

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

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		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI		X		
6	DDA				
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO /LA		X		
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21	D/ALA/DI		X		
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Remarks

Executive Secretary  
18 Apr 85

Date

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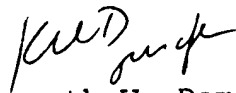
United States Department of State

*Deputy Secretary of State*

April 19, 1985

Bill:

Attached is my statement before the SSCI on Wednesday. The entire statement was submitted for the record. The portions that I read are marked.

  
Kenneth W. Dam

Attachment:

As stated.

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Executive Registry	
85-	1636

STATEMENT BY

THE HONORABLE KENNETH W. DAM

BEFORE THE SELECT COMMITTEE ON INTELLIGENCE

U.S. SENATE

APRIL 17, 1985



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I. OPENING

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Mr. Chairman and distinguished members of this committee,

I know the Committee is familiar with the President's report to Congress of April 3, which requested release of 14 million dollars for the Nicaraguan resistance, and with his proposal the following day which explained how this money would be used to induce the Sandinistas into a dialogue with their opposition as a step toward national reconciliation and political reform.

The President's proposal demonstrates that we are not seeking the funding as an end in itself, but rather as a means to promote a process that could lead to peaceful national reconciliation in Nicaragua.

Specifically, the proposal has three fundamental parts. First, the extension by the Nicaraguan opposition of its March 1 dialogue offer -- a dialogue that would be accompanied by a ceasefire -- from April 20 to June 1. The opposition has already agreed to this extension. Second, resumption of United States assistance to the opposition. Third, limitation on such assistance to non-military purposes until at least June 1. If by that date the Sandinistas do not respond positively to the opposition offer to talk, or if no agreement has been reached by 60 days after they accept the offer, the President would lift the restriction on non-military assistance unless both the opposition and the Sandinistas ask him to keep it in effect.

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It is important to note that the March 1 Declaration was not produced in isolation by the Nicaraguan resistance, but rather complements and reflects proposals made by a broad spectrum of Nicaraguans inside and outside the country. The March 1 document closely parallels an earlier proposal for dialogue made by the internal opposition on February 22. Furthermore, on March 22, the Bishops Conference of the Nicaraguan Catholic Church agreed to mediate a Government-opposition dialogue, as requested in the March 1 Declaration. The Church earlier had called for dialogue between the Government and the armed opposition in an Easter Pastoral Letter issued in April 1984.

[ I want to describe for you today, in more detail than I think has been provided, why we believe the President's initiative is so important not just to settling the conflict in Nicaragua, but to the cause of peace in the region as a whole.

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You are well aware that our policy toward Nicaragua seeks four objectives:

- severing of Nicaragua's military ties to Cuba and the Soviet Bloc;
- end of Sandinista support for subversion;
- reduction in Nicaragua's military buildup to restore regional military balance; and
- genuine democratic government.

These goals do not represent a unilateral U.S. effort to impose its will upon another sovereign country. They are closely paralleled in the precepts for peace agreed to by all participants in the Contadora process, including Nicaragua -- the basic 21 Points of September 1983.

We regard all four of our objectives toward Nicaragua as important. They must all be met if we are to help achieve regional peace and stability. Yet I am concerned that in the case of one of the four objectives -- Nicaragua's democratization -- the relationship with overall efforts to bring peace to Central America remains obscure and hence may enjoy less support than it should.

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To understand this relationship, we should start with the realities of Nicaragua today. This committee needs no convincing as to the nature of the Sandinista regime and its policies. You have followed the case and seen the facts. In addition to the damning evidence available to the world of Sandinista oppression and aggression, you have seen the intelligence data that reveals the extent of Nicaragua's ties with powers hostile to the United States, the details of its rapid military buildup, and the degree of Sandinista responsibility for subverting its neighbors. As the Chairman of this committee said in a speech three weeks ago:

QUOTE The Sandinista National Directorate has stolen a democratic revolution from the citizens of Nicaragua as surely as the Bolsheviks stole the Russian revolution against the Czar. It has set out on a course of subversion abroad and repression at home which has disturbed and frightened its neighbors. UNQUOTE

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Our friends in Central America, as the Chairman made clear, have long been aware of the truth about Nicaragua. President Suazo calls the Sandinista regime a cancer. President Monge of democratic Costa Rica who was here on Monday, has been very outspoken, especially in private. Incidentally, the current presidential campaign in Costa Rica is interesting -- each of the two major parties is appealing for votes on the ground that it will stand tougher against Sandinista intimidation. That's a real switch from Somoza's day when Costa Rica helped the Sandinistas reach power.

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The problem so clearly seen by us and our friends is not going to go away. If we don't deal with it now, it's going to get worse. Nicaragua is going to remain a source of tension and destabilization until there are changes in that country's internal political system. As long as the commandantes rule unhindered by the checks and balances of independent governmental institutions and unresponsive to the popular will, it is clear that they will pursue the same agenda they have pursued in their first six years in power. And that agenda could not be more obvious. I find it ironic when the Administration is accused of exaggeration in depicting Sandinista intentions, or of quoting them out of context, when in fact the record of Sandinista pronouncements leaves no doubt as to their dedication to Marxist, totalitarian rule at home and spread of revolution abroad. No objective observer can still believe -- when they see Castro at Ortega's inauguration, the Prime Minister of Iran earlier this year in Managua, and Tomas Borge by Qaddafi's side in Tripoli -- that the Sandinistas are really nonaligned social reformers willing to live in peace with their neighbors if only we would leave them alone.

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In reality, the Sandinistas and their Cuban mentors and their Soviet advisors have a vision for Central America that is totally different from our own. They don't seek to live in peace with their neighbors -- they want to see them made over into the Marxist, totalitarian image of today's Cuba. And they will not stop short of their goal unless we demonstrate that the American commitment to support Central American resistance to aggression is stronger than the determination of the Sandinistas and their allies to perpetrate it.

If we are agreed that there must be internal change, the question is, how do you get it in Nicaragua today. We are convinced that it won't happen spontaneously or voluntarily. In this context I hope we don't delude ourselves when we call attention to the fact that the Sandinistas reneged on their 1979 promises to democratic government, or to the hypocrisy of their endorsement of the September 1984 Contadora draft agreement at a time when they were carrying out their sham election campaign. It does no harm to remind the Sandinistas of their deceit, but we are fooling ourselves if we imagine that these commitments ever had any real meaning, or that by invoking them we can shame the commandantes into political liberalization.

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The plain truth is there will be no such change unless the Sandinistas are pressured into it. The men who rule Nicaragua are not democrats, nor have they ever been. They are totalitarian Marxists, cut from the same cloth as Castro. They gained power by force, wield it by force, and will only give it up or modify their behavior if forced to do so. We believe we have a chance to make them change if we are given the leverage to do so. But for that, we need the funds the President is requesting, and we need this Committee's support to get them. As the President's report makes clear, containment and conventional pressure won't do the job.

If anyone expects Sandinista rule merely to wither away or collapse under the strains of diplomatic pressure or economic troubles I would have them look to the Sandinistas' mentors -- to Cuba, where Castro has ruled for a quarter-century despite a shattered economy and the opprobrium of much of the Hemisphere and the world; or to the USSR, whose leadership maintains an iron grip despite the moral bankruptcy and practical failings of its rule.

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Although I have stressed the intransigence of the Sandinistas, they do respond to pressure. We have seen that in 1983 when armed opposition pressure made them finally agree to the concept of multilateral peace talks; and last year when they attempted to turn the tide of negative world opinion by going through the motions of an election. What we propose is to offer them a way out of their internal dilemma and combine that with physical pressure; we believe this is the only way they may come to see the light. Bill Casey will review the details of our proposal. But I want to echo our conviction that while tough, we have a realistic, doable policy -- one that will work in Nicaragua as it has in El Salvador.]

Our insistence on internal change in Nicaragua typically elicits two challenges in response: 1) Doesn't this mean you are simply determined to overthrow the Sandinistas? and, 2) What gives you the right to tell another nation how it must govern itself?

The answer to the first question is simply no. We do not demand removal of the current Nicaraguan leadership. We do, as I stressed earlier, insist on changes, in internal -- and external -- policy. If the current leadership makes those changes, as part of negotiations with the opposition or simply because they bow to pressure, that's fine with us. It's really up to them.

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As to our right to insist, the answer is no less compelling. On the most basic level, we have an inherent responsibility to defend our interests and seek to shape events in accordance with our own ideals and goals. Clearly our communist adversaries have never shrunk from this responsibility -- nor can we. If we truly believe in democratic values and human freedom we must defend them. If we conclude, as the Administration does, that change in Nicaragua is essential -- not for its own sake but in the interest of peace and freedom -- then the justification to work for such change is self-evident. Bear in mind that we are asking of Nicaragua no more than what President Duarte is doing in El Salvador. President Duarte has opened a dialogue with the rebels in El Salvador, and has encouraged all guerrilla factions to participate in an open political process -- including free elections -- as well as to humanize the war. The Sandinistas have long called for a political solution in El Salvador; let them follow their own advice and deal seriously with Nicaraguan opposition.

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Moreover, in the Contadora Document of Objectives, all of the Central American countries including Nicaragua agreed that internal reconciliation on the basis of democratic principles is essential to ending the conflict in the region. Yet to date Nicaragua has rejected any form of internal dialogue with its armed opposition. We want to break the logjam. But to succeed we have to keep the pressure on Nicaragua. Without it, as the Sandinista record of broken promises and rejection of all serious calls for dialogue from the opposition, the Church, and their neighbors makes clear, the Sandinistas will remain intransigent.

The President's initiative will supply that pressure. It comes at a time when there is a clear desire for peace throughout Central America and the political will there to make peace possible. I call to your attention the reactions to the President's proposal from Latin American leaders. President Duarte of El Salvador called it "the right step at the right time in our quest for peace and democracy in this region." Mexican President de al Madrid said the United States proposal "could constitute a forward step in the solution of this delicate conflict."

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President Monge of Costa Rica said "it is a proposal for a peaceful solution to one of the great problems of our time in Central America, aimed at achieving peace and making possible democracy." Ecuadorean President Febres Cordero said, that "If the left has been suggesting in general a dialogue between the guerrillas and the legitimately constituted government in El Salvador, and all the parties in Guatemala take part in the democratic process, why can't there be a dialogue between the Sandinista Government and the opposition forces?" A statement released on behalf of President Barletta of Panama said, "The proposal moves forward both on the cessation of hostilities in Central America as well as on dialogue instead of confrontation." President Alfonsin of Argentina said our proposal "is a positive policy that, if taken up by Latin America, might produce some formula for a solution."

[Some foreign leaders qualified their public endorsements. But if you look at what they said in full, all of them (except Nicaragua) saw in the proposal a potential contribution to a peaceful settlement. The real message was, if not publicly explicit: they support our approach and want the Sandinistas to take our initiative seriously.]

There is thus an opportunity to be seized. Our proposal is not an end run to get the \$14 million. We think that the steps outlined by the President, based on the proposals for dialogue of the Nicaraguan opposition, can lead to peace.]

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The Sandinistas are fully aware of the implications of our proposal. They were dismayed by some of the favorable reactions to it in the region. Their abrupt and negative reaction to the proposal shows that they see it as a danger -- that they fear exposure as the odd man out; the real obstacle to peace.

If Congress does not support us at this critical juncture I am convinced that we will miss a chance for peace in Central America that may not recur.

[If this happens, the outlook for the region is bleak. The fighting will not stop, in fact I see it worsening. Economic recovery under these circumstances stands little chance; more human misery is in store. Extremists of left and right would again be in control. Fragile democracies would be in great jeopardy.]

We are calling on Congress to help us break this vicious cycle. If we do not seize this opportunity we are going to face harder choices not far down the road.]

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