

## Appendix I

# Central America Chronology, 1900–1985

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- 1901 United Fruit becomes first transnational corporation (TNC) to arrive in Guatemala.
- 1903 Colombian Senate refuses to permit United States to build a canal through its territory of Panama.
- 1904 Panama establishes monetary system based on U.S. dollar.
- 1905 U.S. troops land in Honduras for the first of five times during next 20 years.
- 1908 U.S. troops land in Panama for first of four times within next decade.
- 1911 United States places Nicaragua under customs receivership and controls Nicaragua's trade revenues for next 38 years.
- 1912 U.S. Marines begin 20 years of repeated occupations in Nicaragua.
- 1914 Panama Canal completed.
- 1918 Over the next two years, President Wilson determines who will govern Costa Rica and develop oil resources in Costa Rica and Guatemala.
- 1919 Labor unions in El Salvador, Nicaragua, and Honduras join short-lived Pan-American Federation of Labor, sponsored by American Federation of Labor.
- 1920 President Coolidge announces Evart Doctrine to justify intervention in internal affairs of Latin American countries to protect U.S. foreign holdings.
- 1921 President Coolidge pressures Guatemala to overthrow President Carlos Herrera, enabling United Fruit to expand.
- 1926 Augusto Sandino, "General of Free Men," leads seven-year opposition against U.S. Marines' occupation of Nicaragua.
- 1929 International Railways of Central America, a United Fruit affiliate, connects Guatemalan and Salvadoran railways. IRCA also operates banana railroads in Costa Rica and Honduras.
- 1931 Dictators Jorge Ubico in Guatemala and Carias Andino in Honduras receive immediate support from U.S. government. In El Salvador, dictator Maximiliano Hernandez takes power.
- 1932 Farabundo Martí leads peasant uprising in El Salvador. U.S. warships stand by during massacre of 2 percent of Salvadoran population.
- 1933 President Franklin Roosevelt announces Good Neighbor Policy for Latin America and declares U.S. opposition to armed interventions.

- 1933 United States sets up National Guard with Somoza Garcia as commander-in-chief before Marines withdraw from Nicaragua.
- 1944 Industrialized nations create World Bank and International Monetary Fund.
- 1945 Export-Import Bank Act enables U.S. government to provide credit for purchase of U.S. exports.
- 1945 Juan José Arévalo is elected president of Guatemala, initiating a decade of reforms.
- 1947 Rio Pact, sponsored by United States, emphasizes cooperation against external attacks.
- 1948 Anticomunist revolution successfully led by José Figueres in Costa Rica. Figueres, three-time president of Costa Rica, later admits his CIA connections.
- 1948 President Truman sends first U.S. military training mission into El Salvador.
- 1948 Organization of American States (OAS) is founded.
- 1949 U.S. Army School of the Americas (sometimes derisively called the School of Coups) is founded to train Central American military officers.
- 1950 U.S. direct investment in Central America totals \$313 million.
- 1951 Mutual Security Act passage by U.S. Congress makes funds available to strengthen Latin American armies for hemispheric defense.
- 1951 Inter-American Regional Organization of Workers (ORIT) forms with backing of U.S. Department of State.
- 1953 Colon Free-Trade Zone created in Panama based upon proposal by a vice-president of National City Bank of New York.
- 1953 Government of Jacobo Arbenz in Guatemala confiscates 400,000 acres of uncultivated United Fruit Company land and begins redistribution.
- 1954 President Eisenhower approves Operation Success to permit CIA-directed coup d'état in Guatemala which ousts Arbenz. Land reform reversed and thousands are killed.
- 1954 Successful strike by Honduran banana workers leads to widespread organizing among other Honduran workers.
- 1957 Eisenhower establishes Office of Public Safety (OPS) to train Latin American police.
- 1958 David Rockefeller starts U.S. Inter-American Council to promote private-sector development in Latin America.
- 1959 Inter-American Development Bank (IDB) forms as channel for multilateral grants and loans to Latin America.
- 1959 Fidel Castro leads guerrilla army victory in Cuba.
- 1960 U.S. direct investment in Central America doubles during decade, reaching \$747 million.
- 1960 United States stages invasion of Cuba from Guatemalan and Nicaraguan soil in what was known as the Bay of Pigs operation.
- 1960 Panama Canal Zone becomes center for U.S.-sponsored counterinsurgency training.
- 1961 Central American Common Market (CACM) is established. U.S. corporate investment in Central America increases dramatically.
- 1961 Alliance for Progress is created by President Kennedy to promote Latin American economic development.
- 1961 Central American Bank for Economic Integration (BCIE) is formed.

- 1961 Foreign Assistance Act states that U.S. aid should assist U.S. economy. Agency for International Development (AID) is established.
- 1961 OPS expands after transfer to AID.
- 1961 National Sandinista Front for Liberation (FSLN) forms in Nicaragua.
- 1962 Operation Brotherhood (forerunner to CONDECA) military exercises involve U.S., Honduran, Guatemalan, Nicaraguan, and Salvadoran troops.
- 1962 American Institute for Free Labor Development (AIFLD) is founded to "respond to threat of Castroite infiltration and eventual control of major labor movements within Latin America."
- 1964 Twenty-eight killed and more than three hundred wounded during suppression of Flag Riots protesting U.S. dominance in Panama.
- 1964 United States sponsors formation of CONDECA to coordinate Central American military action against internal subversion.
- 1964 ADELA forms "to promote economic and social progress in Latin America by encouraging development of the private-enterprise sector."
- 1965 United Brands acquires Numar, a Costa Rican margarine plant, as it, along with Standard Fruit and R.J. Reynolds, continues to diversify.
- 1966 U.S. Special Forces participate in Operation Guatemala, a counterinsurgency campaign which kills more than 8000 people.
- 1967 Association of American Chambers of Commerce in Latin America (AACCLA) is founded.
- 1968 Salvadoran Communal Union (UCS) forms with AIFLD assistance.
- 1968 General Omar Herrera Torrijos comes to power in Panama.
- 1969 Inter-American Foundation is created to "strengthen the bonds of friendship" between Latin America and the United States.
- 1969 War breaks out between Honduras and El Salvador. CACM collapses.
- 1970 U.S. direct investment in Central America reaches \$1.732 billion, again more than doubling during the decade.
- 1970 Council of the Americas supersedes U.S. Inter-American Council and supports International Finance Center in Panama.
- 1970 U.S. corporations form Latin American Agribusiness Development Corporation (LAAD) to promote production of nontraditional exports from Latin America.
- 1971 Three separate guerrilla movements begin a four-year period of organization in El Salvador.
- 1971 Overseas Private Investment Corporation (OPIC) begins to insure and guarantee U.S. investments.
- 1974 Discovery that police are being taught torture techniques leads U.S. Congress to abolish OPS.
- 1974 Five Central American countries start Union of Banana Exporting Countries (UPEB) to increase control in international banana market.
- 1975 United Brands pays \$1.25 million bribe in Honduras to lower banana tax. Company saves \$7.5 million in taxes.
- 1975 Offshore light assembly industries begin to locate in Central America, taking advantage of cheap labor and tax incentives.

- 1975 Harkin Amendment prohibits U.S. foreign assistance to governments with gross human-rights violations.
- 1977 Successful Las Isletas banana cooperative destroyed by Honduran soldiers who arrive in Standard Fruit's railroad cars.
- 1977 El Salvador and Guatemala reject U.S. aid because of human-rights attachments.
- 1977 Comunbana becomes marketing arm of UPEB. In Panama, United Brands refuses to load Comunbana ships and government threatens nationalization of United Brands acreage.
- 1979 Panama Canal Treaties provide for joint Panama-U.S. control over Panama Canal.
- 1979 President Carter sets up Airborne Caribbean Task Force.
- 1979 FSLN triumphs over dictator Anastasio Somoza Debayle in Nicaragua.
- 1979 Military coup in El Salvador results in series of short-lived juntas.
- 1980 U.S. direct investment over last decade more than doubles to a new total of \$4223 million.
- 1980 Amigos del Pais and Guatemalan Freedom Foundation hire U.S. public-relations firms to launch a campaign in the United States praising the Guatemalan government.
- 1980 AIFLD sponsors agrarian reform program in El Salvador.
- 1980 Two guerrilla organizations come into public view in Honduras.
- 1980 Nicaragua conducts literacy campaign which reduces illiteracy rate from 50 percent to 13 percent in five months.
- Jan. Civilian members of El Salvador's ruling junta resign due to continued military repression.
- Feb. El Salvador's Archbishop Oscar Romero writes to President Carter asking the United States to stop military aid to El Salvador.
- Mar. Right-wing terrorists murder Romero. One week later, United States approves \$5.7 million in military aid.
- Apr. In El Salvador, over 50 mass organizations join together in Revolutionary Democratic Front (FDR).
- Apr. AID funds Caribbean/Central American Action (C/CAA) to promote private-sector interest in the region.
- May Six hundred Salvadoran peasants are massacred by Salvadoran and Honduran troops while crossing the Rio Sumpul.
- Aug. Workers in Guatemala win a five-year union struggle against Coca-Cola.
- Nov. Farabundo Martí Liberation Front (FMLN) becomes the umbrella for five guerrilla organizations in El Salvador.
- Dec. Four U.S. churchwomen are raped and killed by the Salvadoran army. United States stops military aid.
- 1981 Three-year civilian death count in El Salvador reaches 35,000.
- 1981 Nicaragua conducts health-care campaign which reduces infant mortality by 40 percent from prerevolutionary figures.
- Jan. United States resumes military aid to El Salvador. Reagan bypasses Congress to send additional military aid and advisors to El Salvador.

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- Feb. United States sponsors peace treaty between El Salvador and Honduras.
- Mar. Army kills 1500 Indian *campesinos* in Chimaltenango Province, Guatemala, in two-month period.
- Mar. United States suspends aid to Nicaragua with claim that Cuban arms pass through Nicaragua en route to El Salvador.
- Jun. United States "White Paper" alleging Cuban intervention in El Salvador is discredited.
- Jul. President Torrijos killed in Panama plane crash.
- Aug. Twenty-one U.S. military advisors arrive in Honduras.
- Aug. Americas Society becomes umbrella to coordinate private-sector development organizations in Latin America.
- Sep. Belize gains independence from United Kingdom.
- Nov. United States authorizes \$19 million to destabilize Nicaraguan government.
- Nov. Suazo Cordova elected first civilian president in Honduras in more than two decades.
- Dec. Atlacatl, U.S.-trained Salvadoran brigade, murders 1000 civilians during search-and-destroy missions.

1982

- Jan. Reagan administration brings first of 1600 Salvadoran military to United States for training.
- Jan. President Reagan proposes Caribbean Basin Initiative (CBI) to increase U.S. economic aid to Central America and asks for increased military aid to the region.
- Jan. Administration uses \$20 million for the *contras* from CIA contingency funds.
- Feb. Four Guatemalan guerrilla groups form Guatemalan National Revolutionary Unity (URNG).
- Mar. Roberto D'Aubuisson, with help from a large U.S. public-relations firm, becomes president of the national assembly and Alvarado Magana becomes president of El Salvador.
- Mar. Military coup d'état takes place in Guatemala.
- May Luis Alberto Monge replaces Rodrigo Carazo as president in Costa Rica.
- Jun. General Efraim Rios Montt declares himself president and commander-in-chief of Guatemala and initiates the "beans and bullets" campaign.
- Jul. Ricardo de la Espriella enters as president of Panama, marking a move to the right with increasing influence of the National Guard.
- Aug. UN High Commission on Refugees reports 287,000 registered refugees in Mexico and Central America.
- Aug. Congress adds \$200 million economic aid and \$12 million military aid to CBI and military appropriations for FY82.
- Aug. World Council of Churches reports Guatemalan government responsible for the deaths of over 9000 people in last five months.
- Oct. Standard Fruit violates its agreement to administer banana industry until 1985, leaving 3500 unemployed when it suddenly pulls out of Nicaragua.

1983

- Jan. Costa Rican foreign debt soars 40 percent in seven months to \$4 billion.

- May Reagan dubs the *contras* "freedom fighters."
- Aug. General Mejías Víctores takes power in a Guatemalan coup and institutes the "model villages" program.
- Sep. Contadora Peace Plan for the Central American region is proposed by Mexico, Columbia, Panama, and Venezuela.
- Oct. U.S. invasion of Grenada shocks the world and heightens tensions in Nicaragua.
- Nov. U.S. Congress approves \$24 million in covert aid to the *contras*.
- Nov. Guatemalan military kill two AID employees. United States cuts off economic aid to Guatemala.
- 1984 Salvadoran military strategy changes to "air war" and bombings take place regardless of civilian presence. Refugees now total over 25 percent of the entire population.
- 1984 U.S. military aid to Honduras has increased 20 times since 1980.
- Jan. Kissinger Commission recommends \$8 billion developmental aid to Central America; increase in arms to Honduras, El Salvador, and Guatemala; and continued support of *contras*.
- Mar. United States helps *contras* mine Nicaraguan harbors in violation of international law. Seven ships are damaged. Nicaragua takes case to World Court, but United States refuses to accept World Court jurisdiction.
- Mar. Internal military coup ousts General Gustavo Alvarez Martínez in Honduras.
- May With CIA support, José Napoleon Duarte is elected President of El Salvador.
- Jul. Nicaraguan government's agrarian reform program has redistributed 2,400,000 acres of land to 45,000 land-poor families in previous five years (more than ten times the land owned by peasants under Somoza).
- Sep. Two members of Civilian Military Assistance, a right-wing U.S. group aiding the *contras*, are shot down in a helicopter flying over Nicaragua.
- Sep. Nicaragua agrees to Contadora peace plan. United States asks Honduras, El Salvador, and Costa Rica to demand changes in plan.
- Sep. Official economic and military aid to Guatemala resumes.
- Sep. School of the Americas closes in Panama and relocates to Fort Benning, Georgia, four months later.
- Oct. Secret CIA guerrilla warfare instruction manual for *contras* becomes public.
- Oct. First peace discussion between the government and the FMLN-FDR occurs in El Salvador.
- Nov. Nicaragua has its first free elections in history. Sandinista Daniel Ortega is elected president. United States denounces elections as a sham.
- 1985
- Jan. United States government indicts 16 North Americans and arrests 60 Central Americans in major crackdown on church sanctuary movement.
- Feb. *Contras* linked to 200 death-squad killings in Honduras.
- Feb. Reagan says Nicaragua must "say uncle."
- Feb. Pope ousts five Nicaraguan priests.
- Mar. Coca-Cola plant in Guatemala City reopens after yearlong worker occupation and international union pressure.

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- Mar. Duarte elected president in El Salvador.
- May Reagan imposes embargo on trade with Nicaragua.
- Jun. Congress approves \$27 million in "humanitarian" aid to the *contras*.
- Jun. Four U.S. Marines and two U.S. businessmen among those killed in rebel attack on swank San Salvador restaurant.
- Aug. Private aid to *contras* from private right-wing organizations almost equals U.S. government aid.
- Aug. Congress approves foreign aid funding for Central America that authorizes programs and funding levels (more than \$1 billion a year through FY89) recommended by Kissinger Commission.
- Sep. Gen. Noriega, chief of Panamanian Defense Forces, forces president to resign and installs industrialist Eric Arturo Delvalle in office amid growing popular discontent.
- Oct. FMLN kidnapping Duarte's daughter and the negotiation for her release further weaken the president's standing with military.
- Dec. Leading Liberal Party candidate José Azcona declared winner of presidential election in Honduras, although National Party candidate gains most votes.
- Dec. Christian Democrat Cerezo wins presidential election in Guatemala, setting stage for increased U.S. aid.

## Appendix II

# U.S. Transnational Corporations and Their Subsidiaries Operating in Central America, 1985

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*The following is a list of the major U.S. corporations along with their branches, subsidiaries, and affiliates in Central America. The list includes only the largest U.S. corporations, which are ranked among the top 500 industrial and service corporations in the United States, and the top 100 private firms. Not included in this listing are the many businesses in Central America owned by smaller U.S. firms. See Table 2G for a complete breakdown of U.S. investment in Central America by category of business, and Tables 2C and 2D for a breakdown of U.S. TNCs most active in Central America.*

### Major U.S. Corporations in Central America

Parent Corporation Subsidiary Company	Corporate Rank Kind of Business	Location *
ABC International Worldvision	S14	CR
AH Robins Co Industrial Santa Agape	404 Dog collar & leash mfrg	GU