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SPOTLIGHTING FEDERAL GRANTS #4

THE WISCONSIN LAND TENURE CENTER

INTRODUCTION

Ronald Reagan stopped a \$74 million aid package to Nicaragua in February 1981 because the Sandinista regime was, he said, exporting revolution to other areas of Central America. Had the President applied the same standards for funding to his own State Department, he might well have had to exclude the Agency for International Development (AID) from the list of taxpayer supported programs. A four-year, \$1.3 million AID grant to study land reform in Nicaragua was approved by the agency in September 1980. Sent to Nicaragua as coordinator of the project was a Marxist priest, who has spent much of his time in Nicaragua actively supporting a government committed to a full-scale Marxist dictatorship. Taxpayer supported funding for this project, including the coordinator's \$43,000 annual salary, continued up until June 1982--a full 16 months after the President's pronouncement concerning aid to Nicaragua.

The story of AID grant #524-0180 to the Wisconsin Land Tenure Center (LTC) is a saga of misallocation of taxpayer funds and of State Department disregard for the priorities set by the President. Called into question are not only the particulars of the Wisconsin Land Tenure Center grant but also the granting procedures within the State Department and the direction of developmental assistance within its Agency for International Development. Should AID keep on retainer to the U.S. government a research organization that, under the guise of academic freedom, knowingly appoints politically active Marxists to sensitive AID contracts?

THE LAND TENURE CENTER'S RELATIONSHIP TO AID

The Wisconsin Land Tenure Center (LTC), headquartered in Madison, Wisconsin, has been associated with AID since the Alliance for Progress days in the early 1960s. Practically without exception,

it is to this group that the State Department turns for information about land reform in developing nations; in fact, the LTC has prepared studies for the State Department on virtually every Latin American country. For its role in providing such information, the LTC receives a yearly stipend from the State Department, which AID officers describe as a "retainer fee." The last stipend was awarded in 1979 and totalled \$2.8 million to be disbursed over a four-year period. This contract comes up for renewal in September 1983. LTC depends on the federal government for 80 percent of its income.

In addition to its basic retainer, the LTC receives AID grants for special projects in particular countries. Typically, when an AID mission director wants research on land tenure issue matters, he contracts with the LTC and pays the group with funds drawn from the mission's general operating revenue. Working closely with the mission director and the local government, LTC appoints a research director who then coordinates all the activities of the project. These activities include conferences--both in the host country and at LTC's Madison headquarters--training seminars for indigenous researchers, establishment of data collection banks, and periodic reports based on the research team's efforts. Countries in which LTC has run projects include Botswana, Ecuador, the Philippines, and Mauritania as well as Nicaragua.

LAND TENURE CENTER GOES TO NICARAGUA

Arriving in Managua, Nicaragua, only a few days after the July 1979 revolution, new AID Mission Director Larry Harrison believed it was crucial for the United States to assist the new government in formulating its land reform programs. Over 20 percent of all arable land in Nicaragua, formerly in the hands of Anastasio Somoza, had been expropriated by the now ruling FSLN (Sandinista National Liberation Front). Harrison hoped that, despite its socialist rhetoric, the FSLN could be persuaded to allow the expropriated and other state controlled lands to operate under a mixed, rather than a strictly state controlled, economic structure. Harrison turned to the Wisconsin Land Tenure Center for help.

In February 1980, the LTC organized a major international conference on land reform in Managua. Attending the conference were some of academe's biggest names in the area of Latin American studies. The atmosphere of the conference was charged with excitement as most of the participants enthusiastically endorsed what was being proclaimed as the government's "bold new experiment" in democratic socialism. One of the conference's most engaging participants was Peter Marchetti. This 35-year-old Jesuit was known to most for his work in Chile during the Allende regime, which he described in his Yale University doctoral thesis. So impressed was LTC President Marion Brown with Marchetti's Managua performance that Brown nominated Marchetti to head the Nicaraguan land reform project. AID Mission Director Harrison, who had to approve the nomination, met with Marchetti about a month after the Managua conference.

Harrison recalls the discussion: "At a dinner party, Peter Marchetti and I had a chance to discuss the situation in Nicaragua, and based on that discussion, I became very uneasy about his appointment. So I did some checking--calling some of his associates at Yale and elsewhere--and was assured that he was not a Marxist, that he was committed to pluralism, and that he was a good technician. As a result of that checking, I approved Marchetti's appointment."¹ Harrison now admits that he made a dreadful mistake. Had he read Marchetti's thesis, however, it is doubtful whether Marchetti would have drawn a single U.S. government issued paycheck.

Peter Marchetti's 1975 doctoral thesis² is an 800-page tome. But it does not take that many pages for him to demonstrate his Marxist commitment. No liberal-socialist, Marchetti condemns those who would advocate a mixed economy; he would settle for nothing short of full-scale conversion to a Marxist economy, no matter what the consequences or methods employed to bring the conversion about. In an early chapter on political theory, Marchetti explains why Marxist socialism can not indulge in half-measures: "Capitalism will not cease to exist or even begin to wither away until the working class replaces the bourgeoisie or any of its substitutes as the leading force in society. The powerlessness of the mass of the population to participate in any societal goals other than those of individualistic and competitive embourgeoisement means that there is no equity" (p. 118). Later, Marchetti chides liberals who would shirk from outlawing individualism altogether and goes on to comment: "It is impossible to begin the transition to non-competitive development as long as the bourgeoisie remains powerfully entrenched in the market and has in its arsenal of weapons not only military force but the entire institutionality and legality of individualistic competition" (p. 122).

Particularly germane to the Nicaraguan project are Marchetti's comments regarding his participatory method of collecting data for his thesis. Marchetti had become an active political participant in Chile's Allende regime. "The possibilities of checking biases in field research were fulfilled by explicitly developing political and emotional attachments...Without political affiliation and cultural guidance, my participation was bound to be ineffectual and futile" (p. 184). Marchetti joined research teams which followed party dictates: "Investigation became mixed with activism as social scientists did their research while they participated with other party militants in carrying out political tasks" (p. 179). Occasionally, this participation meant employing, or at least condoning, statist terrorism, which bothered Marchetti not at all:

¹ This and subsequent quotes are taken from a series of conversations with Larry Harrison during December 1982.

² Worker Participation and Class Conflict in Worker-Managed Farms, unpublished doctoral dissertation, Yale University, 1975.

The second reason for the success of the production centers [areas transformed into state-controlled farms] was the genius of the zonal director's rural activism. He developed around him a fine group of activists and challenged the local power structures quite directly. For instance at one time he learned that the owners of the area were holding a meeting to stop farm expropriations. He ordered his aides to assemble a mass meeting of workers in another town. He listened to the meeting of the patrones. When it was ending, he kidnapped one of the owners at gun-point and drove him to the worker's meeting. He stood this owner in front of the assembled workers. With his revolver pointed at the patron's temple, he forced this owner to recount the entire discussion of the land owners to the workers. The result was a series of rapid land takeovers by the workers (p. 213).

Larry Harrison cannot be blamed for not reading Marchetti's doctoral thesis; he tried to check out Marchetti's obvious and most accessible credentials. But LTC President Marion Brown was--or should have been--familiar with Marchetti's work. It is inexplicable how Brown could define as a pluralist a man who wrote, as Marchetti did: "...we have referred to the pluralist conception of participation as a shibboleth" (p. 109).

Soon after arriving in Nicaragua, Marchetti began repeating, as coordinator of the Nicaraguan project, what he had done as researcher in Chile eight years earlier. Larry Harrison explains: "I started to get very nervous about Peter when he began preaching in Managua attacking U.S. policy in El Salvador. And then I really knew we were in deep trouble with him after the completion of the literacy campaign in August of 1980. At that time, a deal had been worked out between the Sandinistas and the other parties in Nicaragua to hold elections immediately following the literacy campaign. However, at a huge public gathering, FSLN Commander-in-Chief Humberto Ortega went back on his word, announcing that elections would be put off until 1985. He then went on to viciously attack the U.S., saying among other things, that when Nicaragua did hold elections, they wouldn't have them in the corrupt way Americans did. The U.S. Ambassador and I walked out of the meeting, but Marchetti stayed and participated in the anti-American chants and songs." Several days later, Harrison met with Marchetti. "I expressed my concern with the general direction of the revolution," Harrison recalls, "but all I got from Peter were attacks on the U.S.--on our government, on U.S. society, and on our economic system. At the end of the conversation, I asked him whether there was anything about the revolution that bothered him. All he said was: 'Well, there's a shortage of technicians.'"

Peter Marchetti's political support for the Marxist FSLN is confirmed by more than Larry Harrison's impressions. Former Vice-Minister of Labor for the Sandinista government, Edgar

Macias,³ and his wife, a former Maryknoll nun, Geraldine O'Leary, knew Marchetti in Nicaragua. Geraldine Macias occasionally worked for the FSLN as a translator. When Mrs. Macias would bring visitors to the FSLN's Center for Research On Agrarian Reform (the agency which Marchetti was hired to assist in a research capacity), Marchetti would act as an official tour guide, assuring all visitors that the government was committed to pluralistic land reform. According to Edgar Macias, Marchetti knew too much about the government's anti-pluralistic practices in land reform to commit himself to such rhetoric.

Equally revealing of Marchetti's views is his interview in the Summer 1982 issue of the Marxist publication, Monthly Review. After praising the Sandinista's commitment to a "mixed economy, political pluralism, and cultural pluralism," Marchetti turns to the matter of political freedom and says: "...there are all kinds of expressions of political freedom [in Nicaragua] that can't really be evaluated according to the narrow vision of a democratic society like that of the United States...." On press censorship: "There remains a free press in Nicaragua today. Newspapers remain open; they are not governmental-controlled...radio stations are much more critical of the Nicaraguan government than radio stations in the United States are critical of our government." This, as of Summer 1982, when La Prensa had been shut down three times by the Sandinistas--all articles written by this single non-Sandinista newspaper must be cleared with government censors. And, finally, on the church in Nicaragua: "The revolution integrates Christian faith and revolutionary practice."

As the political environment in Nicaragua turned ever more repressive, Peter Marchetti's support for, and compliance with, the FSLN became more direct and frequent. Yet the U.S. government, for which Marchetti has nothing but disdain, continued to pay Marchetti's \$43,000 annual salary, as well as hundreds of thousands of dollars for research projects, seminars, and project papers coordinated by Marchetti. As of June 1982, total expenditures for the project exceeded \$900,000. Of that sum, \$213,000 was spent on irretrievable "fixed assets," including eight \$9,000 Jeeps; three \$2,000 typewriters; a \$38,000 library; and \$32,000 worth of computer equipment. These taxpayer supported articles remain at Marchetti's disposal.

Still convinced of the integrity and judgment of those running the Land Tenure Center, Larry Harrison suggested to LTC President Brown that an associate be sent to Managua to moderate

³ Macias and his wife and two children were forced to flee Nicaragua last summer. Both Edgar and Geraldine Macias are democratic socialists opposed to state control of labor in Nicaragua. Edgar resigned from the government in May 1982 to protest the Sandinista's refusal to permit elections or allow peasant ownership of land. After his resignation, several death threats--he believes orchestrated by the FSLN--forced Macias and his family out of the country.

Marchetti's strident political tone. For this position, Brown nominated University of Wisconsin graduate student David Kaimowitz. Harrison was shocked. Kaimowitz had been chastised for his behavior at the annual 1981 Latin American Studies Association (LASA) meeting in Bloomington, Indiana. There, Kaimowitz shouted down a State Department official, who was criticizing the Sandinista regime. About that confrontation, LASA President Jorge Dominguez wrote: "...the lack of minimal courtesy, and the expression of naked intolerance toward James Cheek, then Deputy Assistant Secretary of State for Inter-American Affairs, was damnable."⁴ Again, Brown's judgment was called into serious question.

ASSESSING LTC'S OUTPUT

The Land Tenure Center, of course, must be judged on the basis of its research output as well as by the ideologies of its associates. But when it comes to output, American taxpayers again might have cause for alarm. Most of the LTC research papers based on the Nicaraguan project present highly skewed and, some argue, blatantly untrue pictures of the political climate there. Several papers by University of Wisconsin professor Joseph Thome, an LTC associate, for instance, argue that the government authorized Association of Rural Workers (ATC) is a completely independent union. He wrote in 1980: "While maintaining a very close working relationship with the government, the ATC still managed to function as an independent organization representative of the peasants."⁵ In a 1982 LTC paper by LTC associates, Eugene Havens and Eduardo Baumeister, the "pluralistic" nature of the Sandinistas is again emphasized: "The basic goal of the Frente Sandinista is to develop a participatory democracy under the conditions of pluralism wherein contradictory classes will not be eliminated but mediated."⁶

The image of the FSLN as a party committed to pluralism is emphatically refuted by Harrison and others who have recently returned from Nicaragua. Concerning the supposed "independence" of the ATC, Harrison commented: "The ATC is part of the Sandinista apparatus--controlled by them and created by them," adding, "It's nonsense to think of the ATC as an independent union." Former Vice-Minister of Labor Edgar Macias rejects the notion that the Sandinistas could condone private ownership, asking rhetorically:

⁴ LASA Newsletter, Spring 1982, p. 3. Although Kaimowitz's doctoral thesis has not been completed, a copy of his thesis proposal was obtained by this reporter. It clearly states his preference for Marxist analysis. He also shares Marchetti's views concerning political participation when engaged in research.

⁵ "Nicaragua's Agrarian Reform: The First Year (1979-1980)" by Joseph Thome and David Kaimowitz, Madison, Wisconsin: an LTC report, 1980.

⁶ "Recruitment and Retention of Occasional Workers In the Export Sector of Agriculture in Nicaragua, 1981-1982" by A. Eugene Havens and Eduardo Baumeister, Madison, Wisconsin: an LTC report, 1982.

"Since the Sandinistas are committed Marxists, how is it possible for them to allow private ownership?" Macias also described the process by which the Sandinistas maintain strict control over the "land reform" process: "When several non-ATC groups wanted to form independent co-ops, the FSLN approved the land-reform law. All money for co-ops must be issued through the central bank. However, only the ATC can approve such loans. And to be a leader in the ATC, one must be a militant in the FSLN."⁷ This is a side of "land reform" in Nicaragua that the LTC papers never show.

Another LTC project affected by political bias was twenty-one training programs organized for members of CIERA, the Center for Research and Studies on Agrarian Reform of the FSLN. For one of these training programs, eight members of CIERA were flown from Nicaragua to Madison. This program is described in a paper by LTC Associate Susana Lastarri-Cornhiel.⁸

Peter Marchetti and several members of the FSLN flew to Madison to supervise the training sessions and make suggestions as to the general direction of the program. Marchetti and FSLN representatives insisted that technical training seminars (an area in which the trainees were described as being particularly weak) be deemphasized. Cornhiel explains in her paper: "Eduardo Baumeister (FSLN representative) argued that the emphasis of the program should be on theory, that the technical aspects of subject matters, such as peasant economy (where it had been planned to present such things as how to do farm budgets), cannot be fully understood or evaluated if the theoretical aspects are not understood first. His perspective was supported by Peter Marchetti. These proposed changes, reduction of class hours and emphasis on theory, meant that a number of the techniques that had been previously envisioned were dropped from the program."

The "theoretical aspects" of the Madison training seminar could hardly be distinguished from the few remaining "practical" courses. Nor could the perspectives of the trainers and professors be easily distinguished from those of the FSLN. LTC associate Peter Landstreet, an admirer of Castro's Cuba, was to present a series of lectures on demographic studies in Cuba. David Kaimowitz gave a series of lectures on "basic assumptions of neo-classical economic theory" (aka Marxism), as well as teaching a course titled "National Accounts." A course titled "Peasant Economy" was also offered and is described by Cornhiel as: a "12-hour module on the classical writings of peasant economy: Kautsky, Lenin and Chayanov." Finally, Joseph Thome and A. Eugene Havens taught three of the twelve courses offered, including "Theories

⁷ These quotes are taken from a conversation with Edgar Macias on December 1, 1982.

⁸ "Report on Nicaraguara Training Programs," Madison, Wisconsin: an LTC report, January 1982.

and Methods of Historical Development." About these last two professors, Larry Harrison, reports:

Gene Havens and Joe Thome are the two LTC professors who lean most irresponsibly to the left. They participated in a seminar for the benefit of Ambassador Quentin in which they were assigned the topic of economic recovery after the revolution. The total oblivion of both men toward the FSLN's steady movement away from pluralism and human rights to reach the goal of a Marxist dictatorship suggests one of two things: Either they have been entirely fooled by the FSLN; or, they have no trouble with a society which moves in that direction.

Not only were U.S. taxpayers supporting Marxists in Nicaragua, but they were also paying for Marxist indoctrination taking place in the United States. If the LTC were truly concerned about pluralistic land reform, why had they deemphasized the practical, self-help courses, focusing instead on courses in Marxist theory?

DEPENDENCY THEORY

The Land Tenure Center is not comprised solely of Marxists. Yet the Center is dominated by those who endorse enthusiastically the "Dependency Theory" of development. Simply put, dependency theorists attribute the origins of most of Latin America's (and other "Third World" nations') past and present economic problems to the expansion of U.S. and European capitalism. Although a dependency theorist is not necessarily a Marxist, these theorists often turn a blind eye toward a Marxist regime's abuse of civil liberties and human rights. LTC associate Joseph Thome demonstrated this when he described, in an interview on December 16, 1982, with The Heritage Foundation concerning the political situation in Nicaragua: "Up to my last visit to Nicaragua in May 1982, the country still had a commitment to due process of law. La Prensa may get harassed a little, but they are still publishing. It's not a democracy, but it's not the type of repression you would find in countries like El Salvador. In that country they have no political opposition of any kind." Few American experts with knowledge of what is happening in Nicaragua would agree with Thome. A former State Department official commented on LTC's adherence to the dependency theory by saying:

At the Wisconsin Land Tenure Center the professors are so committed to the idea that the Third World poor have suffered because of the heinous nature of American society that they are all prepared to say: "Well, this Marxist government is at least doing something for the poor. Even though they may not follow pluralism and due process and may be guilty of violating human rights, at least they make us feel less guilty for our sins." Dependency theorists are looking for a way to let themselves off the hook.

While LTC President Marion Brown is not a Marxist, he seems to prefer appointing Marxists to preside over sensitive, international contracts. Brown is--or at least was--a dependency theorist who has demonstrated the same fascination with Marxist regimes as described above.⁹ To some familiar with the LTC, however, it appears that Brown is manipulated by, what one academic has termed, "academic terrorism." Latin American Studies Association President Jorge Dominguez addressed this in the Summer 1982 issue of the LASA Newsletter. Dominguez refers to academic "leftists" who "are tolerated passively by other members who disagree with those views, but who are cowed into passivity and, thus, become irresponsible partners in the subversion of the standards of what claims to be a learned society." Academic freedom is, thus, subverted into "academic terrorism."

CONCLUSION

President Marion Brown and the LTC staff are, of course, entitled to their views. However, some troubling questions remain: Were the Congress and AID officials aware of LTC staffers' views when taxpayer funds were approved for the LTC? Does the Congress really want the LTC representing the United States in Central America and elsewhere? While it is argued that the combined resources of the LTC cannot be replaced easily, is it not possible to ensure that LTC projects do not contradict U.S. policy?

Otto Reich, President Reagan's appointee to head AID's Latin American Bureau, may have solved at least one of these dilemmas. Recently, Reich was forced to send an LTC team to study land reform in El Salvador. Rather than allow LTC to run the project, as it had in the past, Reich selected those LTC staffers whom he trusted. Each was contracted separately. This process involves more work for AID officers, but it insures a much greater degree of accountability among the grantees and lessens the likelihood of another "Marchetti" incident. As Reich comments: "We are not going to use taxpayers' money to support those who condone Marxist dictatorship."¹⁰

The larger question with regard to AID funding of the LTC concerns the "retainer fund," which is issued by the Science and Technology (S&T) division of AID. With LTC's four-year, \$2.8 million "cooperative agreement" due for renewal in September 1983,

⁹ In the July-November 1971 LTC Newsletter, Brown demonstrates, at best, a political naivete when discussing Allende's regime in Chile: "Allende is committed to pluralism and to staying within legal limits....Apparently, the same sort of press campaign which was launched against Castro is now being turned against Allende....Allende is committed to a pluralistic society in which the right of criticism is maintained." (Emphasis added.)

¹⁰ Interview, December 21, 1982.

the group can be expected to rally its friends in AID for the showdown. Already AID officer Thomas Mehen and Agency Director for Human Resources Ruth Zagorin are taking LTC's case to appointed officials in AID. Mehen assured The Heritage Foundation in November 1982 that Marchetti was not a Marxist and that the Land Tenure Center was a "centrist" organization. This clearly is at odds with the facts.

What is more troubling is that a review of the LTC grant, initiated by AID, is in the hands of academics extremely sympathetic to LTC's perspectives. This study will most likely suggest that LTC's Nicaraguan project was a "fluke." Interfering with LTC's cooperative S&T agreement because of dislike for the political views of some professors would amount to an abridgement of academic freedom, say these experts. Experience demonstrates, however, that the LTC's record in Nicaragua probably was no fluke. There is certainly enough evidence to make the Congress and the State Department extremely suspicious of the current "review" of the LTC. If this group is to continue receiving taxpayers' money, it must be more thoroughly scrutinized. This is the responsibility of the Administration and the Congress. The taxpayer deserves no less.

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