDA. By 1987, the number had skyrocketed to 5200.<sup>255</sup> The number of large business registered was not revealed, but it was clear that Canadian businesses were very active in the aid industry. Because some aid became

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252 CIDA, *Annual Report 1984-85*, 5.

253 For a discussion of the theory behind these proposals from a macroeconomic standpoint, see Paul Krugman. *The Return of Depression Economics and the Crisis of 2008*. New York: Norton, 2009, chapters 4 and 5. For an explanation of how this theory actually gets the chronology backward, see Richard Kozul-Wright and Paul Rayment. *The Resistible Rise of Market Fundamentalism: Rethinking Development Policy in an Unbalanced World*. Zed Books: London, 2007.

254 CIDA, *Annual Report 1985-86*, 53.

255 CIDA, *Annual Report 1986-87*, 7.

untied in 1987, Canadian businesses became less involved than they had been previously, but they still benefited from the large amount of aid which was still tied.

CIDA documents in later years also reveal a focus on neoliberal economic goals. Brian Mulroney, in the introduction to *Sharing Our Future*, describes the Colombo Plan as the dawn of Canada's major involvement in international development.<sup>256</sup> The intent of that plan was to use aid as a tool to promote capitalism and keep communism from spreading in Asia. This helps make sense of Canada's involvement in Nicaragua, where some members of the government were concerned about Marxist influence. *Sharing Our Future* reveals its neoliberal slant in other ways as well, such as the aforementioned support for structural adjustment. It also stated that developing countries must produce goods and services to meet demand on international markets.<sup>257</sup> Nicaragua's main goals were literacy, health reform, and land reform, not exactly the most marketable assets in a global marketplace, and Canada chose not to support those programs. The aid programme was driven largely by Canadian interests, like having access to cheap commodities, and not by Nicaraguan interests like equitable land distribution.

In 1988, the House of Commons Special Committee on the Peace Process in Central America echoed the remarks made a decade earlier by Canada's embassy in Costa Rica, saying that one of the major problems in Central America was that "the political centre has not held or ever coalesced."<sup>258</sup> While this committee still saw the need for a government in Nicaragua that was friendly to Canada's economic interests, its advice offered a bit more nuance than many of the government's statements had, when it expressed concern that higher standards were being applied to what counted as democratisation in Nicaragua as compared to the other Central American countries.<sup>259</sup> The difference between Nicaragua and other governments was that the former's government was much less business friendly.

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256 CIDA, *Sharing Our Future*, 9.

257 CIDA, *Sharing Our Future*, 59.

258 Special Committee on the Peace Process in Central America, *Supporting the Five*, 3.

259 Special Committee on the Peace Process in Central America, *Supporting the Five*, 21.

Clark made many statements in the House of Commons explaining that he viewed the problems in Central America as economic and not political. However, at the end of the 1980s when a new long term strategy for Latin America was developed in Cabinet, it involved the promotion of two non-economic goals - democracy and environmental protection - as well as the promotion of three goals in line with its economic goals - debt reduction, economic development, and international trade.<sup>260</sup> While it is true that a good deal of the problems in Nicaragua (and across Central America) were economic issues, the government missed the real root of these problems.

In the view of successive Canadian governments, Central American economies were not sufficiently open to world markets and were not producing goods and services which international markets demanded. This was a view of the problem which promoted primarily the interests of Western businesses. Cheaper commodities, the opening of the tourist industry, and access to Nicaraguan labour markets, all of which are elements of the SAPs that Canadian aid policy supported, would have clear benefits for Canadian corporate interests. It is less clear that those policies would have had meaningful benefits for the people of Nicaragua.

The real economic problem in Nicaragua was not a *market* problem, however, but a *labour* problem. Nicaragua was not in economically poor shape because of closed markets, but because of exploitation of workers. Canadian mining companies, in exchange for their support of the Somoza regime, had been permitted to use the National Guard to keep their operations union free.<sup>261</sup> Further, the Somoza family held nearly two-thirds of all land in Nicaragua at the time of the revolution that brought the FSLN to power.<sup>262</sup> These were injustices that the Sandinista government was actively working to overcome, and the Canadian government would have been of much more use to the people of Nicaragua if its aid programme had supported those goals, rather than pushing for economic reforms

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260 CIDA, *Annual Report 1989-90*, 29.

261 McFarlane, 85.

262 Sub-Committee of the Standing Committee on External Affairs and National Defence, *Canada's Relations with Latin America and the Caribbean*, 24:52.

that were not necessary. Indeed, if anything, Canadian aid policy was calling for a return to many of the policies of the Somoza days. While some Canadian politicians were quick to point out that, unlike the Americans, they viewed the problems in Central America as being economic rather than political in nature, the focus of their economic critique was entirely based on market forces and not labour issues. The Canadian government was making an active effort to set itself apart from the United States, though in reality the policies that Canada promoted were very similar to what the U.S. wanted. The difference was that Canada continued to push for them peacefully.

While Clark asserted that Canada did not have a preference in the 1990 elections which saw the Sandinistas lose power,<sup>263</sup> CIDA documents as well as Canadian aid policy seem to indicate otherwise. Canada very much wanted a government which was sympathetic to Western business interests in power, and when one was elected, they reacted as one would have expected. As was noted above, when Chamorro came to power, CIDA declared that now "all the countries in Central America enjoy democratically elected governments" despite the fact that Canada had long recognised the democratic legitimacy of the Sandinista government. In the year following Chamorro's election, CIDA aid to Nicaragua increased substantially. A \$5 million grant was provided for water sanitation projects, \$11 million was given for electrical energy infrastructure, and \$4.6 million was given for "human resource development", while \$7.72 million in unspecified grants was also provided.<sup>264</sup> That adds up to \$28.32 million, nearly triple the amount given in 1987-88 (the previous record year for Canadian bilateral aid to Nicaragua) and more than ten times the \$2.54 million given the previous year! Canada was happy to use its aid policy to support a government that was more in line with Canadian economic objectives, and CIDA continued providing Nicaragua with large grants in subsequent years.

After the Chamorro government came to power and Canada had the "moderate centrist" regime it had been looking for for the past decade, the United States stopped obstructing loans to Nicaragua at

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263 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

264 CIDA, *Annual Report 1990-91*, 33, S50.

the World Bank, and Nicaragua quickly built up an enormous multilateral debt, which to this day continues to pose serious problems for the prospects of development in the country. In order to receive these loans Nicaragua had to agree to take part in the structural adjustments which Canada had been advocating, and was required to implement precisely the kinds of market reforms that the Canadian aid programme had been trying to push. The results were, predictably, horrible for the social welfare of most of Nicaragua's citizens, as they have been in places across the world where SAPs have been implemented.<sup>265</sup>

## Conclusion

Over the course of the first Sandinista regime (1979-1990), Canada's aid policy towards Nicaragua was reasonably consistent. Neither the Liberals or the Progressive Conservatives had any interest in aligning themselves with the more revolutionary aspects of the Sandinista government. Land reform, health reform, and the literacy campaign - all of which were considered to be of paramount importance by the FSLN - were never supported by the Canadian government, though they were frequently supported by the Canadian public through private aid organisations. The Liberals were slow to respond to the Sandinistas, and most of the aid that they did provide was in the form of food aid. To be sure, Nicaragua's agricultural capabilities were seriously damaged by the civil war that brought the Sandinistas to power, and then by conflict with the Contras and the United States in subsequent years, and food aid was needed. Support for their social ambitions was also needed though, and the Liberals were unwilling to provide that through the aid program. Neither were the Tories. The

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265 For some examples of how the structural adjustment process has harmed the quality of life for Nicaragua's rural poor - who make up most of the country's population - see Boucher, Stephen R., Bradford L Barham, and Michael R Carter. "The Impact of 'Market-Friendly' Reforms on Credit and Land Markets in Honduras and Nicaragua." *World Development*, Vol. 33, No. 1 (2005), 107-128; Nigenda, Gustavo and Maria Helena Machado. "From State to Market: the Nicaraguan Labour Market for Health Personnel." *Health Policy and Planning*, Vol. 15, No. 3 (2000), 312-318; Jack, William. "Contracting For Health Services: An Evaluation Of Recent Reforms In Nicaragua." *Health Policy and Planning*. Vol. 18, No. 2 (2003), 195-204; Deininger, Klaus, Isabela Lavadenz, and Eduardo Zegarra. "Determinants and Impacts of Rural Land Market Activity: Evidence from Nicaragua." *World Development*. Vol. 31, No. 8 (2003), 1385-1404.

Progressive Conservative government stopped providing virtually any food aid and instead shifted funding primarily to large infrastructure projects. Because these were funded by loans and not by grants, Canada was actually providing less aid to Nicaragua in the early years of the Tory government than they had been under the later years of the Liberal government. Later in the decade, after a Parliamentary Committee had examined the issue and after Canada became more heavily involved in the peace negotiations in the region, the Mulroney government stepped up its aid commitment to Nicaragua, likely as a reward for what were seen as good faith efforts on the part of the Sandinistas to live up to their international agreements.

While Canadian aid sometimes contributed positively to Nicaragua in the 1980s through the provision of much needed food aid and funding for several key infrastructure projects, it was not always beneficial, and benefits for Nicaragua were not always the primary intent. Canadian aid in Nicaragua, as elsewhere was often designed so that it would benefit Canadians. The purpose of food aid was to provide a government supplement for Canada's wheat farmers, and the dairy projects in Nicaragua were chosen to help Canada's dairy farmers. Aid was big business for the private sector as well - 5200 small and medium sized businesses were registered with CIDA in 1987, and it was these private corporations who were responsible for implementing an aid policy that in some years provided them with several million dollars.

Canadian aid was also targeted at promoting a specific set of economic values and policies that were seen as being in the Canadian interest, such as lower tariffs and financial deregulation. These policies were primarily pushed through Canada's support for structural adjustment programs under the Mulroney government, though they were also a part of Canada's aid policy during the Trudeau years. These neoliberal reforms would eventually be implemented in Nicaragua once they elected the "moderate, centrist" government which Canada wanted, and they would prove to be disastrous. Canada used its aid programme in Nicaragua to try to differentiate itself from the United States. And while

Canada and the U.S. had very different approaches to the Sandinista government, they both ultimately wanted the same thing: a government which would be compliant with Western business interests.

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**Searching For Peace In Central America**

Aside from official development assistance, Canada's primary contribution to Nicaragua during the 1980s was through its involvement in the peace process that was ongoing throughout the decade, which occurred over two stages. The first was the Contadora negotiations which had begun in 1983, and were made up of Colombia, Mexico, Panama, and Venezuela. They hoped to mediate the ongoing conflicts which were occurring in every Central American country except Costa Rica, and were seen as causing instability in Latin America as a whole. Outside countries such as Canada and West Germany were brought in to help with the process as well.<sup>266</sup> The Contadora process laid the groundwork for the more substantial stage of the peace negotiations, the Esquipulas negotiations. Esquipulas was made up primarily of the Central American countries themselves, the idea being that they needed to take control of their own destinies and could not rely on others to solve their problems for them.<sup>267</sup> Canada remained involved in roughly the same capacity as it had during the Contadora portion of the negotiations, providing advice primarily on areas related to border patrols and peacekeeping, which was seen as the area that Canada had the greatest relevant experience in.

The Liberals were quite reluctant to get involved in the peace process while MacGuigan was Secretary of State for External Affairs, though their position opened up somewhat once Allan MacEachen took over the post. The Conservatives became much more involved in the process, though it may be fair to say that they simply continued from what MacEachen had started towards the end of his tenure as Secretary of State for External Affairs. While the Progressive Conservatives were in power, there were several occasions on which Canada provided written advice to the Esquipulas countries on how they could design the security portion of their agreement, and Canadian delegations

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266*Supporting the Five*, 13.

267 "Toward Peace In Central America." *Toronto Star* (February 22, 1986), B2.

physically joined the negotiations a number of times as well. Canada's involvement during this process is its clearest divergence from U.S. policy on Nicaragua. The U.S. was committed to using violence to displace the Sandinistas,<sup>268</sup> while Canada was committed to finding a negotiated solution to the region's instability. This fit well with Canada's internationalist approach, as aid and criticisms of the American government were also expressed as part of Canada's commitment to a multilateral, cooperative international framework. However, neither the Liberals nor the Conservatives were prepared to publicly pressure the United States into becoming involved in the peace process, which made it exceptionally unlikely that it could work, no matter what was agreed to.

MacGuigan set the tone that the debate about Canada's involvement in the peace process would take early on. He declared that Canada had little in common with Central America, had few ties with the region, and had no special expertise or capability in Central American affairs. Canada's interests there were not as great as they were in other Latin American countries, such as Brazil, Mexico, or Venezuela. Further, Canada had no greater obligation than any other state did to resolve the conflicts in Central America.<sup>269</sup> MacGuigan was unwilling to get involved unless Canada had some sort of historical or economic tie which could be used to justify involvement, and getting involved in Central American conflicts certainly did not seem to have any clear economic benefit for Canada.

The NDP tried to press the Liberals to get more involved in the peace process, to no avail. Bob Ogle requested that the government get involved in the "Mexico/Venezuela" peace initiative, and protest to the U.S about its "destabilising interference".<sup>270</sup> Charles Lapointe responded on behalf of the Liberals, remarking that Canada was supportive of the peace process, and had let Mexico and

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268 The U.S. was not necessarily intent on having the Contras literally overthrow the Sandinistas and take their place. The main goal seems to have been to make the people of Nicaragua recognise that the U.S. would never support peace as long as the Sandinistas were in power, so that they would vote in a government more sympathetic to American financial interests. Once the FSLN was voted out of power and the UNO took over, the U.S. did indeed stop funding the Contras and begin working with the new government on implementing a neoliberal economic framework for the country.

269 Mark MacGuigan. Canada, House of Commons *Debates*, (March 9, 1981), 8033-4.

270 Bob Ogle. Canada, House of Commons *Debates*, (December 1, 1982), 21167.

Venezuela know as much, but would not be getting directly involved. He also said that the government would use private, not public means to express disagreement with the Americans on this issue.<sup>271</sup> Trudeau took the same stance. When pressed by Ed Broadbent to take a larger role in the peace process and criticise American attempts to overthrow the Sandinistas, Trudeau indicated that Canada supported the implementation of an internationally verifiable peace agreement in Nicaragua, but would not be taking part directly.<sup>272</sup> Much like their stance toward American interference in the region, the Liberals were willing to say that they supported peace, but were unwilling to take any concrete steps to help secure it.

In October 1983 an interesting incident occurred, one which would be oddly repeated when the Tories were in power a few years later. External Relations Minister Jean-Luc Pepin told the press that Canada was prepared to send observers to Central America to monitor a peace deal if the Contadora countries could reach one. On subsequent days, there was considerable back-tracking on behalf of the government, as other spokespeople let it be known that the government did not in fact have any plans to send troops into Central America. Canada was willing, however, to listen to any requests that may have eventually been made by the countries involved.<sup>273</sup> This was a typical response under both Mulroney and Trudeau: Canada was not willing to involve itself in the region, but if the region decided that Canada should be involved, Ottawa would be willing to consider it.

Near the end of 1983, though, MacEachen did indicate that Canada was willing to formally support the Contadora process, and acknowledged that Canada might potentially give advice on the issues of arms control and border monitoring.<sup>274</sup> This came shortly after Mexico's foreign minister formally requested a detailed briefing on Canada's experiences with peacekeeping, which the Liberals provided. In June 1984, Canadian officials were asked to comment on the security and control aspects

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271 Charles Lapointe. Canada, House of Commons *Debates*, (December 1, 1982), 21168.

272 Pierre Trudeau. Canada, House of Commons *Debates*, (May 2, 1983), 25046.

273 "Canada Is Willing To Monitor Latin Pact", *Globe and Mail* (October 6, 1983), P1.

274 Lemco, 124.

of an agreement-in-process known as the *Act for Peace and Cooperation in Central America*. Canada provided these suggestions to Contadora officials on August 23 of that year.<sup>275</sup> These would be Canada's primary areas of involvement under the Progressive Conservative government as well.

### **A Broader Influence in the Region: Tory Support for Esquipulas**

While the Liberals were generally reluctant but occasionally supportive of the peace process, the Progressive Conservatives were generally supportive but occasionally reluctant. The new government got more heavily involved in the peace process than the Liberals had, for a number of reasons. The most obvious one is that the peace process was simply further along, and the countries involved had requested Canada's help, so there was a much larger area in which to maneuver. Clark and Mulroney also wanted to be seen as forceful and independent actors on the international scene, and Nicaragua was one of the primary areas where they pursued this strategy.<sup>276</sup> Another important reason for Canadian involvement on the part of the Tories was to advance Canada's influence in the region, especially with the larger countries such as Mexico, with whom there were more obvious economic benefits to an improved relationship.

Joe Clark seemed to be the Progressive Conservative most interested in having Canada become more involved in the peace process. One of his first statements in regard to Nicaragua after being named Secretary of State for External Affairs was to tell the House of Commons that his party supported the Contadora process as the best chance for the region to obtain peace, noting that Canada had given advice to the Contadora countries about peacekeeping.<sup>277</sup> This advice was likely given at the behest of the previous Liberal government, as the Conservatives had not been in power long when Clark made the comment. But the difference between the cautious Liberal approach to Contadora and

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275 Special Committee on the Peace Process in Central America, 8.

276 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

277 Joe Clark. Canada, House of Commons *Debates*, (January 25, 1985), 1670.

the seemingly more open approach of the Tories was striking. Shortly after Clark announced Canada's support for the process to the House, he suggested to Colombia, Mexico, Panama, and Venezuela's ambassadors that Canada would be willing to send peacekeepers to the region, though the plan would require approval in Cabinet and the acceptance of all of the countries involved.<sup>278</sup> However, External Affairs spokespeople insisted that Canada had made no such offer, and had no plans to send peacekeepers to Central America.<sup>279</sup> This was bizarrely similar to the situation that occurred under the Liberals when Jean-Luc Pepin told the press that Canada was prepared to send troops to monitor the region. It is unclear exactly why this problem occurred under both governments, except that there were clearly disagreements within the government over the extent to which Canada was willing to get involved.

While Clark was the most vocal proponent of Canada's involvement in the peace process, his position on it was still somewhat reserved. He told a reception for Peruvian Prime Minister Luis Alva that the conflicts in Central America could not be solved by outsiders, only by the Central Americans themselves,<sup>280</sup> something he suggested in the House of Commons when describing Esquipulas: "[t]he initiative of the five Presidents is more than an attempt to resolve their own problems. It is an assertion of their own unique identity."<sup>281</sup> *Supporting the Five*, a report written by the House of Commons Special Committee on the Peace Process in Central America, showed that there was support for this view in Parliament. According to that report, it was "not for [the] international community to propose alternative agendas."<sup>282</sup> This was true in a sense. If the countries themselves were not committed to peace, it was unlikely that it could be achieved, and a negotiated regional settlement fit quite nicely with Canada's desire to support multilateralism. But even if they were committed to peace, it would

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278 "Clark Urges Return of Peacekeeping Role", *Globe and Mail* (February 4, 1985), P4.

279 "Canadian Ideas for Latin Peace Aired", *Globe and Mail* (April 12, 1985), P12.

280 "Toward Peace in Central America", *Toronto Star* (February 22, 1986), B2.

281 Joe Clark. Canada, House of Commons *Debates*, (December 2, 1987), 11412..

282 Special Committee on the Peace Process in Central America, 19.

still be virtually impossible to achieve if the U.S. continued destabilising the region. *Supporting the Five* recognised this when it said that the chance for the *Esquipulas II Agreement* to succeed depended largely on U.S. support for it.<sup>283</sup> This turned out to be quite accurate. Peace was not achieved in Nicaragua until the U.S. stopped providing support for the Contras and began working with the Chamorro administration once the FSLN had been voted out of power.

According to John Graham, Canada's Director General for the Caribbean and Latin America at the time, a number of Canadian suggestions were in fact adopted by the Esquipulas countries. The suggestions that Canada made were primarily about the design of the Control and Verification Commission (CVC), the peacekeeping portion of the agreement. Canada advised on the need to establish a controlling body to supervise the agreement; the need for guarantees related to freedom of movement; the need to clearly define the size, logistical, and communication support for the CVC; and the organisation of the financial operations of the CVC. Canada also advised that the agreement not cover irregular or insurgent forces, since they were not party to the agreement. It was also suggested that the CVC should be open to the media for purposes of transparency and accountability.<sup>284</sup> From the *Esquipulas II Agreement*, however, it is difficult to tell exactly how Canada was able to influence the agreement, or how its advice was used. The agreement deals primarily with elections and the National Reconciliation Commissions. The entire section on the CVC says:

The governments of the five Central American States, with the Contadora Group Acting as mediator, shall continue negotiating on the points outstanding in the draft Contadora Act on Peace and Co-operation in Central America with regard to security, verification and control.

The negotiations shall also cover measures for disarming irregular forces prepared to avail themselves of amnesty decrees.<sup>285</sup>

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283 Special Committee on the Peace Process in Central America, 1.

284 John Graham. "Shaping Stability in Central America" in John Holmes and John Kirton, eds. *Canada and the New Internationalism*. (Toronto: Canadian Institute of International Affairs 1988), 40.

285 *Esquipulas II Agreement* in Special Committee on the Peace Process in Central America, *Supporting the Five: Canada and the Central American Peace Process*, 2nd Parliament, 33rd Session, (Ottawa: Queen's Printer, 1988), Appendix A, 55.

While the Central American countries requested Canada's advice on numerous occasions, it is less evident that they used that input to any concrete ends.

In April 1988, the Esquipulas countries again asked Canada for help. This time Canada, along with the United Nations, the Federal Republic of Germany (West Germany), and Spain, were informally asked to help set up the "verification and control follow-up machinery".<sup>286</sup> In 1990 this finally came to fruition, when Canadian troops were involved in a United Nations peacekeeping force sent to the region which also included West German, Spanish, Irish, Colombian, and Venezuelan peacekeepers.<sup>287</sup> The United States, despite having key allies like Canada take part in the negotiations, were against them from the start and were not interested in seeing any agreement honoured if it allowed the Sandinistas to keep power. The actions of the U.S. in Nicaragua have been seen as an extension of the Monroe Doctrine, which declares that the United States would view any interference by European states in the Americas as a threat requiring a military response from the U.S.<sup>288</sup> However, it is clear that the U.S., not the U.S.S.R., was the destabilising force in the region, despite the attempts of successive Canadian governments to frame the issue as though both were equally to blame.

While it may not seem at first glance as though there were any real benefits for Canada to get involved in the peace process in Central America, a closer examination reveals that Canada's engagement was not entirely altruistic. Perhaps the most obvious advantages for Canada related to two points already raised. The first was that Canada would benefit from a co-operative, non-interventionist international system, which is necessary to protect it from being at the mercy of the larger powers, and also allows Canada to enjoy some influence over those powers that it might otherwise not; supporting a multilateral, negotiated settlement for Nicaragua helped show the usefulness of such a system. The second point is that many Canadians would like to demonstrate that the country is able to operate

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286 Special Committee on the Peace Process in Central America, 13.

287 Stevenson, 5.

288Mark T. Gilderhus. "The Monroe Doctrine: Meanings and Implications ." *Presidential Studies Quarterly*, Vol. 36, No. 1 (2006), 5-16.

outside of the influence of the U.S. and set an independent path; taking part in these negotiations was part of that, both in the way that Canada was able to show the differences between itself and the U.S., and also by nominally supporting other countries in their efforts to do the same.

There was another benefit for Canada which was perhaps more immediately important. Canada was able to use the process as a way to assert its own influence in Latin America. The primary country through which Canada was able to do this was Mexico. It was Mexico's Foreign Minister who made the initial formal request for Canada to provide advice on peacekeeping when the Liberals were in power. The Mexicans were also the ones who successfully enticed the Progressive Conservative government into the peace process. Shortly after the Tories came to power, Clark went to Mexico, where the Mexicans raised the issue of Central America and complained that the U.S. was "not making it easier" to resolve the issues in the region; Mexico hoped that Canada would be able to help. The Tories had a good reason to get involved - Mexico was not a member of the General Agreement on Tariffs and Trade at the time. They also did not trust the Americans.<sup>289</sup> Canada was in a unique position to influence Mexico's decision to more formally join the neoliberal economic order. According to Clark, Canada's involvement in Central America during the mid-to-late 1980s was also the issue that helped begin Canada's path to membership in the Organisation of American States, which it had up until that point resisted joining.<sup>290</sup> Taking a position that was distinct from the U.S. on the issue of the Central American peace process allowed Canada to have more influence in the region than it had at any point in the past.

## Conclusion

The Liberal government was reluctant to get involved in the peace process in Central America, as it had also been reluctant to criticise the United States or to provide any significant amount of aid to

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289 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

290 Interview with Joe Clark, Waterloo, ON, October 26, 2008.

Nicaragua. The Liberals originally gave the impression that they had no interest in being involved in the process, but by the end of their time in power they had begun providing advice to the Contadora group on one particular aspect of the negotiations, peacekeeping. The Conservative government stayed involved in the peacekeeping portions of the negotiations and eventually did send peacekeepers to the region, and in *Shaping the Five*, further support was given to the view that Canada was well positioned to give advice on peacekeeping on the basis of its considerable international experience with the endeavour.<sup>291</sup> The idea that Canada is a nation of peacekeepers with considerable international experience in the field is more myth than reality, though. In truth, Canada has generally played a tertiary role in peacekeeping operations, and has rarely had large numbers of personnel (military or otherwise) involved.<sup>292</sup> Canada may have had more experience with international peacekeeping than, say, Honduras, but its overall experience has not been nearly so great as Canadian politicians made it out to be. It was, however, a useful way for Canada to become involved in the negotiations in Central America.

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291 Special Committee on the Peace Process in Central America, 27.

292 See J.L. Granatstein "Canada and Peacekeeping: Image and Reality" in J.L. Granatstein, ed. *Canadian Foreign Policy: Historical Readings*. Toronto: Copp Clark Pitman, 1986.

## 6 Conclusion

Throughout the Sandinista period, Canada's official relations with Nicaragua were marked primarily by two traits. The first is that Canada refused to accept the American position that the Sandinistas were a threat to hemispheric security and were not a legitimate government. The second is that, despite the belief noted above, Canada refused to move too far outside of the American position. The Liberals adhered to Canada's long-standing tradition of recognising popularly supported governments, but did little to support the new regime beyond recognising its legitimacy. The Progressive Conservatives went a bit further, providing a healthy amount of aid to Nicaragua in the latter part of the 1980s and becoming a visible and vocal participant in the peace process that continued in Central America throughout the decade in multiple forms, which culminated in the deployment of Canadian peacekeepers in the region. But like the Liberals, the Conservatives were not interested in contradicting the Americans too frequently, loudly, or noticeably.

It was not Canada's official relations with Nicaragua, but the ones between citizens which were most noticeable, common, and forceful. Within days of the FSLN taking over in Nicaragua, Canadian unions were raising hundreds of thousands of dollars to support the new regime. The federal government, which took a few years to begin providing aid other than emergency assistance to Nicaragua, looked sluggish by comparison. Over the next number of years, several new Canadian aid organisations were started in order to contribute to the cause, while older organisations such as Oxfam found that they took on new importance in light of the willingness of Canadians to give money, goods, and time to help out Nicaraguans. By the middle of the decade, Canadian aid organisations were providing millions of dollars a year to Nicaragua, more than any other Western nation and more some years than their government. People from all across Canada contributed to the cause. It did not matter

what part of the country they were from, what kind of employment they held, or what level of income and education they had; a wide variety of Canadians contributed over a long stretch of years to Nicaraguan development. It was not merely the fashionable cause of the moment, as the Ethiopian famine became in 1984 and 1985, but a cause that many Canadians were genuinely and consistently involved in over the course of a decade, and in the case of some religious groups, even longer.

However, Canadians did not just donate money. They pressured their elected representatives to take stronger action. MPs, committees, and Cabinet ministers received more correspondence on Central America than virtually any other foreign affairs topic. Canadians wrote letters, signed petitions, called their MPs, and made submissions to committees on topics such as the peace process in Central America and the direction of Canada's aid program. The pressure placed on politicians to take a stronger stance on American action and Nicaraguan development was considerable, and it did help to get Canada more involved, even if the role that was played was not always the one that Canadians seemed to want.

Canada's relations with the U.S. were also an important factor in the equation, as they always are in the field of international relations. The U.S. did not want the Sandinistas in power and was willing to spend hundreds of millions of dollars over the course of the 1980s to try and have them run out of power by the Contras, claiming that the Sandinistas were a threat to hemispheric security and wanted to "export revolution". The Liberals did not directly buy into these claims, but at the same time did not make much of an effort to diffuse them either. Mark MacGuigan in particular seemed to be sympathetic to the American view and was much more critical of Nicaragua than were subsequent ministers. The Progressive Conservatives were also careful not to offend Canada's neighbour to the south. Brian Mulroney had come into office claiming he would improve Canada's relations with the U.S., and was not about to disrupt that goal. Yet at the same time, the Tories were more visibly opposed to the U.S. position, even though they did not do much to counter it. Joe Clark made it clear

many times that Canada viewed the problems in Central America, including Nicaragua, to be the result of a North-South issue, one of economic development; the Americans viewed it as an East-West issue, one of ideological expansionism, but unlike the Liberals, who seemed unsure if they subscribed to that view or not, the Tories rejected it outright. There were definite disagreements within the party, however, as to whether or not that was an accurate assessment of the situation. Some Tories were involved in fund-raising for the Contras, while others pushed to have Canada join the American embargo. In the end, tradition and internationalism won out, and the Progressive Conservatives took a moderate path of being generally supportive of the Sandinistas while not taking any specific actions that were likely to seriously upset the U.S.

Canada's aid programme to Nicaragua during the 1980s fluctuated between non-existent and reasonably substantial. During the first two years of the Sandinista regime, Canada provided virtually no bilateral assistance. For the last couple years of Liberal rule, Canada did provide some fairly significant food aid, and extended a \$13 million line of credit, getting the government somewhat involved in Nicaragua alongside the Canadian public. During the first couple of years the Tories were in office, aid to Nicaragua was relatively small. After a review of Canada's foreign aid priorities, and once Canada became more fully involved in the Esquipulas process, aid to Nicaragua rose substantially.

Canada's aid programme in Nicaragua was never altruistic, however helpful it may have been. The aid programme was seen as pushing a number of important goals, such as regional stability, increasing Canadian business and trade opportunities, giving Canada a means to push the Sandinistas to keep to their pledges of political pluralism, and increasing Canada's influence and prestige on the world stage. There were also less frequently stated goals which were nevertheless present and quite important. CIDA documents and Canadian diplomats made it clear that what Canada wanted in Nicaragua was essentially what the U.S. wanted - a government which would be sympathetic to Western business interests. Canada's aid programme was supportive of the standard tenets of neoliberal

economics, and while the Liberals had this agenda to some degree, it was the Tories who really pushed it. They supported the structural adjustment programs which have had destabilising and socially destructive results throughout the developing world. The people responsible for Canada's development programme, both within CIDA and within the Tory Cabinet, made it clear that they thought that trade and financial liberalisation, private enterprise, and market competition were what would help Central America develop. The fact that aid to Nicaragua shot up dramatically as soon as the Sandinistas were replaced by a more pro-Western government, while CIDA celebrated the victory of Chamorro, is proof of what those in power in Canada felt their interests were.

Because both the Tories and the Liberals saw the importance to Canada of maintaining a strong, non-interventionist international order, neither party had any interest in taking part in American actions in Nicaragua which were seen as being disruptive and belligerent. But while neither party approved of American actions, neither were they truly opposed to the end goal of the United States, which was for Nicaragua to be governed by someone more sympathetic to Western business and financial interests. The government was quite happy to see Chamorro and the UNO triumph over Ortega and the FSLN in 1990. Neither the Liberals or the Tories really wanted the Sandinistas in power. But the pressure placed on them by the Canadian people, in combination with Canada's interests on the international stage, made it impossible for them not to be at least nominally supportive of the Sandinistas and push for a negotiated, peaceful solution to the problems in the region.

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