

THE U.S. AND NICARAGUA

BRUCE WEINROD: I am Bruce Weinrod, Director of Foreign Policy and Defense Studies at The Heritage Foundation. The Heritage Foundation and its Spitzer Institute for Hemispheric Development are very pleased to welcome you here today for our conference on Nicaragua and U.S. policy.

All of you know how important this subject is, and all of you need merely glance at this morning's papers to see that we are currently in the middle of an important debate. Indeed, we are rapidly reaching a crucial moment, a fork in the road, regarding U.S. policy toward Nicaragua. The Congress soon will make a fateful decision and the result will determine whether the U.S. will be limited to a policy of rhetoric alone, or whether the U.S. will be able to combine that rhetoric and diplomacy with support for the democratic resistance in Nicaragua.

To explore these important issues surrounding U.S. policy in Nicaragua, The Heritage Foundation has assembled what I think is an outstanding group of experts, including individuals with firsthand involvement and interest in the current situation. I might note that, in addition to those mentioned in the program, we have invited Bishop Pablo Vega, Bishop of Juigalpa and Vice President of the Episcopal Conference in Nicaragua, who happens to be in Washington, to give us some thoughts on religion and the situation in Nicaragua.¹

Now, before moving into the panel discussions, we are pleased to be able to call on a man with substantial expertise on the topic of today's conference, a man, indeed, who was intimately involved in the diplomacy regarding the U.S. and Central America for some time, former Senator Richard Stone. Senator Stone served on the Senate Foreign Relations Committee and later was appointed by President Reagan to be special envoy and negotiator for our U.S.-Central American policy. We are delighted to ask him to open the conference with a few thoughts.

SENATOR RICHARD STONE: Ladies and gentlemen, before addressing the current situation, may I take the liberty of going back a few years to

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1. Bishop Vega's remarks are available separately.

put the current issues in some perspective. At the conclusion of the Carter Administration, the Sandinistas, operating in broad front--and that is to say, with many non-Marxist, non-Communist leaders associated in the leadership of the Sandinista broad front--had succeeded in taking control of the government of Nicaragua. In the course of that, they made promises and assurances to the people of Nicaragua, to their neighbors and to the Organization of American States. Briefly summarized, they promised free elections and pluralism, and a free press, and freedom of religious practice.

Immediately thereafter--and I may also point out a striking similarity to the Philippine situation--towards the very end of the Somoza regime operating for decades, the U.S. Administration did its best, after all those years of support, to urge and push Somoza to leave, which he did. Immediately following that departure and the coming into power of the Sandinista broad front, the Carter Administration sought political support, moral support, and financial support from the American people and specifically from the U.S. Congress. I was in the Senate Foreign Relations Committee when the first delegation of Sandinista leaders came to visit to support the then Administration's request for substantial financial aid.

I opposed that aid, because it seemed to me that the parallel with the Cuban experience was too vivid to be ignored. That is to say, something that starts as a broad front is fairly quickly winnowed down to a Marxist-Leninist leadership, whereupon the earlier promises during the insurrection are promptly forgotten and an authoritarian regime of the Marxist persuasion takes place.

I well remember a meeting in which one of the Ortegas and several other Sandinista leaders answered questions from Senate Foreign Relations Committee members, and in which I had the opportunity to inquire whether any of them had been trained by Castro's forces. They denied that, but thanks to members of the Cuban exile community in Miami, I had some details, as to when and where and by whom they had been trained in Cuba. That led to a somewhat embarrassing situation, but not to the rejection of the financial assistance. It is appropriate to remember that during its last year the Carter Administration prevailed in obtaining substantial financial assistance for Sandinista-led Nicaragua and it went in the first year of the Reagan Administration. Not just direct aid, approved by the Congress, but votes in multilateral banking and aid institutions which led to very substantial aid.

During that same period, the Sandinistas signed agreements in Cuba and Moscow, multiple agreements, not one but many, linking them on paper to the Soviet bloc.

So that was the response to the support and financial aid during that initial period. The members of the broad front who were not

Marxist-Leninists were shaved away leaving the Marxist-Leninist commandantes in power.

That brings us, then, to the period in which unsuccessful insurrections against the government of Guatemala, some against the government of Honduras, and the main one against the government of El Salvador, were supported by the Sandinista government of Nicaragua.

Apart from all the questions over how much material can be traced over land or over water from or through Nicaragua, there is no question that then and now, the radio and command and control facilities set up in safe havens in Nicaragua to assist these insurrections, particularly in El Salvador, go on to this minute. Protestations by the Sandinistas and their supporters that it is all a big lie cannot very well be sustained. If one has any form of a monitor and directional equipment, you can just tune in on it, for example.

When I was asked by the White House, first to be the President's personal representative regarding Central America and second, to be Ambassador-at-Large to conduct negotiations there, I felt it was paramount to focus on truly free elections. I believed, and I still believe, that all of the freedoms and opportunities and options that we support and which we value so highly in the Western democracies in general and in the United States in particular, can be crystalized in one major event, a free election, an election which is not corrupt, which is not stolen, which is not muscled by either military or forces of the left or right, which allows candidates and their organizations free access to the voters, both physically and on radio and television and in the print, and which results, then, in an honest count.

That was what I was pushing for in El Salvador, in Guatemala, and in Nicaragua. That is what we have seen in El Salvador and in Guatemala and in Honduras and in Costa Rica. That is what we have not seen in Nicaragua.

There was a parallel in Nicaragua within the last year to the Philippines. There was a dishonest election, that is to say, one which was muscled and which was not allowed to proceed. The Philippine people could not stand it, and that is why they rose.

They had enough freedom to get to the polls. They did not have enough freedom to have their count honestly made. In Nicaragua, they did not even have enough freedom to hear the view of the contending forces and candidates and, therefore, they lost their chance at a free election. In El Salvador, in Costa Rica, in Guatemala, and in Honduras, on the other hand, they had those chances, with very good results for all concerned.

To carry this analogy a little further, what is the parallel today with the Philippine situation? It is that when there is any

chance at a free election, the people's voice will end up victorious. I can report to you that my main effort in negotiating with the Sandinistas was to ask them to have an open election, which they would not do. I even asked them to negotiate not directly with the so-called Contras, but with a respected Latin American President for an open, free chance of elections, which is what the Sandinistas promised the Organization of American States to get Somoza derecognized and themselves recognized.

And why is it that Mr. Arturo Cruz, now one of the main leaders of the Contras, did not conduct his presidential campaign when he was tapped by most of the opposition forces within Nicaragua to do so? Because negotiations, conducted by Willy Brandt and others, to try to get free and open election rules failed, were rejected, by the Sandinistas. And what is that the Contras promised openly, in my presence, both in Miami and Panama City, Panama? They promised that they would put down all weapons and cease all fighting if they could come back to Nicaragua for an open election.

An open election connotes the chance of the Catholic Church to go on the air with their Masses, or with their human rights committees reports, or whatever they wish to say; with opposition candidates able to go on the radio and television with equal time to the Sandinistas; with La Prensa and other newspapers able to print the view of all candidates.

And so I say that the issue facing the Congress today is: do you wish to support those who would fight until they get an election rather than those who fight until they have total power? Because that is really the issue. We do not have, in the Contras situation, simply power seekers. In fact, I would not be a bit surprised to see others not prominent in their leadership win in a free and untrammelled election. But I have my doubts as to whether the Sandinistas would, if they will never allow one.

Let me conclude by encouraging us all to pay attention to those who have direct knowledge, and who will be speaking to us today, to look at the Nicaragua situation in terms of reality, in terms of the actual facts. Instead of having a religious leader for the Mideast, from the central part of the United State, to listen to about what was the situation facing the religious community in Nicaragua, today we have a religious leader from Nicaragua itself, an existing religious leader, not one in exile, he is there. Obviously, he knows more about it than those who do not live there.

And, similarly, we have people here addressing us today who really have participated, and I think that, when all the chips are down, when the Congress comes to the end of its deliberations--and that does not necessarily mean the first round--I am confident that the Congress, with the help of Mr. Ortega, whose latest trip was yesterday, to Havana--the last one he made was to Moscow and it helped

the Congress decide significantly last year. This year, he is helping the Congress decide by going right now to Cuba, and that is where he is right now.

When all of that is done, I do believe that the assistance to those who seek a chance for the people to voice their feelings and then to choose themselves, will prevail with increased assistance.

I thank The Heritage Foundation for organizing this meeting today and I know that it is going to be enlightening and useful to us all. Thank you very much.

MR. WEINROD: Thank you very much, Senator Stone, for joining us and sharing your thoughts.

I am going to turn the discussion now over to Esther Hannon, a Policy Analyst for Latin America who will moderate the first panel.

ESTHER HANNON: On this panel, we are going to be discussing the domestic and policy situation in Nicaragua. Our guests are Humberto Belli and Alberto Gamez.

Humberto Belli is now Director of the Puebla Institute in Michigan. He is the author of two books on Nicaragua. Breaking Faith is his most recent book; Christians Under Fire is his first. Mr. Belli was the editorial page writer for La Prensa, the independent but heavily censored newspaper in Managua. He left because of the censorship. He was also a member of the Sandinistas, a former Marxist-Leninist. He also has spent most of his work discussing the problems of the church and the religious struggle in Nicaragua.

Alberto Gamez is the human rights spokesman for UNO, the United Nicaraguan Opposition. Mr. Gamez was Vice Minister of Justice for the Sandinistas--and left Nicaragua in July 1983.

I will start with Mr. Belli, who will discuss the political and economic situation in Nicaragua today.

HUMBERTO BELLI: In regard to the economic situation of Nicaragua today, there is not so much discussion as to how bad the situation is as to whom should be blamed for it. I think there is a common agreement that the economic and social situation of the country has been deteriorating over the past five years, and I just want to give you some statistics. It is very often claimed by the experts who go to my country for two or three weeks, not even knowing the language, and who come back with glowing reports about what is going on in Nicaragua, that the Sandinistas have been building a lot of medical clinics, health facilities, vocation centers, and housing for the poor.

The statistics provided by independent sources, and even by the Sandinista regime itself, in some instances, show a very different and depressing story. The purchasing power, or the economic situation, of the Nicaraguan poor is much worse nowadays than it was five or six years ago. According to the United Nations Economic Commission for Latin America in Sao Paulo, in 1982 there was a net decline of 12.9 percent in the average income of the population of Nicaragua, and then in 1983, there was a 25.4 percent decrease in average income for the Nicaraguan population at large.

As we analyze a few statistics compiled by COSEP, the Superior Counsel of Private Enterprise in Nicaragua, we also find that from 1979 to 1985 the purchasing power of peasants in Nicaragua declined by two-and-a-half times. What they did to figure this out was to assemble a market basket that would include all the items that their peasants usually consume at government prices, to figure out how much it would cost for a peasant to buy it, and how much time it would take him to earn the money he needs. They found that in 1979 he was able to purchase the average food basket with the work of one-and-a-half persons a month. Usually, this includes the peasant working full-time plus his wife and sometimes some of the kids.

But in 1985, he needs three-and-three-quarters months work to be able to make up the same basket. So prices since 1979, according to the government, have increased 1,738 percent, 1,700 percent roughly, whereas salaries have increased 650 percent, so the cost of living almost has tripled.

Recently, members of the CUS, the National Confederation of Labor, one of the few remaining free labor institutions in Nicaragua, stated that a worker family in Managua averaging about five to seven members--Nicaraguan families are much larger than families in the U.S.--needs around 30,000 cordobas a month. However, they are getting 7,500 cordobas a month as the average income. So they are facing the worst economic situation in the past thirty or forty years. In fact, real income in Nicaragua today approaches the level of 1960, so it has been a twenty-five year retrogression in income.

Some workers have been able to deal with this situation by getting rationing cards, a special rationing card provided by the Sandinistas for those workers who join the Sandinista-controlled labor union, the CST. Those workers who do not join the CST, however, are left with a rationing card that only enables them to get about two or three days worth of food for a week. There is great pressure on many workers to join the Sandinista-controlled Confederation of Labor, just to survive, because that is the only way they can get a rationing card that enables them to buy enough food for their families.

When it comes to the explanations, the Sandinistas very often insist that the factors that have caused this economic decline have

been the war against the Contras and the U.S. trade embargo. However, the U.S. trade embargo took place in May 1985 and the data I gave you from the United Nations refer to 1983 and 1982. An economic decline and shortages of basic foods were already occurring in 1982 when sugar and several other items began to be rationed.

Before I left Nicaragua in April 1982, my wife was sick with a sinus congestion and needed some antibiotics. I had to spend two days full-time looking around the city for a drug store where I could find the four shots that I needed. I found the two last remaining ones in one drug store, and then two more in another, but as I told you, I spent two full days looking, and I was able to get around in the city only because I had a car; most Nicaraguans do not. And since 1982 the situation of medical and basic supplies has worsened a lot.

Again, the Sandinistas blame the Contras and blame the lack of economic support from the United States for the economic decline. It is very easy to refute those excuses.

You know, when Somoza left the country, he left a foreign debt of \$1.1 million. Now the Sandinistas have acquired an almost \$5 billion foreign debt, meaning that in six years they have received foreign resources that far exceeded anything that Somoza ever received. The Sandinistas have received far greater loans and grants and help than has Costa Rica, and, I would say, more than any other Central American nation.

The international community has been extremely generous to Nicaragua. They got oil on very good terms from Mexico and Venezuela, and just in the first month in power, they got \$527 million. In 1980, they got \$687 million. In 1982, they got \$500 million. And so, by 1984, the foreign debt had risen to \$4.2 billion and now, as I said it is surpassing the \$5 billion mark.

So there is no way to say that the Sandinistas have not received enough help. They have received plenty, far more than Somoza ever dreamed of. Western Europe has been one of the greatest providers, and Libya has also granted the Sandinista funds; even the United States, when the Carter Administration was in power, provided the Sandinistas with the biggest package of foreign aid among Western nations.

To measure the damage that the Contras have done to the Nicaraguan economy, I would like to quote the data provided by a Nicaraguan economist who was a member of the Sandinista regime in the Ministry of Planning and then Ambassador of Nicaragua in Geneva.

He said that the war did not become significant until March 1983. In 1981--and this is government statistics--the Contra war cost \$272,000. In 1982, \$8.4 million. About the trade embargo, as I said, it just took place last year, May 1985, and even though it is doing

some damage in terms of making it difficult for some factories in Nicaragua to get the spare parts, Nicaragua had a very marginal trade rate with the United States to begin with.

When we got to the policy situation, we could see how in 1985 there was kind of political resurgence of internal city groups. There was renewal in political life in Nicaragua in spite of all the restraints that had been imposed. But on October 15, 1985, the Sandinistas decreed a state of emergency, which meant the end of the little political leeway and freedom that this group might have.

Not only did the Church see its printing facilities confiscated, the Catholic Church's only radio station was indefinitely shut down on January 1 of this year. Campus Crusade for Christ had its headquarters taken over by the military. The National Director, Jimmy Hassan, escaped from Nicaragua in December 1985. The political parties have been restrained. The conservative party had its newsletter confiscated, and the Sandinista police told them that they could no longer print it, thereby depriving the party with the only link it had with its membership.

Then members of COSEP, the private business association, and INDE, the private agricultural union, have been rounded up and jailed by the Sandinistas several times since October. The Sandinistas have told INDE that it can no longer conduct its program of cooperatives in the countryside because helping the peasants and organizing the peasants is the prerogative of the Sandinista government only.

Also labor leaders have been arrested over and over again, twenty-two leaders in October, and about a hundred Christian leaders since October on the grounds that they were, in a way, working to destabilize the revolution. So never has the history of contemporary Nicaragua been so dark in terms of freedom for the Church, for labor unions, for the business community, and for independent labor parties.

The Nicaraguan Church has already become a silenced Church. I think that Nicaragua is closer than ever in reaching the classic pattern of totalitarian regimes. Thank you very much.

MRS. HANNON: Now, we can have ten minutes of questions before we go to Mr. Gamez.

QUESTION: I have seen reports that La Prensa may have to close because the government has increased their production costs, they have increased the salaries, and increased the cost of their newspaper. Do you have any current reports on whether it is going to be able to continue publishing?

MR. BELLI: Well, they will not be able to continue unless La Prensa gets a generous grant from some other country or some other sources.

They have done it in the past. Venezuela helped La Prensa survive in 1982 by providing it with \$50,000 worth of paper, but now the situation keeps getting worse every day, and the costs of La Prensa keep increasing.

The paper takes a big economic loss almost every day that it is published, because it is published very late because of the censorship. You know, La Prensa is not sold on the basis of subscriptions. Nicaraguan papers are sold by the street vendors on a day-to-day basis, so if you print the paper too late after rush hour time, your circulation might decline by 50 percent and sometimes more, and La Prensa has been having an average delay of five hours every day.

When I was at La Prensa, we had to take dummies of the paper every day to the Ministry of Interior where they would revise it and they would eliminate what they did not like. Then we would have to take it back to La Prensa, replace the censored material, and take it back to the Ministry of the Interior. Six times in six weeks we were completely unable to print the paper, and we had, at that time, an average of three to four hours delay. Now it is getting worse.

QUESTION: Bishop Gumbleton said on TV last night that Cardinal Obando does not represent the real Church in Nicaragua, the real Church was the People's Church.

MR. BELLI: Well, I wish that he would go to Nicaragua. I witnessed when the Cardinal draws the people--humble people--in great numbers. The renowned so-called liberation theologians, or revolutionary preachers in Nicaragua are unable to assemble even a small fraction of the people that the Cardinal gathers. In 1981, I participated in a survey that really showed that Cardinal Obando was the most popular person in Nicaragua by a large degree.

QUESTION: Could you address the support that the Sandinistas are getting from Western democracies, in terms of both economic and political support, whether you have seen any decline or change in their support for the Sandinistas?

MR. BELLI: Their support has been significantly decreasing over time, especially over the past two years. West Germany decided not to give any more support to the Sandinistas because of the persecution of the Christian Democrats and some other reasons in Nicaragua. Then Venezuela stopped giving credit to Nicaragua for the easy buying of oil. Even Mexico has been demanding from the Sandinistas payment that Nicaragua owes for oil.

There is still some money coming from the Scandinavian countries, but it is not too much; a little bit from Italy, a little bit from France. But not too much.

MRS. HANNON: Let me just add that I was told recently, and I was a bit surprised, that Canada gives more economic aid to Nicaragua than it does to other Central American countries.

QUESTION: Could you tell me which economic policies you think are most destructive for the economy of Nicaragua?

MR. BELLI: Well, in Nicaragua the government attempt to centralize the economy has been very destructive. The state created ENABAS which is an institution which has centralized all commerce and the buying and selling of agricultural products and eliminated the market. ENABAS has been disastrous in Nicaragua.

Also, there has been massive confiscation of privately owned lands and factories. Some of them belonged to the Somoza family, but many of them belonged to people who were making them produce in a very efficient way. Almost everything that the state has confiscated has gone bankrupt.

The government has stopped in 1981 from releasing its statistics about the economic performance of their own units because it was very obvious that they were already subsidizing the largest state-owned sector of the economy. Also, they went into the creation of a lot of social programs when they did not have the revenue to finance it.

So these three things have hurt Nicaragua's economy. And also, there is no investment climate in Nicaragua, so the people who could invest have either been fleeing the country or if they stay, are afraid to invest when they have no safeguards of any sort.

QUESTION: When was the last time you were in Nicaragua?

MR. BELLI: I left by the end of April 1982, although ever since I have been very much in touch with the constant flow of people who are coming out of the country, and since they know my mission of informing, especially about the Church situation, I keep receiving a file of documents and keep relating with people who are still in the country.

QUESTION: Is your family here?

MR. BELLI: My immediate family is with me, my wife and four kids are with me, living now in Michigan. My parents are still in Nicaragua, but they are protected in a way, because I have a sister who happens to be a member of the Sandinista party. We have many divided families in Nicaragua.

QUESTION: Could you discuss Eastern European economic support in recent years?

MR. BELLI: The Eastern European economic support is difficult to measure because you do not get a money figure for that. It is estimated that Soviet support, in terms of military aid, runs annually between \$500 million--that is the Department of State estimation, which is conservative--to \$2 billion.

A good deal of help from Eastern Europe comes in terms of advisors, technicians, and sometimes exchange of merchandise, but I do not know to what extent they are providing hard currency. Libya has been the country outside the Western camp that has provided hard currency to Nicaragua.

QUESTION: During the recent crisis in the Philippines, the Catholic Church played a critical role in the elections, apparently with the Vatican's backing. Do you think that might set a precedent for Nicaragua and, if so, what role can Cardinal Obando play in unifying the opposition?

MR. BELLI: This is a very interesting point. You know, the Church in Nicaragua has played a critical role for the past twenty years. They began playing a critical role under Somoza. I mean, in some ways, the bishops are still playing a critical role under the Sandinistas, although they have been much more restrained than under Somoza.

The Pope has encouraged them to continue asking for reconciliation and he has encouraged the Church to resist the continuous attack that it is receiving from the government.

The interesting thing is that you find a lot of people in this country who tend to belong to what we can call the liberal camp--who support people like Bishop Tutu of South Africa because of his stand against apartheid, and Cardinal Sin in the Philippines because he denounced the Marcos regime. When it comes to Nicaragua, they try to explain away what the Sandinistas are doing against the Church, claiming that the churches in Nicaragua have been meddling in politics.

MRS. HANNON: Thank you, Mr. Belli, for your excellent presentation. Thank you for being with us today.

We are going to have translator for Mr. Gamez.

ALBERTO GAMEZ: I am here representing the Commission for Human Rights of UNO. This Commission was created as an autonomous organization for the protection of human rights of the people of Nicaragua.

Our main purpose is to humanize the whole conflict occurring in Nicaragua while serving all sides and monitoring what is going on, both on the battlefield and in the negotiations. We have established a code of conduct based on the Geneva agreements concerning human rights and humanitarian rights in war.

The Commission is structured by a directive council. It is presided by Israel Reyes who has been the President of the Red Cross in Nicaragua, who was a distinguished and outspoken leader against the Somoza government.

To establish a human rights arm of UNO, we asked for advice and recommendations from other human rights organizations as to the best way to conduct our cause of human rights.

The problem of human rights violations in the Nicaraguan armed conflict has been tremendous, particularly by the Sandinista government but also by members of the rebel forces. Many of them have come from broken families and some have had a violent past.

UNO has been providing training to ensure the protection of human rights and more than 5,000 individuals have already been part of this training. Thanks.

QUESTION: As we all know, Congress is now considering military and humanitarian aid to the Contras. It seems that the number one problem in getting that aid through Congress is the question of human rights and the reports from many persons and organizations saying the Contras are frequently violating civil rights. What can be done about that and is it already being done?

MR. GAMEZ: The purpose of the Commission is to stop the violation of human rights by members of the rebel forces. Part of the problem is we are not dealing with educated people. We are dealing with peasants who sometimes resort to violence in reaction to Sandinista repression. We are sorry to say that there have been some violations by members of the rebel forces. However, these violations are not systematic. We do not organize any kind of human rights violations.

LYNN BOUCHEY: My name is Lynn Bouchey. I am President of the Council for Inter-American Security.

It is my pleasure and privilege to introduce to you Colonel Larry Tracy of the Office of Public Diplomacy at the United States State Department. Colonel Tracy has, among other things, served as a U.S. military attache in Bolivia. He has wide knowledge and experience of the region. He will discuss the military situation in Nicaragua.

Colonel Tracy was one of the principal authors last year, together with Miss Kay Stephenson of the Department of Defense, of a volume entitled The Soviet-Cuban Connection in Central America and the Caribbean, which will be followed by a second volume soon.

COLONEL LARRY TRACY: I would like to recast the strategic view. That is, what will happen, what could happen, if there is an expanded Soviet military presence in the Western Hemisphere. Encouragingly,

there is a widening consensus in the city that the Soviet Union simply cannot be permitted to expand militarily in the region.

The shared concern is that if we do not provide help to the resistance movement to stop that expansion, a more dire circumstance could result, such as the use of U.S. troops. We are very much at a watershed in our situation.

An expanded Soviet presence in the region, for one thing, forces the U.S. much more closely to its own shores, limits its readiness, willingness, and ableness to project its military power to the crisis areas of the world.

The Soviets are outspending us greatly in this region. Over the last five years, it has spent over \$4 billion in military equipment that has gone to Cuba and Nicaragua. Our military assistance to the entire region during this period of time has been less than a billion dollars, so there is a 4, almost 5 to 1 ratio.

In economic assistance, the Soviets have provided to Cuba alone over \$20 billion since 1980. Our economic assistance to the countries of Central America has been about \$4 billion. Why is a very rational political actor like the Soviet Union, itself under intense economic pressures, making such large investments in the area? It is to neutralize the U.S. in an area that the Soviets had long considered the strategic rear. They have also used the term where they would not be able to put pressure on the U.S. Until now, they simply did not have the ability to project their force to a then unreceptive Latin America.

Well that has changed dramatically in the last several years. I think we have to assess the consequences for the future if, indeed, we have a series of Soviet bases.

We are already doing this. Admiral McDonald, our Commander in Norfolk wrote an article about the Cuban factor, and he pointed out how he must dedicate certain military assets to that region now, because of Cuba, which he would much rather dedicate to the North Atlantic and other areas.

With Cuba's military buildup into the largest military in Latin America, larger even than Brazil's, we now have a significant military threat that could at least be a nuisance and cause the U.S. to spread itself rather thin. We compound this greatly once we add Nicaragua on the mainland, with the ability of Punta Huete, the air base that has been built near Managua to be able to support Soviet operations, to be able to support any aircraft in the Soviet inventory. Right now, it is being used tactically by the Sandinistas for their gunship operations, but the runway is 10,000 feet long. It has about a meter thick strip and it could, in fact, support Bear aircraft, or even greater, the reconnaissance.

The infrastructure is possibly in place. Ports are being constructed by the Soviet Union as well, which could certainly give an anchor for the Soviet fleet both in the Caribbean and on the Pacific. And we know how the Soviets have burgeoned in their Pacific operations over the years.

There is an old Lenin description that you probe, and when you find mush, you continue to probe. When you probe and you find steel, you find someplace else to probe. Well, although the resolve has strengthened considerably, there is still a considerable amount of mush, so that the Soviets can continue to probe in this area. We must be able to send a clear signal to the Soviet Union that this adventurism simply is not going to be tolerated.

The most important problem that we are confronted with now is the momentous vote coming up in the next few weeks on assistance to the resistance force. If the resistance movement does not get the military assistance, they simply do not have the capability to go against a very heavily armed military with virtually unlimited supplies from the Soviet Union.

Let me just talk a bit on the tactical situation. I will just make this general statement, and I think Colonel Bermudez will be able to amplify this. A criticism that is frequently made of the resistance movement, the FDN in particular, is that it has not captured an inch of territory. If one looks at the firepower that they are facing, I would believe, from a military standpoint, it would be ludicrous for them to capture a large enclave and declare that, in some way, a liberated territory, because then the Sandinistas would be able to pound that away.

The best thing for them is to constantly fight guerrilla warfare, constantly moving and keeping the Sandinistas off balance. This tactic is quite logical when you look at the relative combat power they are facing.

The Sandinistas have brought in T-55 tanks that remain a battle tank in many of the Warsaw Pact armies. Cuba continues to use and receive the T-55 tank. Experts in tanks in the U.S. Army consider the T-55 as an ideal fighting vehicle for Third World countries because of its durability and easy maintenance. The T-55 also provides a psychological threat against neighboring countries that do not have tanks. Costa Rica and Honduras do not have anything that could go against the T-55.

The Hondurans have British Scorpions and Saladians which are basically reconnaissance vehicles that were never designed to go against a heavy tank like the T-55.

The resistance is also up against helicopters with the MI-8, the HIP helicopter, which is both a troop transporter and can also be configured into a gunship. Then, of course, there is the MI-24, which is very solidly underarmed--armorplated on the bottom--which makes it relative impervious to machine gun or small arms fire. You need a surface-to-air missile to bring that down.

The Mujahadin in Afghanistan, as you know, have done an effective job with the Hind, because they have been able to lure it into valleys and then been able to fire down on its soft spot. The terrain in Nicaragua does not lend itself to that.

The Sandinista military has now grown to 75,000. The frequent argument is that it grew to that size as a result of the resistance forces. However, the Sandinistas in 1980--before the end of 1980--had already achieved the largest army in the history of Central America. They had about 25,000 men in their army at that point. That gave them an army somewhat larger than Guatemala's army which has a population three times as great. By the end of November 1981, the Sandinista army had increased to over 40,000 active duty, plus their reserves.

Now, Ambassador Carlos Tunnerman, who is the Nicaraguan Ambassador here in Washington, wrote a letter to the Washington Post on March 30, 1985, blaming all the woes of Nicaragua on the United States in general and on the Central Intelligence Agency in particular. I read the letter and I thought there was something strange. I read it a second time and then it jumped out at me like it was in neon lights. He said, "By November 1981"--the date that he ascribed to a decision to fund the resistance movement--"all we were confronted with on our border were a few hundred ex-national guardsmen whose principal occupation was extortion and cattle rustling."

So in a sense, I would say, this is the Sandinistas' threat perception as of late 1981--a few hundred cattle rustlers. But they had a posse of 40,000 already.

So the idea that this is a cause and effect, that they have built this large army because of the resistance movement, is simply false on the structure of that military. In building their military, the Sandinistas follow a pattern that has developed in virtually every Marxist-Leninist government around the world.

An article in the Wall Street Journal in early April by Professor James Payne from Texas A&M gave a comparative analysis of Marxist-Leninist governments around the world, and it pointed out that of the 34 self-proclaimed Marxist-Leninist governments, every one has a far higher percentage of people under arms than do their neighbors, whether or not the country has a legitimate threat to face. So building a large military is certainly a means of social mobilization.

What we see in this conflict is a lightly armed but well organized resistance with high morale going against a military that is heavily armed but with rather questionable morale. There are defections from the Sandinistas. I think increasing the pressure on that military could, indeed, cause significant problems within their own ranks.

The idea is that this is the Somoza National Guard in a new uniform is, of course, preposterous from a straight mathematical analysis. Somoza had 7,000 in his National Guard up until the final year when he doubled it to about 14,000 with a lot of cannon fodder that he brought in. Many of those remain in prison right now in Nicaragua.

The resistance movement is approximately 20,000, with the majority of them about 18 to 20 years of age, which means that they were about 12 years of age when the Somoza National Guard disintegrated. Of the leadership, there is an almost equal division between former Sandinistas and former Somoza National Guardsmen. Indeed, there are some former Somoza National Guardsmen in the Sandinista army itself, so membership in that, certainly even by the Sandinistas, is not considered an automatic negative.

Colonel Bermudez, I would remind you all, when he was the military attache here in Washington, was considered by the Carter Administration as the man that could clean up the National Guard. A possibility Somoza naturally rejected. During the Carter Administration, this Colonel Bermudez was not identified with any of the abuses of the National Guard in its final years in power. He was here in Washington. He was an engineer, a technical man, and has an extremely clean record.

MR. BOUCHEY: I would like to ask you all to welcome Colonel Enrique Bermudez. As Colonel Tracy mentioned, Enrique Bermudez spent some time here in Washington. It is widely known amongst people who have followed the Central American situation, although it has been little reported, that one of the reasons that Colonel Bermudez was here in Washington was because certain people back in Managua thought that it was politically safer to have him here rather than there.

This is a gentleman who has committed himself to the democratic principles, and who is leading in the operation sense, the democratic resistance inside Nicaragua. It is thus a pleasure for me this morning to ask Enrique Bermudez to share with you his analysis, his perception, of where things stand in the struggle and precisely how we can, perhaps, assist that struggle. Colonel Bermudez.

COLONEL ENRIQUE BERMUDEZ: Thank you. Good morning to all of you. I will apologize because I am not so fluent in English, but I will try

to do my best. If, on any occasion, I cannot express myself in English, I will say it in Spanish, and we have a translator here.

Well, we in the liberation movement do not have enough time to prepare our statement. My feelings, my personal opinion, is that our movement has been misunderstood and the American opinion is not very well informed. We are a democratic movement. We are fighting a war against a totalitarian regime. Few people are aware of what is going on really in Nicaragua.

We, in our movement, the anti-Sandinista movement, seek to establish democracy in Nicaragua. We are trying to achieve a unified front. Our principle has been expressed in many brochures or papers that we have published in the past. Since 1983 we have clearly established what we are fighting for, what we want for Nicaragua.

We are not a political party, we are a movement for democracy. We are not seeking personal power. We want the Nicaraguan people to have the opportunity to express themselves through free elections.

We expect from the United States an understanding of our struggle. We expect you to support us in the same way that President Reagan supports democratic forces or popular forces in the Philippines now and participates also in the establishment of a democracy in Haiti.

QUESTION: Sir, I have a three-part question for you. One, what do you see as the biggest problems for your forces?

Two, what kinds of equipment do you see as necessary to achieve for success on the battlefield?

And three, there are some apparent command and control problems with the forces. What are you doing to rectify those?

COLONEL BERMUDEZ: Let me explain. We have been a very dynamic movement. We have pushed for a unified front. But, as you know, in this type of struggle, historically, always there are many divisions. In association with your third point, we have been willing all the time to get together with all the anti-Sandinista groups, to find the way to solve our problems, establish a procedure and go together in this fight, because it is necessary to stay together. No one single movement will have the capacity to defeat the Sandinistas.

Our main problem, and this you must understand very clearly, is the United States. In 1984, there was a good momentum. We were pressing hard on the Sandinistas. The political parties were pressuring the Sandinistas as was the Church and all the Nicaraguan sector. When funds were cut off, the Nicaraguan people were very disappointed with the U.S. Anything that Washington does or Congress does affects not only the political sphere but also the labor sector,

the Church, and the whole Nicaraguan population. The United States has lost prestige as a trusted ally.

Let me give you an example. Many countries--and I have heard the opinion of many military personnel in Central America--do not trust the United States. They think the United States will abandon them, as they have abandoned other countries. So our main problem is the decision of the United States. People will not get involved against the Sandinistas if they do not see the U.S. support the resistance.

The Sandinistas have exploited that. They have paraded the military apparatus to intimidate the people. You know, they bring the tank through the cities. They bring the helicopter, the artillery. They make a show of the military forces. So any citizen will think twice before he goes to join us.

I remember when we started this struggle with no aid from anybody, we had groups, very badly dressed with shotgun or with 22 calibre rifles. And the people did not pay any attention to us. So when we started to receive funds, we emphasized good uniforms, good equipment, and that provoked a very enthusiastic reaction in the population. And this is the reason why we grew up so large and so fast.

Now we are running out of supplies and funds, people are becoming disillusioned. They will be more conscious of Sandinista repression and the Sandinistas, of course, have taken some measures such as forced relocation. They have taken repressive action against those people who they suspect were sympathizing with our forces.

You have heard about the relocating people from the rural areas, to collective farms, in order to control areas they suspect are supportive of us.

QUESTION: If the President were to get his \$100 million through Congress, would that be enough for the Contras?

COLONEL BERMUDEZ: Yes. Well, our logic is this. We have been able to resist and to keep this pressure on the Sandinistas with almost no help at all. With \$100 million we are sure we are going to defeat the Sandinistas very fast.

Of course, we need some anti-aircraft weapons. Definitely, the MI-24 have influenced the tactical situation. For instance, we are operating in Esteli, Jinotega, and Nuevo Segovia, Madriz and Chinandega, which are very well-cultivated lands, and have no dense vegetation to protect forces on the terrain. In that place, the helicopter is very effective.

We have to move our forces from that insecure area to more secure areas, which is why we abandoned our presence in this very important area of Nicaragua.

QUESTION: Colonel Bermudez, could you discuss the Honduras border and how it figures as a Contra sanctuary with all the political aspects?

COLONEL BERMUDEZ: Yes. This is a very sensitive issue. Let me say this. Any guerrilla movement against a totalitarian regime like the Sandinistas are creating is totally dependent on internal sources of support. And let me give an example.

Let us make a comparison between the leftist guerrilla in El Salvador and democratic guerrillas in Nicaragua. A guerrilla in El Salvador--which is not a police-controlled population--can change to civilian clothes, go to the city, go to a movie, go to a restaurant, have a good rest. Next day, he will go downtown to a shoe store and he will ask to buy 200 pairs of boots.

The owner of the store will try to convince him to buy 500 and will give him a special price. That has happened with medicine and any article. In Nicaragua, which is totally controlled, you have a rationing card, you have neighborhood committees, so you cannot do that. First of all, there is no medicine in Nicaragua. Medicine is controlled by the government. All the boots are controlled by the government for the army.

You have to make a written requisition--request--if you want to buy two pair of boots. If you want to buy two pair of boots, you immediately are under suspicion as a Contra and you have to explain why you want the second pair of boots. So in Nicaragua, the guerrilla cannot get supplies.

QUESTION: As you know, one of the chief arguments used by those who are opposed to aid to the Contras is that a majority of the top officers, including yourself, are former members of the National Guard. I wonder if you could give us some ammunition to use against this argument.

COLONEL BERMUDEZ: Frankly, this has been a good achievement of the Sandinista propaganda. We have a voluntary army. This is not a conventional army. People do not receive any pay at all. They have their own motivation to fight.

Our leadership is not politically appointed. The regional commanders, the task force commander or small unit commander, are not leaders because somebody appointed them to be a leader. They have gained that leadership fighting. It is not a vacation. They have been fighting against Sandinistas, risking their lives.

We have 71 commanders. We have 17 regional commanders, which are the higher commander. Next is task commander commanding between 200 and 400, a battalion size. Then the unit commander and then groups, which is about between 60 and 100.

We have commanders that were members of the National Guard, we have nineteen. Most of them were soldiers. Some of them were lieutenant, second lieutenant. Two were cadets, and the only colonel is myself.

I have been living in the United States since 1975. This year, I will be eleven years living out of my country. I came from Washington where I was living in 1975 to Central America because, as a Nicaraguan, I feel compelled to something for my country.

The former members of the National Guard have their own motivation. I have a list here of 20 who were in the Sandinista army. And I have a list of 32 who were called from different sectors, peasants, most of them, farmers, businessmen, professional, student, and so forth.

So the participation of former members of the National Guard is voluntary. They were not closely associated with the Somoza regime. They consider themselves professional military persons. A legal instrument that was submitted and approved by the Sandinista junta, by the U.S. government, and by the majority of the democratic members of Congress, it was called the Plan for the Consolidation of Peace was sent by the Sandinista junta before they took power to the OAS. In that plan, they established the new national army will be composed by Sandinistas and National Guardsmen based upon the principle that not all the members of the National Guard were bad. Now they are exploiting and saying that all the members of the National Guard are bad.

MR. BOUCHEY: Let me stop on that question and turn to our next panel member, Dr. Joachim Maitre, who is Professor of International Relations and Journalism at Boston University. He is a foreign affairs editor for Strategic Review and has recently completed a documentary dealing with the Contras.

DR. JOACHIM MAITRE: In that particular movie on the Contras, which is running for 28 minutes, you see daily spots in television in this country. Right now I asked Commandante Bermudez about his strategic aim inside Nicaragua and I asked him a provocative question, primarily, are you going to march into Managua any time soon? It took him about a minute to recover from this question and he said, "Well, we would like to, but we have other things to do first."

He defined his primary aim inside Nicaragua as cutting the country into two halves. By cutting the Rama Road, which is the main

supply artery from El Bluff on the Atlantic Coast into Managua, he hoped to achieve a political breakthrough. That particular step has not been taken and, in order to pour, perhaps, some vinegar into the wine, cannot be achieved very quickly because another dramatic development is occurring in the south of Nicaragua hardly reported in this country at all, namely, a peace treaty between Costa Rica and the Sandinistas.

We--and primarily the Reagan Administration--can take pride in having achieved over four years the democratization of Guatemala, Honduras, El Salvador and, clearly, has also helped free elections again in Costa Rica. There are, however, negative ramifications, in particular in the north in Honduras and, of course, in Costa Rica. Those countries wish to live in peace with their neighbor, Sandinista Nicaragua.

The editor Eduardo Ulibarri from the largest paper in Costa Rica, La Nacion, predicted approximately a year ago in a column printed in the Wall Street Journal that increasing and continued American reluctance to help the Contras with real aid would have to result almost automatically in, number one, the Finlandization of Costa Rica; number two, militarization of Honduras.

Not being a member of the FDN, or of any organization within Nicaragua, I think I am free to talk a bit about Honduras. The \$27 million in humanitarian aid voted by Congress last year has not been spent or, if they have been spent, the wares have not been delivered to the FDN through Honduras, because I would claim the State Department there and other institutions in this country have failed to make Honduras into a proper strategic ally.

Most of the stuff is still sitting in New Orleans. Whatever has been sent is still in Tegucigalpa or in other depots within Honduras. This is primarily responsible for the drying up of supplies for the FDN.

When going into Nicaragua, in order to produce the television movie I just talked about, we took off from an airfield inside Honduras, with a C-47 to be airdropped into Nicaragua. That airfield is no longer available for supply runs into Nicaragua. How do you, then, supply a fighting force of about 20,000? You do not. That is the prime reason for the number of fighting Contras inside Nicaragua having dwindled to, I guess, about 6,000 to 8,000 right now.

The assessment of the strength of the Contras? We should attempt to listen to a few Americans. Let me give you quotes from Americans you know very well, even if you do not like them.

"The government forces are well-funded. There are 60,000 troops ready; another 60,000 waiting. The Contras are a rag-tag army of 20,000." This, of course, is Tip O'Neill.

Since the government troops are so well-funded, why help the underdogs? Run away. Be with the winners.

He says, "It would be nothing but a slaughter and a humiliation for the Contras to equip them for war."

But in order not to dump on the Democrats, let me also criticize, or rather mention, at least, with a negative note, General Gorman, former SOUTHCOM Commander in Panama, who said, "It will take the Contras years, if at all, to overcome the Sandinistas."

Another famous American, "There is no chance that they will be able to overthrow the government. In the resistance, you have perhaps 15,000 members, rifles scattered around the open, unpopulated part of the country. They can't go into the cities, which the government is protecting with tanks, 75,000 men in the army, the militia and the security--in other words, the Contras may just as well give up." This was--you may be surprised--William Casey.

General Nutting who was also rather negative about the prospect of the Contras' victory should remain unmentioned with a quote.

And here a Senator, a Republican, who says, "In order to defeat aid for the Contras, Contra aid is only one-three thousandth of the overall military spending plan, but for every Contra we supply with a new gun, countless elderly Americans will go without meals."

And the final assessment, this time from a liberal, I should almost say a former liberal, who wrote a series in the Boston Globe about a week ago where he says--and this is a very important quote, because the country is changing, I claim, although Senators and Representatives here in Washington remain behind the power curve--Sheehan says, "I arrived in Central America with the conventional liberal wisdom that the Contras, through their past links to the Argentine Colonels and the CIA were so many ex-National Guardsmen as their Commanders, were a reactionary right wing force. After nearly one week with them, I modified this preconception. I see them now more as actors in a terrible national tragedy of civil war, as actors bearing a legitimate grievance in Nicaragua."

He talks about the Somozistas. Did not see many of them. But he says, "The remaining Comandantes are heterogeneous, including some ex-Sandinistas. The troops are an army of simple, Nicaraguan peasants, no ideology save their ardent Catholicism. Some are in their early 20s, but many are much younger boys and girls who have barely reached puberty.

"My heart went with them, for I knew that in facing such massive Sandinista firepower, so many of these children will be killed. I

consider the military Contras an authentic national liberation force." That is a liberal, but not in Congress.

Just a few remarks about the strategic situation within Nicaragua. I think we have to admit that the resistance on the Atlantic Coast is not very strong any longer. There is sabotage on a daily basis, but I do not believe that the Contras can rely on the Indian warriors on the East Coast, numbering roughly 1,500, as reliable allies. There are many reasons for this.

Operations in central Nicaragua, I said, primarily in Centalis had to be curtailed because logistic lines are not secure or safe. Sandinista strength is, of course, overpowering, but I see Contras not being capable of keeping territory under control. I went into one particular base inside Nicaragua roughly 30 kilometers away from the nearest road. This particular camp could be safe. It was in the forest of Nuevo Segovia. However at that particular time, an aerial attack by the Sandinistas took place, 02, so-called "push-pull" attack aircraft that could easily have been defeated by regular 50 millimeter machine guns which were not available.

If I claim simple equipment such as surface-to-air missiles could be given, it would be the first step in the securing of territory within Nicaragua. I consider the step crucial for improvement of their situation, because then, at least, the continents would no longer be dependent upon neighboring states as they are now. They are, of course, in a fix because Honduras' good will is a key to future operations.

Let us remember that no anti-communist insurgency has succeeded anywhere in the world so far. We must remember this all the time. Savimbi in Angola has come close, primarily on account of very strong support given by those criminals in South Africa. Victory in Angola today is clearly prevented by American reluctance to aid Savimbi.

In Nicaragua, given the totalitarian nature of the regime, one primary objective cannot be achieved, namely support through the general population, what you would call today an uprising. How do you rise up if you cannot even get organized as a group of three people?

So the Contras' task is formidable, yet I come from East Germany. I took part in 1953 in an uprising as a young Communist--at least I was in the uniform of a Communist. We had no chance because we could not get organized properly. In 1956, I was in Hungary when the Hungarians rose. In Hungary, three army divisions mutinied against the Soviets.

So wearing a Communist uniform is no guarantee for loyalty towards the system. Such a change is possible in Nicaragua, and I do not think I am being overly optimistic. How do you exploit the

dissatisfaction clearly existing in the Sandinista army? By inflicting upon the armed forces a few humiliating defeats.

One of the Hinds has already been shot down. There are twelve, plus a number of HIPs that can also be reached. The HIPs carry primarily counterinsurgency forces--very good troops, by the way; we should not denigrate their value.

These troops--I met two of them who had been taken prisoner by the Contras--did not impress me as Communist in that sense, as fanatics. They are fighting right now the government side, which is normally the winning side. That particular trend can be defeated, I believe, again, by the delivery of weapons which are heavier, more advanced, than what the Contras have today.

We could also, perhaps, learn a lesson from what is happening in Afghanistan. Last summer, in July, two crews of MI-24 Hind helicopters defected while on a mission towards the Pakistani border. Now, when remembering that these helicopter crews are very carefully picked and trained and supervised, one has to wonder how they managed to make that decision. Well, they did. Both helicopters were not, by the way, returned to Afghanistan.

The Contras have a price on the Hinds. The first pilot who comes out of--I understand Soldier of Fortune has promised--will receive, what, half a million, one million dollars? And I know from one refugee, rather, a deserter from the Sandinista forces, that they have posters out at the airfield, that anybody caught attempting to persuade anybody or getting prepared himself will be shot without a trial, so the Sandinista leadership command does not seem to be too confident of their people's loyalty to the people. Thank you.

MR. BOUCHEY: Thank you. Sorry to have to cut you short, but I would like to allow us at least a couple of minutes to hear from Penn Kemble, the Chairman of the Executive Committee of the Coalition for a Democratic Majority who has just returned from Central America where he has been out in the field with the resistance forces. Penn?

PENN KEMBLE: With your permission, I am going to donate my time to Comandante Bermudez. I would only like to make one very simple statement which is that I am a Democrat, I am a social democrat. I got my political upbringing in the American Civil Rights movement and in trade union politics, and I think that I have some feeling for what is involved in the organization of a popular movement, and I have no sense of military matters. But in my visit to Comandante Bermudez's camp, I was deeply impressed by the spirit of the people I met, by their sense of purpose, their eager intelligence, their interest in discussing all kinds of questions about international politics and politics in the U.S., and by their very comfortable relationships among themselves and with their officers.

You get a definite feeling, which I think is evoked in the Sheehan piece that Joachim just quoted, that this is a democratic movement not just in some institutional or structural sense, but in its spirit. I think there are some difficulties, but they are difficulties that can be overcome if the United States meets its responsibility in helping these people.

There is, I think, some shortage of middle-class people, of better educated people, most of the people have been recruited from the area and lack something in education. But with the kind of political change that could be effected by a strong American show of support for this, I think many of the kinds of people who are needed to fill out the ranks, so to speak, would come in.

Really, the quote that Joachim read from Ed Sheehan completely is vindicated by my own experience there, and I am pleased that Comandante Bermudez is here.

MR. BOUCHEY: Thank you very much. We have time for, I hope, two questions before we have to vacate the platform here for the next panel. The gentleman right back there.

QUESTION: Would anyone care to speculate on what is going to transpire in Honduras now that there has been a change in the political leadership and also a turnover in the military leadership and how that may affect the situation.

DR. MAITRE: In Honduras, from the viewpoint of the Contras we can easily say the wrong man won, although he lost anyway. Cajeras the candidate of the Nationals who took about 47 percent was defeated by Ascona who took 27 percent--but let us not criticize their system. Cajeras had promised full support for the Contras whereas Ascona said, twenty-four hours after my victory, I will kick them all out of Honduras. Within the military power structure, Lopez, who resigned, was a strong man and a friend of the FDN. We do not know who will succeed him.

The issue of Honduras is one, primarily, of economics. The Hondurans, always, under Suazo and former American Ambassador Negroponde already were disappointed in the amount of American aid given to Honduras. We may have reason to be somewhat sympathetic because it is a poor country and, by letting the Americans in the way they have, they have been good allies. They believe that they are sticking out their neck.

What will happen to them if, under a future administration in this country, they get punished for what they have done for the Reagan Administration? That, in a nutshell, is the strategic situation. I believe Honduras will not abandon the FDN. They can simply not do it.

But there may be a future trend, to fence them in again. For that reason, I recommend that the Contras establish territory within Nicaragua, thus also convincing the Tip O'Neills in this country that it has not been decided as yet who the loser is in the battle.

QUESTION: How many former National Guard members are there now serving with the Sandinistas?

COLONEL BERMUDEZ: The Sandinista regime has more former National Guard than we have.

QUESTION: Colonel, were you in the Dominican Republic uprising?

COLONEL BERMUDEZ: Yes. I went during the militia in the Dominican Republic as part of the inter-American peace force.

QUESTION: Was not that by Lyndon Johnson, a Democrat?

COLONEL BERMUDEZ: Yes. It was Lyndon Johnson at that time.

TIMOTHY ASHBY: Ladies and gentlemen, our next panel discussion will center on the Sandinistas in Latin America. Let me introduce myself first. I am Timothy Ashby, a policy analyst for Latin American affairs here at The Heritage Foundation.

The conflict in Central America and in Nicaragua is more than just a regional security problem affecting the United States. It is a Western Hemisphere security problem, and I am going to ask our distinguished panel of experts to address the issue of the Sandinistas and the relationship with their Latin American neighbors.

The members of our panel are Dr. Gonzalo Facio, who was the Foreign Minister of Costa Rica under President Daniel Oduber from 1974 to 1978 and also former Ambassador to the United States and to the OAS. He is considered to be one of the most respected foreign policy experts in Costa Rica, and is currently a leading attorney in that nation.

We also are privileged to have Dr. Mark Falcoff, a Resident Fellow at the American Enterprise Institute for Public Policy Research here in Washington, who writes extensively on Central American issues.

We also are very honored to have Ambassador Curt Winsor, former U.S. Ambassador to Costa Rica until last December. He has a Ph.D. and an M.A. in Latin American affairs. He was previously a member of the career Foreign Service of the U.S. State Department and a second vice president of international services for Chase Manhattan Bank.

I am going to ask Dr. Facio to begin our discussion. Dr. Facio?

DR. GONZALO FACIO: Thank you very much for the introduction.

The sources of Central American conflict and armed clashes have different manifestations. In order of their importance, the following three may be singled out:

One is the Sandinista betrayal of the original goals of the anti-Somoza democratic revolution and the building of a totalitarian state in Nicaragua.

Two, the quest for absolute power by the Farabundo Marti guerrillas, with the aim of establishing in El Salvador a totalitarian regime similar to that of the Sandinistas.

And three, the military tension between Honduras and Nicaragua in the latter's northern border and the conflict between Nicaragua and Costa Rica originated in the Sandinistas' frequent violation of Costa Rican sovereignty.

Up to now, the Contadora group activities have been concentrated in the third, and less serious, of the above referred sources of violence. The Contadora negotiators have dedicated their main efforts to promote a dialogue among the Central American countries, Central American governments involved with an aim of obtaining from each one the promise of not interfering in the others' affairs.

A correlary of these reciprocal promises would be to recognize the status quo in each country. This would serve the purpose of those who, like the Mexican government, are mainly interested in consolidating the Sandinista regime.

The integration of Nicaragua into the world socialist system has proceeded very rapidly. The first Cuban advisors arrived the week after the Sandinistas' assumption of power July 19, 1979. The first Nicaraguan delegation travelled to Moscow in a matter of months and concluded a party-to-party agreement that pledged Nicaragua to support the Soviet policies all over the world.

The presence in Nicaragua of more than 12,000 Soviet bloc advisors is a further evidence of the process of incremental incorporation of Nicaragua into the Soviet bloc. There is ample evidence that Nicaragua's strategic and psychological importance is appreciated by America's enemies, as Ambassador Jeane Kirkpatrick has pointed out several times.

Muammar Qadhafi, for instance, a man given to plain speaking, has spoken clearly about Nicaragua's significance, and I quote: "We have fought alongside Nicaragua. The fighters have reached a million and are provided with Libyan arms and Libyan support because they are fighting alongside us. Because they are fighting America at its

doorsteps." "Nicaragua means a great thing," continues Qadhafi. "It means fighting America near its borders. We are fighting it in its territorial waters in Nicaragua."

I would say that Qadhafi understands Nicaragua's strategic importance much better than many liberals in the United States, in Latin America, and in Europe.

What can we do about it? I think that the Soviet Union, which has long since achieved military parity, has developed a global empire that threatens vital sea links and strategic minerals worldwide. That empire does not rest on the tides of history. It relies on force, force to take power, force to eliminate the opposition, force to maintain a Communist government in power.

What can we do? This is what a brilliant mind like Mrs. Kirkpatrick says recently. "We should not go to war. We should not send American troops, but we should not fail to care and to act. We can help people trapped in tyranny to disengage themselves from the world's only colonial empire. We can give them real aid, the kind of military assistance that the Soviet Union provides: good helicopters, good missiles, good intelligence and good logistical support.

"The United States can offer the peoples of the Soviet Union solidarity by letting the whole world know where it stands with those who stand for freedom. Standing for freedom fighters in Afghanistan, in Angola, in Cambodia, in Ethiopia and in Nicaragua, of course, is the only political system with U.S. values and U.S. interests.

"If these rulers have the right to ask for foreign assistance to maintain themselves in power, citizens deprived of their rights can ask for external aid to reclaim it. If the Soviet Union has the right to give military assistance to client states the United States has the right to give aid to freedom fighters."

I would like to finish with my first part, summing what is our position, the position of the democratic forces in Central America in regard to the Nicaraguan problem?

First, the overwhelming majority of the people and democratic leaders in Central America support President Reagan's policy, including full aid to the freedom fighters in Nicaragua. We all oppose Communist Nicaragua.

Two, the democratic people and leaders of Central America want to see Communist Nicaragua implement real democracy as was promised to the OAS in 1979.

Three, the democratic people and leaders of Central America support President Reagan in his effort to help bring about a genuine political solution, if it is obtainable. A genuine political solution

requires the simultaneous implementation of democracy in Nicaragua along with the security commitments with real verification.

Fourth, the people and leaders of Central America oppose a false political solution which would permit a) the Communist Sandinistas to ignore our requirements to implement democracy, and b) abandon the freedom fighters in Nicaragua in exchange for the Sandinistas' promises, which they would violate, to end their aggression against neighbors through support of Communist guerrillas and terrorists.

And five, the democratic people and leaders of Central America deplore the fact that since May 1979 the government of Mexico has followed an active diplomacy in support of the Communist Sandinistas and that Mexico has misled the Contadora negotiations into formulating two draft treaties that would be a false and destructive political arrangement. The democratic leaders of Central America hope that Mexico will finally realize that its own interests are not served by this diplomatic cooperation with Communist Nicaragua.

MR. ASHBY: Thank you, Dr. Facio.

QUESTION: Sir, what observations do you have on Costa Rica's president-elect Arias's public declaration that the Congress should vote against the President's request for aid?

DR. FACIO: I think it is a deplorable statement, and he did not make it before the election, but after, the next day after he was elected. If he would have done it before the election, I think he would not have been elected.

QUESTION: Just to follow up on that, has there been reaction in Costa Rica publicly?

DR. FACIO: Yes, there has been a great deal of criticism. All the newspapers have editorials against it. A poll was taken and 66 percent of those polled were in favor of Reagan's policies of support for the freedom fighters.

MR. ASHBY: I might add, that poll is in the public record, too, for anybody who is interested in that. Did you want to follow up with another question?

QUESTION: It is really a different question, but it is again on Costa Rican opinion. What is the opinion on the negotiations with Nicaragua, negotiations to have a peace treaty?

DR. FACIO: Well, the only way negotiations can result in peace is by establishing a democratic regime in Nicaragua. I do not think there could be peace in Central America with the existence of a totalitarian Communist government in Nicaragua.

QUESTION: But they have already had some negotiations in establishing a joint border patrol, or something of that nature.

DR. FACIO: Oh, well, there are interim solutions for problems of clashes on the border, but I do not think that is related to the main problem.

QUESTION: Did you not have a previous border patrol at some time?

DR. FACIO: We have had about a dozen, and they never render a report, and they have never determined who initiated the incidents on the border.

QUESTION: Do you think that the Sandinistas will ever negotiate with the Contras, or do you think it would take a complete military victory by the freedom fighters?

DR. FACIO: The theory that I see here is that pressure from the freedom fighters will bring the Sandinistas to the negotiating table, but if we look to history, since the Bolsheviks took power in 1917 in Russia, there has not been a single instance of a Communist government that let the people vote themselves out of power.

QUESTION: Do you think that bilateral negotiations going on between Nicaragua and Costa Rica will have any effect on the Contadora process?

DR. FACIO: Well, yes and no. If you consider the Contadora process as a solution for Central America, or if, on the other hand, you think that the Contadora group is not focusing the problem rightly and is not addressing itself to the real problem which is the existence of totalitarian government, then this negotiation may have an effect.

MR. ASHBY: Thank you very much, Dr. Facio.

Our next speaker will be Dr. Mark Falcoff of the American Enterprise Institute. Dr. Falcoff?

DR. MARK FALCOFF: I have just returned from nearly three weeks in Venezuela, Colombia, Costa Rica, and Guatemala, so I feel that I have some sense of what some Latin American views of Nicaragua here. I was, in fact, in Costa Rica the very week of the Arias statement, and was able to note the tremendous popular reaction against it--and this, not just by conservative elements, but important sectors of the President-elect's own party, and particularly in the press. I was much struck in that regard between the radical differences between the media's posture in Costa Rica and the United States.

I want to try to spend just a couple of minutes to share with my impressions, largely culled from this trip. First of all, there is a surprising ignorance of Nicaragua and Central America in general in

the northern tier countries, Venezuela and Colombia. I was frankly astounded at the number of important, key foreign policy writers, commentators, advisors, who have never been to Central America, who know nothing about Nicaragua.

I spent an evening with twenty of the brightest young people from the Venezuela foreign policy establishment--these are, I think, among the smartest people I have ever met in one room. They included two or three young men who in time are probably going to be future foreign ministers of COPEI or Accion Democratica governments. I must tell you that their ignorance of recent history in Nicaragua, and of U.S.-Nicaraguan relations, is astounding. The efforts of the Carter Administration to aid the Sandinistas seems not to have registered upon them at all, and I know such matters must have been reported in the Venezuelan press.

Paradoxically, or perhaps not paradoxically, during that evening the only two people in the room who seemed to be close to the Reagan Administration's position--or, I should say, the Reagan Administration's perceptions--were two young men who have just left the MAS party. This is a left-wing party made up of ex-guerrillas who during the 1970s decided to work within the system and have managed to elect a senator and several congressmen. These two young men, who are about to enter Accion Democratica, have just written a book about Nicaragua which offers an interpretation somewhat like that which Robert Leiken presented in his justly famous article in The New Republic a couple of years ago. Of course, having been Marxists, they have a much clearer idea of what is going on in Nicaragua. But the absolute ignorance of the most elementary facts about Central America--among people who on other international issues are impressively informed--was appalling to me.

Given this ignorance, South Americans can only approach Central America by extrapolating from abstract models of international relations; or perhaps they need not do this, but they prefer to do it, rather than to study closely what is actually going on on the ground. It is not as bad in Venezuela or Colombia as it is in places farther South (say, Argentina, where in addition to the factor of distance, you have a kind of racist contempt of the Central Americans, and a kind of determinism which concludes that such inferior peoples can never logically aspire to civilized forms of government).

Secondly, there is vast collective memory of U.S. intervention in Latin America that is continually being dragged out to serve as an excuse to avoid facing the Nicaraguan issue. If, in 1909, something happened in the Dominican Republic or Haiti, my God, that is somehow supposed to be relevant to what is going on in Nicaragua today. One can argue that perhaps the United States was wrong to imagine that the Kaiser or the Japanese were about to take over Haiti when we landed Marines there, but that does not exclude the concrete issue of the Soviet and Cuban presence in Nicaragua today.

Nonetheless, people pile historical metaphors one upon the other in a reasoning process which leads to the conclusion that the supreme evil in hemisphere is U.S. intervention. Any other outcome is, prima facie, not as bad as U.S. intervention.

Well, if you start from that point of view, you cannot really have any kind of discussion with--at least with this Administration. Personally I do not think that U.S. intervention, however construed, is necessarily the worst possible outcome in every case in 20th century history, and I do not think many Dutch or French people would argue that the worst thing that every happened in their national lives was U.S. intervention.

Now, I am not necessarily advocating U.S. intervention in one form or another--it depends upon circumstances--but if you start out from the position that that is the worst of all possible outcomes in Central America, then it is very difficult to have an intelligent discussion with a North American--at least, with this North American. I suppose you could have an interesting discussion with another Latin American.

One corollary to this is that the Latin American definition of "intervention" is very special. It certainly does not include the intervention in each other's affairs of other Latin American countries, because after all, there was plenty of Latin American involvement in the recent Nicaraguan civil war of 1978-1979, particularly on the part of Venezuela, Panama, and (to Dr. Facio) your own country, Costa Rica, as I remember. Nonetheless, in Latin American discourse, this is not considered intervention.

Nor, for some strange reason, is Soviet or Cuban activity considered intervention. Not that anybody responsible in any of the chancelleries advocates or apologizes for such. They simply do not regard it as coming under the rubric of "intervention" as defined by the vocabulary of inter-American diplomacy. I do not know quite why.

This leads me to the third point. If you start out, first, from ignorance, and secondly, from a kind of knee-jerk reaction that whatever the U.S. wants must be wrong, and that the most important, and indeed perhaps the only agenda is to prevent U.S. intervention in whatever form--including, and perhaps in this case, most especially, with regard to aid to Nicaraguan dissidents--then what can you do about it?

Well, then you fall into abstract conceptualizations, diplomatic and juridical formulas that have life only on the printed page.

In some ways this is a product of the anomalous nature of diplomacy in what I call upper-middle class countries, such as Venezuela or Colombia. Now, these are obviously nations which have

reached quite impressive levels of development--particularly Colombia, and that in spite of many social, economic and political problems. But on a Latin American scale, these are, or should be, major players. Yet a certain mindset prevents them from seizing their responsibilities, and taking shelter in postures (hiding behind meaningless juridical formulas) that would be appropriate to far weaker and less important countries.

To reiterate: when you reach a certain level of importance in the international system, you have responsibilities, not just privileges to be heard and taken seriously. What we have here is a disjunction between what we might call "upper middle class status" and continued "lower class" perceptions. It seems remarkable that such things persist in Venezuela and Colombia, who should be playing a major role in all of this. After all, they have a democratic tradition of their own: they have something to offer; they have a value to present in all of this. But particularly Colombia simply refuses to do this. One way of putting it is that they want to join the club, but they do not want to pay dues.

Well, you cannot do that in international relations. You cannot simply take refuge in literary documents. The recent statement of the Colombian foreign minister ("A bad treaty is better than none at all") is precisely the opposite of the truth. The United States, of course, has plenty of experience with "bad treaties"--particularly since Yalta. We do not want more bad treaties. We are not fascinated by the architecture of treaties. We are fascinated only by concrete solutions on the ground, which treaties can then embody and ratify.

Now, Colombia is a country with a long isolationist tradition. By and large its role in international affairs has not been great--certainly not as much as the United States, or Great Britain, or France, or for that matter, even Cuba. So all these moralistic posturings and recurrence to the practice by which enormously thorny political problems are resolved in a kind of helium balloon of juridical formulas--this is, in my opinion, not helpful, and I think our own Administration is wrong not to respond very concretely to the provocations of the Colombian foreign minister, and explain why we cannot follow his logic.

Instead of doing this, the Administration hides under a table and shouts, "We love Contadora." Actually, that's untrue: we don't love Contadora and there's no reason why we should.

There are twenty-one points to the Cancun document--it's like a shopping list. You can pick out anything you want, but you can't use the twenty-one points in their entirety as the basis for a treaty. The reason is that, if you sort the points out, they fall into two piles. Either they require the United States to withdraw from the area, or they require the Nicaraguan government to transform itself into something quite different from what it currently is. You can

have a Contadora treaty based on one set of principles, or on the other, but not both.

Now, of course, not all Latin Americans believe this. They act as if the reconciliation of opposites is possible through the simple manipulation of treaty language. There is much talk of "self-determination" and "ideological pluralism", but when you descend to the level of daily reality, you can see that such terms disguise serious problems.

You cannot reify Nicaragua and say, "Well, under ideological pluralism every people has the right to its own political form; it just so happens that some countries have elections and others don't." Implicit in this is the assumption that two and a half-million Nicaraguans prefer Sandinismo, and what is more, have to be frozen into that political form for all time. That is simply not so. Two and a half-million people could never have a single political opinion, much less without the opportunity to alter it in the future.

The reason Costa Rica is democratic is not that it practices that form of government, but because they have elections every four years. They have a competitive system of political parties; they have a free press. That's what ideological pluralism means--it can be applied only within political systems; not from without. You cannot reify states.

Turning back to Contadora--you have two choices. Either you take Nicaragua as a Communist state and accept it as a permanent reality, not admitting change at any point in the future--in which case you get a Central American Yalta (but without the very important difference that you won't have a Central American NATO to make sure that the lines remain permanently frozen)--or you don't. If you don't, you have to decide what to do about Nicaragua, and this is where that Latin American countries begin to dodge the hard questions.

The Administration is wrong not to state specifically what its problems with Contadora are, and how we might have a satisfactory solution within its framework. But we have to make clear which items of the shopping list are sine qua non, and why. The Nicaraguans deserve the same elections as the Guatemalans and the Costa Ricans; they deserve the same free press; they deserve the same human rights policies which both governments now advocate for their own people. They cannot be denied this under the false rubric of "self-determination" or "ideological pluralism."

It isn't enough to have a piece of power, or even a joint control commission. Remember what happened in Vietnam? The Poles always voted with the North Vietnamese, and the Canadians were always out to lunch when it came time for a vote.

And now, this leads to my final point. Behind all the cacaphony between the United States and the Contadora foreign ministries is a hidden agenda. In a recent article in Foreign Policy, Tom Farer said that the hidden agenda of Contadora was to prevent U.S. intervention. That is almost exactly the opposite of the truth. At a minimum, the hidden agenda of Contadora is to avoid having to take sides between what is perceived to be a spitting match between Nicaragua and the United States (as if the conflict between Nicaraguans were of no importance whatsoever). At a maximum, far from attempting to prevent U.S. intervention, it could even be to provoke it.

This may surprise you, but it would surprise no one intimately familiar with the details of recent discussions between the Nicaraguan dissidents and the Contadora foreign ministries. One very important exiled Nicaraguan leader told me recently that he and seventeen other democratic Nicaraguan political figures were in the capital of a major Contadora country--very major, certainly not Panama. The President of that country told them, "Well, of course, you realize that the U.S. has to invade. I mean, that's the only solution. We will denounce it. We will vote against it in the United Nations. We will erect monuments to the martyrs of Nicaragua. But of course, it's the only solution, and we understand that it's the only solution."

I have no way of knowing how often this charade has been repeated. But if that is the hidden agenda, then of course, Contadora is just a smokescreen, and all the comings and goings of foreign ministers and vice-ministers are merely a way of keeping busy while waiting for the U.S. to "take care of the problem".

And I believe again, it's a failure of the Administration to face these issues frontally. By so doing, it lets itself open, then, to what would seem to be legitimate criticisms by, say, the Washington Post and the Los Angeles Times, who seem so fascinated by Contadora. If you take matter at face value, the Administration's critics seem to be right: if you insist you love Contadora too, then naturally you're going to be called a hypocrite. Better to confess the truth and be done with it. The American people will understand and support you, and so, perhaps, will a surprising number of Latin Americans--not diplomats, not presidents, necessarily, but broad currents of opinion.

I think this is a very important point. It needs to be grasped; otherwise, we're never going to get off the merry-go-round, and the Latin American countries, particularly the Contadora countries, are just going to get nastier and nastier in their comments, while waiting for Godot--in this case, waiting for the Marines to do something which, in fact, they're probably not going to do.

MR. ASHBY: Thank you very much, Dr. Falcoff. We'll take a few questions from the audience.

QUESTION: Is there no variation--either one of you--is there no variation within the group of Contadora countries? Is there no country within Contadora that is more sensible, more amenable, to our point of view?

DR. FALCOFF: Within the whole club of participants in the broader process, I used to think that Venezuela and Costa Rica came closest to our position, which is giving highest priority to the re-pluralization of Nicaragua. Mexico does not have a democratic government, so it's not bothered, naturally, by the lack of democratic governments elsewhere. Mexico also believes in non-intervention and the automatic recognition of all revolutionary and de facto governments--though not the one in Chile, interestingly.

With respect to Costa Rica, there is a tremendous groundswell of support for our position--this I could observe when I was there last week--but the position which President-elect Arias seems to be staking out is not very close to ours.

In the case of Venezuela, I'm sorry to say I don't think there is now an awful lot of difference between it and the other Contadora countries. If there is a difference, it's simply nuanced by local considerations. The Mexicans are so obsessed with their hatred of the United States, that all they can think of is the need to see us humiliated, whatever the cost. I don't think that's true of Venezuela and Colombia. There, responsible opinion is genuinely unhappy with the situation in Nicaragua, but there is also a deep reluctance to do anything about it.

In the Venezuelan case this can be explained by certain situational factors. The country is going through a serious psychological as well as economic crisis: with the fall in the price of oil, there has been a perceptible decline in national self-confidence. In the immediate future, at least, there will be no painless growth through oil exports, and all the nation's values and institutions will be subject to pressures utterly unlike they have known in recent past. Any Venezuelan government must take special care not to seem to be a puppet of the United States, and those stresses are particularly strong at a time like this. So I am afraid not much can be expected there, in spite of that country's own democratic tradition and its own history of having wage a successful battle against Communist guerrillas.

Unfortunately, between Mexico's permanent revanchist attitudes towards the United States and the kind of Hamlet-like reluctance of Venezuelans to do what their own political culture would seem to dictate, there doesn't seem to be much for us to choose from.

MR. ASHBY: I think Dr. Facio wanted to add something.

DR. FACIO: I must say I have a different opinion about Mexico and the other members of the Contadora. Each one has his own reason for not having Contadora work, but Mexico especially doesn't--Mexico invented Contadora to avoid help to the people that were against the Sandinistas, and to try to legitimate the Sandinistas regime, because Mexico has the policy of supporting every Marxist-Leninist revolution, outside of Mexico, in order to avoid the Marxist-Leninists starting a revolution in Mexico, where the so-called objective conditions of revolution are given more than any other Latin American country, because there's no country with more misery and no country with more concentration of wealth in few hands than Mexico.

MR. ASHBY: I am afraid we are going to have to move on to Ambassador Winsor next.

AMBASSADOR WINSOR: I would like to address the theme of Nicaragua and Latin America in two contexts. First, the extent to which the uncertainty surrounding the problem of Nicaragua has influenced the economies of the countries around it and, in some cases, countries elsewhere in the Hemisphere. Second, I would also like to address the extent to which our policy toward Nicaragua is seen by the countries in the region, is having an adverse effect, which is both political and economic in its nature.

One of the first effects of the betrayed revolution in Nicaragua, was the extent to which the Nicaraguan government failed to honor its commitments to the Central American Common Market. Today, largely because of the lack of hard currency in Nicaragua and the inability of Nicaragua to honor its regional financial commitments, there is a \$400 million frozen Nicaraguan debt which is outstanding against their trading partners from the other countries of Central America.

This has had a catastrophic effect on a number of industries in Costa Rica, in Guatemala, Salvador, and Honduras. These industries were dependent upon the larger marketing apparatus that the Central American Common market offered, even in its reduced form, following the "soccer war" between Honduras and Salvador in the 1970s.

The loss of this market has been very destructive, and I believe that the key to it is to be found in the Nicaraguan failure to provide its contribution to liquidity in order that the C.A. Market continue. The result has been the failure of everything from bicycle factories to paper factories throughout the region, and this has been very serious.

This leads to the second issue. The uncertainty created by the Communist regime in Nicaragua has resulted in a serious lack of will on the part of investors in Latin American countries, and especially countries that are neighboring Nicaragua, to invest in new industry.

We have seen increased disinvestment. When I was Ambassador in Costa Rica, I estimated that, by the time I had departed the country, there was as much as U.S. \$1 billion in Costa Rican funds in Miami banks, and elsewhere. This capital flight is not due to lack of confidence in Costa Rica; but it is due to lack of confidence in what is going to happen in the region with the growing Nicaraguan threat.

This, compounded with the lack of new investment as compared to what we had hoped might be the case, has partly been defeating the objective of our enormous and altruistic U.S. aid program to the Democratic Central American countries. As a result, the program is merely serving to sustain hemorrhages, to keep Central America's economies going instead of building them. The earnings of the private sector often end up in Miami.

I believe that this is an issue that should receive consideration when we look at it as the price of a Sandinista government dictatorship in Nicaragua that has broken all of its promises to the OAS and the United States.

U.S. aid must continue to sustain the economies of the Central American countries. But we should consider one of the costs of Communism in Nicaragua to be the loss of the growth effect that U.S. aid should have had on those fragile, democratic economies.

I would like to conclude with a broader observation about the U.S. policy towards Central America. I believe that as long as the Nicaraguan betrayed revolution exists, as long as we maintain a full embassy and apparent legitimate relationships with a regime that is far less legitimate in its behavior than its predecessor, whose legitimacy we joined other Latin American countries in repudiating, and as long as we are attempting, in a fumbling and uncertain manner, to help the freedom fighters, but not enough, we cannot expect to have great credibility in Latin American capitals.

The Oglar Arias's of this world, the Tiar Monges (PH), the Venezuelan leaderships, Colombian leaderships, must think of their countries, their place in history, and what they will be facing years from now. They see an uncertain American policy toward a continental threat and a growing and aggressive Nicaragua. They cannot then easily believe that the United States would respect the Rio Pact, a question that is, I would say from the evidence, increasingly valid. If these items accumulate sufficiently, we will have little credibility in Latin America, Europe, or with our own Congress.

I believe that this is an Achilles heel which has to be addressed, because it addresses U.S. credibility worldwide. It addresses the old barb that was so popular during the Carter administration that it is "dangerous to be a friend of the United States."

I believe, then, that we must help the freedom fighters, that economic issues as well as political issues are involved, that profound human issues are involved, and that ultimately, the credibility of the United States as the pillar of democracy and pluralism in the world is at stake. Thank you very much.

MR. ASHBY: We will take a few questions for Ambassador Winsor. Yes, sir.

QUESTION: This is a general question. We have heard this morning from a number of speakers, about the attitudes of Costa Ricans, like Mr. Arias, and what Honduras is going to do under Azcona. We haven't heard a word about the Guatemalans. Would anybody care to address how it might come down on things?

DR. FALCOFF: I refer you to President Cerezo's remarks on the McNeil-Lehrer Report during his visit to the United States in December. I quote, "We have to accept that we are living with a reality: Nicaragua exists in Central America." I would interpret that as meaning, "democracy for Guatemala, Communism for Nicaragua."

MR. ASHBY: Thank you very much, gentlemen.

MR. WEINROD: Next, I am pleased to introduce Professor John Norton Moore of the University of Virginia Law School. In addition to his teaching duties, Professor Moore is Chairman of the Board of Directors of the U.S. Institute of Peace. Professor Moore has written extensively on many international legal issues including the U.S. role in Central America. He served in the State Department's Office of the Legal Advisor in the early 1970s.

MR. MOORE: I would like, today, to make three very straightforward points. Those points are all interrelated, and I would like to come back to a single theme conclusion that I believe builds on all three of those points.

The first really starts from a little vignette after the Vietnam War in which Colonel Harry Summers, who is an author of an excellent little book on strategy, was talking to a series of generals of the North Vietnamese army and reminded them that the United States military forces did not lose a single battle of the Vietnam War on the battlefield. A North Vietnamese General responded, "That is absolutely correct, and absolutely irrelevant."

His point, of course, being that North Vietnam won the war primarily through a protracted conflict strategy and a political, targeted political military kind of activity in which ultimately, within the United States itself, and the United States Congress, however one feels pro or con about any of these issues, the war was terminated with United States unilateral withdrawal, in essence.

Now, it seems to me that the other side has probably drawn a lesson of Vietnam, and that lesson of Vietnam may be quite different than the more popular mythologies in the marketplace in the West as to the lessons of Vietnam, and I suspect it is that one of the critical, central fronts in conflict is the political front, and particularly the political front within the United States and the democracies as a whole. And it does seem to me that, in looking at low intensity and middle intensity covert kinds of guerrilla warfare attacks, that we should, as a starting point, understand that the central political front, the battle for the hearts and minds of the American people and more specifically, the battle for the hearts and minds of American Congressmen, is a critical, crucial front in the overall struggle.

Now, the second point is, when an international lawyer approaches a war-peace issue, he uses a structure that took about 2,000 years to evolve, and which I think makes a great deal of sense. It is a structure that says that aggressive attack is illegal in international relations but that one is permitted to have effective individual and collective defense against aggressive attack.

Now, that is, I think, an important insight for a number of reasons: one, it says in essence nations are free to interact with a great deal of competition in every realm, but they are not free to pursue foreign policy objectives--value extension, if you like--by the aggressive use of force. If that is to be realistic in any sense, though, and we are to protect the fundamental principle of self-determination and human rights, then the parallel principle that goes with it is equally important: that we have an effective right of individual and collective defense. If there is no right of defense and there is no difference between aggression and defense, there is virtually no normative world. Maintaining that distinction, its health, its strength, is of critical importance.

Now, there is a fundamental challenge to that distinction. That challenge comes because, in the post-charter environment, for the most part, aggressive attacks are not openly armies on the march, but they are support of terrorism to destabilize, low intensity conflict, support guerrilla attacks, in essence, extremely sophisticated efforts to achieve one's objective in altering political integrity, or destabilizing the democracies by the use of force, but with denied strategies.

Now, the impact of that, as that strategy is seriously pursued against the democracies, is a number of things that I think are quite harmful to world order. First, by having this ability to say you are not really engaged with an army on the march with an international boundary, there is sort of a plausible deniability to it, it is accompanied with an enormous disinformation campaign, and the result is that the effective real world armed attack is sort of below a threshold of political recognition.

Every now and then there is a newspaper article that talks about the evidence of the armed attack against neighboring states but, for the most part, it is below the threshold of what the popular media and people as a whole in the democracies really understand is an armed attack as they would when Hitler simply invades Poland with armies on the march.

Now, that means that you have, on the one hand, already begun to break down the principle of non-use of aggressive force in international life, because there is very little sanctioning mechanisms that come into play if, in effect, it is all very low level, it is hidden, has a confused target audience, et cetera.

The second side of that is when the democracies respond against that kind of low intensity warfare, by the nature of democracies, whether they call their action overt-covert, or quasi-covert, or whatever they call it, it is going to be well-known. In essence, it is going to be an openly acknowledged fact that they are responding with the use of force.

That means that the system then begins to focus its entire force on non-use of force, its entire ability to deter aggression frequently on the defensive response. It is as though the immune system of the charter system had broken down fundamentally and, rather than attacking the virus of aggressive attack, was attacking instead defensive efforts and fundamentally undermining a significant and critically important principle of world order.

Now, that, it seems to me, as the second point, is exactly what is happening today in Central America. We have a Cuban-Nicaraguan secret war directed against neighboring state, primarily directed against El Salvador with a very serious armed attack against El Salvador, but also a significant attack, destabilization efforts, terrorism, et cetera, directed against Costa Rica and Honduras and, a few years ago at least, rather significantly against Guatemala as a state in the overall mix that had been targeted as well.

Now, the evidence for that kind of armed attack is, I believe, very, very clear on the record when one takes the trouble to put it all together and talk about it. The reality is that there is little of the general perception in the West that, in fact, what we are dealing with is a clear Cuban-Nicaraguan secret war against neighboring states.

If that is what we are dealing with, and my third point is going to very briefly give you some of the available facts on that, then it seems to me it is critically important for the West in justifying its own action and dealing in this political marketplace that is a central front, to talk openly and clearly about its actions being defensive in response against armed aggression.

Now, let me give you some of the facts and then go on just to give you a little bit of the law, and why I think there is some confusion, and why people in general are not talking in what I regard as the central core of the world order problem in Central America.

First, let us look a little bit of some of the facts, and you will find the facts in reports issued from the intelligence community, the Department of State, the Defense Department. There have been six such white papers out since 1981, but they are only one source that I can look to. I will not even cite those, although I think that they are, if anything, cautious understatements of the reality, just as we know now from General Giap's statement in the Vietnam setting that the white papers issues during the Vietnam War that were so roundly condemned by the academic community in fact turned out to be cautious understatements of the extent of the North Vietnamese involvement. My own sense, after looking at the facts, is that, indeed, is what the current six white papers are as well.

But we can simply begin with congressional findings. May 1983, Report of the House Permanent Select Committee on Intelligence which has a Democratic chairman and a Democratic majority: "The insurgents are well-trained, well-equipped with modern weapons and supplies and rely on the site in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments provided to the Committee is convincing. There is further evidence that the Sandinista government of Nicaragua is helping train insurgents and is transferring arms and financial support from and through Nicaragua to the insurgents. They are further providing the insurgents bases of occupation in Nicaragua. Cuban involvement, especially in providing arms, is also evident."

Now, if we look to Congress as a whole, in the Intelligence Authorization Act of 1984: "By providing military support including arms, training, logistical command and control and communications facilities to groups seeking to overthrow the government of El Salvador and other Central American governments, the government of national reconstruction of Nicaragua has violated Article XVIII of the Organization of American States."

In March 1984, Democratic Senator Daniel Moynihan, Vice Chairman of the Senate Select Committee on Intelligence reported: "It is the judgment of the Intelligence Committee that Nicaragua's involvement in the affairs of El Salvador and, to a lesser degree, its other neighbors, continues. As such, our duty--or, at the very least, our right--now, as it was last November, is to respond to these violations of international law and uphold the charter of the Organization of American States. In sum, the Sandinista support for the insurgency in El Salvador has not appreciatively lessened, nor, therefore, has their violation of the OAS Charter."

August 2, 1984, Democratic Chairman of the House Intelligence Committee, Congressman Boland in a colloquy with Congressman Coleman on the floor, indicated that Nicaragua was continuing to provide: "Military equipment, communications, command and control, logistics and other support activities to the insurgents in El Salvador."

The Kissinger Commission found that: "The guerrilla front has established a unified military command with headquarters near Managua."

Now, those are just a few representative congressional quotes. You will find the same thing running through statements of the principal Central American leaders. On December 22, 1983, President Alvara Bagania of El Salvador told a Spanish newspaper that: "Armed subversion has but one launching pad, Nicaragua. While Nicaragua draws the attention of the world by saying that for two years they have been on the verge of being invaded, they have not ceased for one instance to invade our country."

President Duarte of El Salvador, July 27, 1984: "What I have said from the Salvadoran standpoint is that I have a problem of aggression by a nation called Nicaragua against El Salvador, that these gentlemen are sending in weapons, training people, transporting bullets and what-not, and bringing all of that to El Salvador. I said that at this very minute, they are using fishing boats as a disguise, and are introducing weapons into El Salvador in boats at night. In view of this situation, El Salvador must stop this some how. The Contras are creating a sort of barrier that prevents the Nicaraguans from continuing to send arms to El Salvador by land."

Foreign Minister of Honduras before the United Nations, April 1984: "My country is the object of aggression made manifest through a number of incidents by Nicaragua against our territorial integrity and civilian population."

If you read the national media carefully, you will find the same thing. March 19, 1982, Alan Riding, writing in the New York Times: "The Salvadoran guerrillas acknowledge that in the past they received arms from Cuba through Nicaragua, as the Reagan Administration maintains."

September 21, 1983, the Washington Post carried a major article about how a reporter permitted by the Sandinistas to see a "fishing cooperative in Nicaragua instead found a secret base for ferrying arms to El Salvador."

On April 11, 1984, the New York Times reported from Managua: "Western European and Latin American diplomats here say the Nicaraguan government is continuing to send military equipment to the Salvadoran insurgents and to operate training camps for them inside Nicaragua."

You will find the same thing from publicly available defector reports--not a few of them, but all of them, very consistently. For example, in an interview with the Washington Post, Miguel Bolanos Hunter, former member of the state security system of the Sandinista regime, confirmed the involvement of both Cuba and Nicaragua in the Salvadoran insurgency and said, "The Sandinistas give total help, advice and direction in terms of how to manage the war and internal politics. The guerrillas are trained in Managua. The Sandinistas help the air force, army and navy get arms through. Some arms come from Cuba, via Nicaragua. They use the houses of Nicaraguan officers for safe houses and command posts. There is is heavy influx of communications, getting orders. You could say the whole guerrilla effort is managed by Nicaragua."

Alejandra Montenegro, the former Commander-in-Chief of the National Central Guerrilla front of the People's Revolutionary Army in El Salvador, who is the one that led the major attack against the Upango Airport, reported major involvement by Nicaraguans assisting the guerrilla movement in El Salvador. In an interview with the New York Times, he was quoted as saying: "Virtually all the arms received by the guerrilla units he led came from Nicaragua." And: "In 1981 and 1982, the guerrilla units under his command in San Salvador and north of the city received 99.9 percent of their arms from Nicaragua." He also reported that the attack on the airport was carried out by seven of his men who had returned from Nicaragua after six months of training in Cuba, and he told a congressional group: "What I want to make very clear is that Managua is where the command center is in every regard."

For me, one of the most bizarre of all of these sources of evidence, however--and there are many of them and I have just given you a slight flavor of it when you put the record together--is an exchange between Judge Stephen Schwabel of the International Court of Justice, an American national, with a Mr. McMichael, also an American national, a low-level former CIA contract employee who was being a star witness for Nicaragua before the World Court. Despite the effort of that star witness for Nicaragua to be helpful, here is what came out in the colloquy:

"I understand you to be saying, Mr. McMichael, that you believe that it could be taken as a fact that at least in late 1980, early 1981, the Nicaraguan government was involved in the supply of arms to the Salvadoran insurgency. Is that the conclusion I can draw from your remarks?"

Answer: "I hate to have it appear that you are drawing this from me like a nail out of a block wood but yes, that is my opinion."

Well, here we have it, even on the record from the principal witness of Nicaragua before the World Court on the factual issue. And, by the way, elsewhere it is established that all of that took place consistently before any kind of United States-Contra response. So the factual background, when one takes the trouble to put it together is, in fact, very clear: There is an ongoing, serious, secret war being continued today. One of the very useful disinformation campaigns is a little technique to focus all of the denial on arms transfer.

Arms transfer is simply one of the indicators of fact. You do not need a lot of new weapons being surged into El Salvador. There is still a weapons supply and continuing flow of weapons, though it is down compared to what it was in late 1980 and early 1981. All of the other indicators are continuing at a very high level.

The armed attack in short, is continuing. It is serious. It has, as its objective to overturn the government of El Salvador and to replace that government with one that will be Marxist-Leninists and work with the Sandinista groups.

Let me just, in concluding, draw a couple of legal conclusions from that setting. That is a clear, ongoing armed attack, under the charter of the United Nations or, if you would like, the more technical term used in more of the language versions under the charter, "armed aggression." Now, that is a setting that justifies the United States and every other state in Central America and Latin America and North America--indeed, from all over the world--to provide assistance in individual and collective defense to the states that are being attacked.

The attacks from Cuba and Nicaragua are in absolute, total, clear violation of the charter. I have never heard any debate whatsoever about that. The issue is simply ignored. The public debate begins, let us assess the United States response. The debate needs to begin, let us assess the overall context; what is the lawfulness of what is being done to El Salvador and other states from those that are basically instigating the crisis in Central America? The answer, unequivocally, is, it is absolutely, clearly illegal under at least eight fundamental charter and legal norms, General Assembly resolutions, et cetera.

The other point I would like to make, simply in terms of the defense response, is you are then entitled to operate in defense under Article XI of the U.N. Charter and Article III of the Organization of American States system. Not only are we entitled to operate in defense, but there is a legal obligation, under Article III of the OAS treaty, to go to the assistance of states that are attacked. That obligation is every bit as strong as it is under the NATO Treaty.

Now, we can tear it up, and we can say that none of that counts; they are simply treaties, paper things. Nobody will ever take us into court on any of those. But if they mean anything, they should be important political obligations and the United States, it seems to me, has as real an obligation to go to the assistance of El Salvador and neighboring states as it does to go to the assistance of a NATO nation were they to be attacked.

Last point under the law: you have an option when you are acting in defense. You can send in your armies openly and have them respond. You can have covert action. You can have a mix of the two. Any of those kinds of response is lawful provided you follow the general rules of necessity and proportionality of one's response.

I think there is a great deal of confusion that because an action is quasi-covert or takes the form of aiding insurgents, that somehow that does not fit under defense, and that is just simple nonsense. As early as the Presidency of Thomas Jefferson, the United States engaged in the supply and creation of an army of foreign nationals to respond to an armed attack. In this case, it was a series of continuing armed attacks from the Bay of Tripoli against shipping and Thomas Jefferson, in addition to using naval force, created an insurgent army of foreign nationals that were supported by the United States and were ultimately successful in bringing enough pressure on the Bay of Tripoli to stop the action.

During the Korean War, the United Nations command employed about 2,000 guerrillas and irregular covert action forces in North Korea incident to the ongoing conflict. During World War II, the allies provided assistance to insurgent movements and sought to create insurgent movements in virtually all of the occupied territories.

During the Malaysian insurgency, the so-called Malaysian emergency, in which the United Kingdom was trying to help Malaysia against a covert armed attack very similar to what we see in Central America that, at the time, came from Indonesia they responded not solely with assistance to Malaysia, but by creating an insurgency also in Indonesia.

In short, there is very good precedent for covert and quasi-covert and mixed kinds of responses as well, and in my judgment one of the most important things in trying to have the country debate this issue and think clearly about it, is to realize we have an ongoing, serious arms attack coming from Cuba and Nicaragua directed against neighboring states. It is quite important that that be part of the debate, that the debate not start by asking the question, how can we justify U.S. action in this setting? Are we not doing sort of the same thing they are doing? They are all trying to aid forces that are consistent with governments on their side or that they like.

That is not at all the reality of Central America. The diplomatic history shows that we did everything that we could to avoid going to the use of military force in Central America. The Enders trip, for example, in August 1981 could not have been clearer that we simply said, flatly, "Stop your armed attack on the neighboring states and we will resume aid."

Ladies and gentlemen, the armed attack did not stop, it has not stopped, and I find rather strange, actually, the principal core debate that I am hearing on the Hill today which is whether we aid the Contras and provide continuing defensive assistance, or we proceed through the Contadora process.

It seems to me that, if in the middle of World War II, while you are trying to respond to an armed attack, somebody posed the choice to the American people that we should somehow stop all defensive war efforts against the ongoing armed attack and negotiate with the other side, as opposed to, in that case, clearly trying to have a military victory, but even in a setting in which one is continuing to negotiate, I do not regard that as an alternative to a defensive response in a setting of an armed attack.

But by not putting in the framework of the ongoing armed attack, it seems to be that we lend the discussion to all kinds of things that sound plausibly correct, but do not really put it in the overall context where it belongs.

Thank you.

MR. WEINROD: Thank you, John, for a very thorough analysis of the legal issues. I would like to take a few minutes if there are any questions in the audience for John and then we have to move on to our next guest, who also has a very tight schedule, but if there are questions, please--yes, sir?

QUESTION: Mr. Moore, how do you think this involvement of ours, rational aggression, is a proper response to the Soviet brand of aggression?

MR. MOORE: Well, I think in this particular case, the Cuban-Nicaraguan attack is a square violation of the Soviet draft definition of aggression. What you really find in the Soviet definitions of aggression are fairly conservative standard kinds of definition of aggression, though they are fairly mechanistic. The problem is, in their practice and in their political writings, they simply follow differing kinds of doctrines. The Brezhnev doctrine is an effort, in a struggle for law, to legitimate the ability to hold a Colonial Empire once they obtain a Marxist-Leninist system.

In their notion of wars of national liberation, they basically operate over on the political side of the ledger. When their

international lawyers talk about it, they bring out the definitions of aggression, et cetera, and say, "Look what we voted for." But basically, in this case, there is not any question at all. The Soviet draft definition could not be clearer. It says: "That state that permits its territory first to be used for the support of armed bands and guerrilla units in attacks against another state is the aggressor."

Now, that word "first" is also very clear under the Soviet draft definition of aggression. They clearly have in mind that one has the right to respond to indirect aggression, and that is exactly what we have in the Central American conflict, but, by maintaining this as low intensity warfare, denied, they simply lied about this before the World Court, their Foreign Minister puts in an affidavit, a sworn affidavit, saying, "We are not providing any assistance, et cetera, to the insurgents in El Salvador," which makes for an interesting record when his own principal witness contradicts him on the record on that, but it is an effort simply to keep him below the threshold of what is politically visible to the West.

QUESTION: Are these provisions that you mentioned that permit collective action, or unilateral actions, not interim measures and do they not require that the countries report to the international organizations the actions that are taken, and that there be some decision by the organization to legitimize those actions? If not, then you are in a state where basically every state interprets international law individually and you have no international law. Then the Soviets would have an equal justification to provide self-help against the Contras and in Honduras, against the Nicaraguans.

MR. MOORE: Well, there are a whole series of things you have raised there. Let me take the two.

First, what does international law provide in terms of the interface of international organizations like the OAS, and secondly, in light of what it provides, what is left of international law in terms of how you make fact determinations?

The answer to the first question is that you do not have to wait for, let us take the U.N. charter first, for Security Council action in order to take a defensive response. In the real world, there would be no ability, given the veto of the major powers in the Security Council, to ever have a defensive right that would mean anything whatsoever if that were the rule. It is not the rule. It is a common misperception that it is the rule.

QUESTION: Do you not have to report it, though?

MR. MOORE: There is a requirement in the language of Article II in the English version that your actions be reported to the Security Council;

in the French version, which is equally authentic, that it be brought to the cognizance of the Security Council.

Two points about that. First, even if you were totally in violation of that provision, it would not do away with your defensive right, which is customary international law, because the same article that has that requirement says, "Nothing in this charter shall impair the inherent right of individual in collective defense."

The second point is that the United States has repeatedly brought to the attention of the Security Council in speech after speech of Jeane Kirkpatrick and others--at one point, I collected them all--it is another common mythology that the United States somehow has not brought any of this to the attention of the Security Council.

Let us look at the OAS system, because that is the one where most of the mythology is thrown around, particularly in the legal debate. Under Article III of the Rio Treaty you are able to respond as soon as an armed attack takes place. You can respond individually or collectively. There is no requirement to wait for a collective decision of the Organization of American States, and that legal right continues under the Organization of American States Charter. It is parallel, in that connection precisely, to the United Nations Charter.

Now, the point that the OAS Charter goes on to add that is most important is that there is an obligation, not simply a legal right, to provide individual or collective defense, but a legal obligation to provide collective defense in a setting of an armed attack. And, of course, the whole point of the strategy of the low intensity warfare, the below-the-threshold guerrilla attack, is to try to confuse your ability to respond under the Charter, to confuse public opinion, to make it difficult to get the facts on it, and to make one's response very halting.

And, in fact, I think they have been enormously successful in a political sense in doing exactly that. The principal debate that is taking place in the West is not in the setting of response to an armed attack in which we have an obligation in this Hemisphere to protect the integrity of a nation fundamentally attacked and with its self-determination threatened, but it really is one in which we seem to be debating whether the United States has a Brezhnev doctrine of its own, or something of that sort, and that is not the reality of U.S. policy.

MR. WEINROD: John, I want to thank you very much for coming by and sharing your knowledge of international law and the situation in Central America.

Our next panelist, a gentleman who is very much at the center of the legislative end of U.S. policy in Central America is Bill Perry. Dr. Perry has an extensive background in working in Latin American

affairs, most recently at the Georgetown Center for Strategic and International Studies and currently serves on the staff of the U.S. Senate Foreign Relations Committee. We greatly appreciate his coming by and look forward to hearing his thoughts on U.S. policy in the region.

BILL PERRY: Thank you, Bruce. I am very appreciative to have had the invitation to be here. I am sorry that, since my departure from the academic world, I get reacquainted with it at events like this from time to time and see how far I become removed from it in a little over a year.

I am very happy to be between two distinguished academics like Dr. Moore and Jiri Valenta. I do not have much in the way of a formal presentation, and the situation that I am faced with changes hour to hour in any event, so it would be difficult to concoct one.

The situation is still fluid on the Hill with respect to the President's proposal. I think it is going to be a little bit of an uphill fight, particularly in the House. There have been certain changes from the environment last year. They are generally favorable to the Administration's proposal, but not overwhelmingly or decisively so.

If you remember, last year we had two votes on the topic of aid to the armed opposition in Nicaragua. In April, the Senate passed essentially the old program over again by a 53-46 vote margin and it was defeated in the House. And then in June, a reconstituted package, which, in the Senate, was known as the Lugar-Nunn package, which my Senator and I helped stitch together, and over in the House was known as the McCurdy-Michaels business, passed in the Senate by a majority of 55 to 42.

Of course, we are asking for a little bit more this year. We are asking for military aid for over two-thirds of it as opposed to nonlethal, or humanitarian, aid; and we are asking, the Administration is asking, for the lifting of restrictions on the provisions of that aid, particularly the military component of it, that might not have been acceptable last year.

The Sandinistas have continued to discredit themselves pretty effectively. I think in the Senate, particularly that school of thought that once believed, or affected to believe, that if you left the Sandinistas alone they would somehow evolve into a democratic form of government has almost become extinct. You might find twenty or thirty such people in the House, but not in the Senate.

On the other hand, I cannot honestly sit here and tell you today that the President's proposal therefore enjoys at this moment overwhelming support. A number of factors, or a number of suggestions, are still raised that will make it difficult for us to go

much above 55 with the President's proposal as it stands now. I will personally fight like hell for it. The majority of the Republicans on the Foreign Relations Committee and the Chairman himself will fight for the President's proposal, but it is going to be tough sledding, and this is complicated by some of the confusions to which Dr. Moore alluded, and also to the frenetic activities of interest groups on this topic.

Bruce and I did work in the academic policy area for a long time and we know what that is like. If you go to a Latin American studies meeting there are essentially two constituencies, the liberals and the radicals, and as a result, most of the people who are violently interested in Latin America and who are calling my office about every two minutes, you could easily get the impression in my job that 90 percent of the people in the United States are against Contra aid and 100 percent of the people believe in God.

There are, however, some interesting fissures or divisions in the Democratic Party as well, or at least with the traditional liberal line in the Democratic Party. I think I have seen some signs during the two hearings we held in the last four days that there may be some divisions between those younger, more moderate, more ambitious, more future-oriented Democrats that might feel sort of a continuation of the liberal position as the dominant position in the Democratic Party is not going to get them very far in a national political forum and that they may be somewhat embarrassed by their historical record on Central American issues, and that there may be some opening for shifts in votes as we get farther on down the line.

I think the thing that causes me the most cogitation and sleepless nights and things I am thinking about on a day-to-day basis is whether we, the Administration, wants us to go directly ahead for an up or down vote on the Administration's proposal without any amendments or modifications, in which case it will be tough in the Senate, and tougher in the House, or whether we can encounter some modifications that might even improve the program and attract additional votes, and move in the high 50s in the Senate and provide something to the House that might stand a better chance of passage.

MR. WEINROD: Bill, I want to thank you very much for joining us, for I think it was very good insight into the current legislative situation, legislative tactics and process.

We are about to move into what I think is really the most important part of the entire day's program, the highlight, which is a direct discussion about the current situation and U.S. policy by those most intimately involved in the leadership of the forces fighting against the Sandinista government, struggling against it. I do not want to spend a lot of time in introductions, because I think our audience knows full well that we have seated next to me Senor Adolfo Calero, the leader of the FDN, and I must say, to our pleasant

surprise, we also have joining us Arturo Cruz, who all of you also know.

We should ask Senor Calero who has been thinking about this a bit to just give us his comments and then I would ask indulgences, to ask Senor Cruz to also perhaps add a few additional comments, and then we will have time for questions and discussions from the audience as well.

Senor Calero?

ADOLFO CALERO: Thank you. I feel comforted by the presence of Arturo here today.

I cannot come here and tell you Americans what your policy should be, what your foreign policy should be, with regards even to my country. So I will limit myself to observations which can be made in the light of recent experiences in Nicaragua and in other countries. Going back to 1979, in October to be precise, at the time of turmoil in the country when the Nicaraguan people had obviously decided to shake off the Somoza dictatorship, a mediation effort was made in which the United States participated. This mediation effort, which was also joined by Guatemala and by the Dominican Republic, offered the Somoza dictatorship the opportunity for a peaceful transition to democracy.

However, Somoza's obstinacy and a lack of decision on the part of the Administration in this country, prevented such an event from taking place. In Nicaragua, from September 1979 to the end of the year, there was a very similar situation as the one that existed in the Philippines just now. Had the U.S. Administration been forceful, at the time we could have achieved then what was achieved by this Administration in the Philippines. We do not know what the outcome of it would be, but at least we know that the Philippine government is not a government that resulted from a civil war, is not a government in the hands of Marxists or dominated by Marxists, or even a combination of Marxists and nationalist Filipinos.

And the fact is that, right now, we are confronted in Nicaragua with another big decision, a hard political decision in this country: Should the United States aid the democratic effort in Nicaragua to pressure the Sandinista government to come to the negotiating table, to effect a stop to the repression that exists in Nicaragua in order for the Nicaraguan people to be able to have a voice in their future, a voice in their affairs?

Because, without this pressure, the Sandinistas are free to repress the people, the civilian people of Nicaragua, to keep them in line, to silence them; the citizens are unable to express themselves, even in a passive way, as happened in the Philippines, because in Nicaragua, a reunion of three people is forbidden by law.

There is still time for the United States to act now, as there was time back in September 1979 to act, and I feel that if no action is taken today, if the manana attitude, which we Latins are accused of, is used by this government in dealing with the Nicaraguan situation, then the price will go up, as it went up from 1979 to today. And, in a few years, we could be faced with a permanent Soviet base in contradiction with a reaffirmed Monroe Doctrine as stated in Public Law 87-733, with respect to the situation in Cuba. Dated October 3, 1962, it gives the U.S. the right to prevent, by whatever means they deem necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this Hemisphere.

I imagine I do not have to go into the details, into the analogy, of what is happening in Nicaragua, what is happening in Cuba, and also to the fact that Nicaragua is occupied. If there was U.S. occupation in Nicaragua by request of the governments, back in the early 1900s, there is occupation of Nicaragua by a foreign force of about fifteen and twenty thousand foreigners, mostly Cubans, in Nicaragua today.

I would like to remind you that at the height of the U.S. occupation of Nicaragua there were 5,000 Marines and that, for many years during those years, all we had was a legation guard of 100 Marines. And then the U.S. occupation of Nicaragua was a constant concern of Americans, was a constant concern of other countries also and the Cuban occupation of Nicaragua should be a concern to all Americans, and it is to us Nicaraguans.

Another thing that I would like to comment on, to make my observations on, is that not enough support to us is equivalent to no support at all. Indecision on the part of this country or halfway decisions are also of no support, of no use, no avail to us.

What happens? Everybody talks about how the United States has helped, about how we are Reagan's army, about how we are a proxy this and a proxy that and they call us all sorts of names. The truth of the matter is that we did have the Nicaraguan people's support at one point. We were full of expectations as to what we could do for our country. But then we were completely cut off from American support in May 1984.

And from May to October 1984 we did not receive anything from the United States even though the President signed into law on the 29th of August the humanitarian aid, which consisted of food, medicine, and clothing.

Now, there are people who are talking about letting Contadora decide what the United States should do. Let Contadora resolve the problem of Nicaragua. And the Contadora foreign ministers request that

the U.S. aid be stopped in order to give Contadora an opportunity to resolve the problem in Central America.

But no one recognizes that Contadora already had this opportunity from May 1984 to August 1985 when the U.S. had cut the aid off. Recently, President Duarte made a public proposal that he is ready to talk to the FMLN Marxist guerrillas in El Salvador if simultaneously Ortega in Nicaragua is willing to talk to us and negotiate with us.

We have repeatedly stated that we are ready and open for talks with the Sandinistas. There is criticism that the diplomatic channels, that the negotiation channels, have not been properly explored by us or the U.S. Administration. The fact is that there are no less than eleven proposals made to the Sandinista government individually, by the different groups of Nicaraguan opposition, and then by the united Nicaraguan opposition together, all together. The Sandinistas have answered with insults.

We have given negotiations a chance. Not only that, but we will keep on giving negotiations a chance. But how can you bring to the negotiating table those not interested in negotiations by nature, those who have shown an interest only in aggression and repression, like the Sandinista government?

We have very clearly stated that within eight months of the new government, of the new provisional government, we would call for a constitutional assembly and within eighteen months we would already have a constitution and within two years we would have legitimately and freely elected government in Nicaragua. After six years of Sandinista rule, the Nicaraguan people still do not have a constitution. Thank you.

MR. WEINROD: Thank you very much, Senor Calero. We would like to ask Mr. Arturo Cruz to give just a few remarks as well, and then we will open the floor for questions and discussion.

ARTURO CRUZ: Well, I certainly appreciate greatly to be on this panel. I will be very brief; I do not intend to abuse your time.

First of all, I fully share Adolfo's view that the bonds between Nicaragua and you Americans are very strong. One of the canards disseminated by the Sandinistas and their apologists is that in Nicaragua there is an anti-American sentiment. That is bunk. As a matter of fact, I believe that today pro-American sentiment is the highest ever, because the Nicaraguan campesinos see the United States as the only hope for freedom.

Second, I just want to mention that I also share Adolfo's views that we want to negotiate with the Sandinistas. But, as Adolfo has also pointed out, totalitarians do not believe in pluralism.

Totalitarians do not believe in power sharing--which we are not asking.

Today, Contadora is the name of the game. We respect Contadora, but we also demand from Contadora and the Lima Group countries that they also act responsibly. There are two factors in this tragedy. One of them is that, up to now, Contadora has been acting as sort of the conscience of the United States, the defender of Latin American dignity, which is mostly lip service.

They do not want communist governments in this Hemisphere and, therefore, it is about time that the Latin American countries in Contadora and in the Lima Group accept that there is a Soviet bloc intrusion in Central America, specifically in Nicaragua, and that the American presence has been a reaction to that Soviet bloc intrusion. We have to remember which took place first. The United States is the natural defender of the status quo in the Western Hemisphere, and it is in reaction to the Soviet bloc penetration that we see American presence there.

It is essential that Contadora accept that ruling. Second, there will be no peace in Central America if there is no democracy in Nicaragua and to set the basis of a democracy in Nicaragua you need a Nicaraguan consensus, which means that the solution has to be among Nicaraguans, first and foremost. Thank you.

MR. WEINROD: Thank you very much. We will take questions from the audience.

QUESTION: My question concerns the Contadora countries. We have heard discussions this morning that indicate that they really do not understand the situation or that they are more interested in Mexico or anti-American rhetoric, and so forth. What sort of reactions to you gentlemen get when you talk to the leaders of these countries? What kind of reaction to your movements?

MR. CALERO: Well, to begin with, they make sure that we have a private conversation, and we should not tell the press anything that we talk about, that they are very much concerned with the Sandinistas. They believe the Sandinistas have a Marxist-Leninist bent on expansionism, on bringing revolution to the rest of the Central American countries, as soon as possible, including Mexico.

They are very much concerned and worried about it. However, when it comes to any public statement, then they are silent or they will give a lot of rhetoric and talk in parables, because they are afraid of their own domestic situations.

Another thing is that U.S. indecision is a big problem in dealing with the Nicaragua situation. Latin American countries will lag behind this indecision and will say, rightly or wrongly, well, you

know, if the United States does not go out and present a unified, clearly defined policy and carry it out, why should we invite problems, internal problems, into our own country from the Left, from the students, from the Tupumaros and the Montaneros and all these terrorist groups who have been active?

QUESTION: I saw that your partner, Senor Robelo had made a statement to the effect that if the United States was not forthcoming with the aid that he would consider withdrawing from the fight? He was quoted a few days ago.

MR. CALERO: No, that must be a misunderstanding of what he said which was that we would have to reconsider our situation, we would have to study and consider what to do, I mean, it is quite a shock to us--it would be quite a shock to us if the United States does not give us aid.

QUESTION: What is the nature of your relationship with the internal opposition?

MR. CALERO: We have a clandestine relationship. We are the same. We think the same. We are democrats. We have a long history together of opposing the Somoza regime, opposing the Sandinista regime as they are now. We have backed every initiative that the internal opposition has made for dialogue, for talks in Nicaragua.

When Arturo before he joined UNO was considering running in Nicaragua and was named the candidate of the internal opposition, the FDN was the first to back Arturo's candidacy. We very clearly state that if that materialized we would lay down our arms.

Recently, the internal opposition made a statement requesting, or demanding, talks with the Sandinista government and we immediately backed them. Similarly, we have backed the initiatives by the Catholic Bishop's Conference. The Conference was the first independent organization to come and demand that talks be held, and we backed them, and we will continue to back them and, not only that, but we went even further. We said, in one of our statements in June that the Bishop's Conference should serve as go between, as mediators in negotiations.

MR. CRUZ: The reason why the internal opposition and the external resistance have to meet clandestinely is because in every tyranny--under Hitler, under Stalin, whatever--being a democrat is a crime, and therefore you have to meet clandestinely.

QUESTION: I have a question for Senor Cruz. If I understood Senor Calero correctly, you were talking about the Carter Administration lacking decision when the OAS met and asked for a plebiscite in Nicaragua, do you share this view to what happened?

MR. CRUZ: The question is whether I shared Adolfo's view that the Carter Administration did not react forcefully as the Reagan Administration has done already in Haiti and lately in the Philippines to oust a dictator which is, of course, the forerunner for communism?

Yes, I share Adolfo's view in the sense that the Carter Administration's stand could have contributed to the earlier ouster of Somoza, let us say, in 1978 and then neither of us would be here this afternoon. He would be back in Nicaragua running his business and I would be working in some international organization. That is a fact. I mean, Nicaragua would be now in the process of becoming democratic.

But you must also remember that you have to also blame us, the Nicaraguans, for not having done it earlier. Well, I mean, in that regard, we share the--shall we say the blame from all sides. Let me start with mine.

I desperately needed to see Somoza out and many Nicaraguans did also. I also was convinced, and continued to be convinced, that there is a need for social change in my country, and you have to eliminate inequities, in spite of the fact that in my country there never were filthy millionaires, and I will be honest with you, in my country there were not the conditions for real starvation.

But, any way, I was in favor of social change. And, for that reason, I had seen the possibility of a revolution and therefore I thought that the broad alliance could make sense, especially because the terrorist among the Sandinistas were offering democracy then and there. It later turned out to be a swindle.

But you also have to put the blame on the ruling party and on the army, because if the high authorities of the party, shall we say, the Board of Directors of the Liberal National Party, plus all the chiefs of staff, shall we say, the Joint Chiefs of Staff of the Nicaraguan armed forces, had gone to see Somoza in 1978 and told him, "Sir, we love you, we respect you, but for the sake of the country, go," Somoza probably would have left.

But, at the same time, let us never forget that it was the Carter Administration that as early as the end of 1980, say at the end of the period, had begun express concern to the Nicaraguan government for the way things were going under the Sandinista regime, and I am a witness to that, because I was a member of the Junta. The American Ambassador would constantly visit us to express such a concern.

And also, quite frankly, the human rights policy of Carter may have had some positive effects later on, because, after all, what you see today in Central America is the process of democratization as shown by the elections in Guatemala, by the recent elections in Honduras, Costa Rica, I do not need to mention it, and what you see going on in El Salvador. Plus the firm decision of the Reagan

Administration to really build democracy and defend it--really defend it--but as we told the President in our visit, we have two reliable allies in the world, the Pope and Mr. Reagan. It is a fact.

MR. WEINROD: Our panel discussion on U.S. policy options will conclude with an overview of very specific recommendations on U.S. policy by Professor Jiri Valenta, who is the director of the program of Soviet Strategic and East European Studies at the University of Miami and formerly of the Naval Post-Graduate School of Monterey. He has numerous other affiliations which I will not list at this point, but has written many articles on Central America and Soviet involvement and most recently, he has asked me to say--and I am proud to do so--a book just released on Grenada and the Soviet-Cuban policy, the proceedings of a conference held at the Naval Post-Graduate School about what, a year and half ago, and it is just out and I encourage you to take a look. I think it has some very good documents and analysis of the situation there.

So Jiri, we are very pleased to have you and look forward to hearing your comments.

JIRI VALENTA: Thank you Bruce. The Nicaraguan situation is similar to that in Eastern Europe. Nicaragua could be compared more to Eastern Europe in 1945-1948 and Cuba in 1959-1965 than with the Philippines and other countries. Unlike in the Soviet Union, Eastern Europe, and later in Cuba, Leninization is proceeding at a slow pace, they are repeating the same mistakes, a few of them, but they have learned from the mistakes of their comrades in economics. They are very skillful in understanding American politics, this should be recognized--you saw the other day, a Nicaraguan official on TV on the Ted Koppel show laughing as two Americans, Senator Dodd and General Singlaub, argued about Nicaragua. They really know how to play the American political scene, except that they make mistakes. They used to go to Moscow at the wrong times--this time they did not go to Moscow before the voting. They learned.

As to policy suggestions, recommendations, I think we have three basic choices as you heard today. I think almost everybody would agree on it, except for a few people at LASA. We can accept basically another Cuba in a more modified, pragmatic way in Central America and then we, of course, have to apply a long policy of containment, what Mark Falcoff was referring to as Yalta without NATO in Central America (a very apt expression) which would cost a lot of money to America because of the constant threat of guerrilla struggle.

We have a second option. We can invade Nicaragua anytime, of course, with our troops, and I think we would win. I think it would not be actually militarily so costly, as some analysts argue, yet the question is, of course, what do you do afterwards about the control, the continuous guerrilla struggle, and most important, the political cause which will then be taken up in Latin America.

Now, we have the third option, which seems to be most reasonable at this time, which the President is trying to implement, and that is to support the Nicaraguan freedom fighters to eventually either force the Sandinistas out or negotiate. I am very skeptical that the Sandinistas really will negotiate about the heart of the problem, which is Leninism. They will make concessions if necessary. If Senator Dodd and his kind succeed in blocking the support for the Contras and go back to negotiations, what you will see is concessions on tactical issues, on the part of the FSLN and some negotiation on an international, political level. You will see perhaps "socialism with a human face" for awhile in Nicaragua, but you will not see basic change on strategic issues.

In foreign affairs they will, like the Bolsheviks, wait for the opportunity when they can expand again. It is stated in their program. They are very open about it. I went to Nicaragua, interviewed the principal players, even Sandinista advisors of some leaders, and they are very open about it.

Therefore, it seems to me that the option available to us is to support the freedom fighters. Yet I have some critical views and suggestions how we can do it if we want to succeed. Clearly, it seems to me that the Reagan Administration has decided to pursue the third option, but it has not been successful. The question is why?

Number one, I think there has been a lot of tendency to control and manage the opposition forces. We want to have them under control. We do not have the kind of historical experience, in spite of the example which we heard about the 18th century Bay of Tripoli, in supporting forces which want to overthrow a government.

We have legalistic problems. We have problems with management. We are not very good at it as the Russians. We cannot play in an opportunistic way with any kind of force. You saw the Russian, stupid opportunism trying to support Marcos a few days before he left. The Soviets issued a statement supporting Ferdinand Marcos, but that shows the kind of opportunism they can afford. The United States cannot do it.

I also believe that what went wrong is that still we have a small number of former officers of Somoza's army in some of the oppositional groups of freedom fighters. It is a small number; it has been exaggerated. Yet this is used by the Sandinistas skillfully in Latin America, by the socialists in Western Europe, and that is the problem we have to deal with.

Third, the military tactics employed by the guerrillas, particularly in the north, have not worked because of their rather heavily structured army. They have not focused on the kind of

guerrilla struggle, the tactics which the communists have applied successfully in Vietnam and China.

I think there were have to learn from our rivals--our enemies, if you will--the Vietnamese example, and also the example of the other guerrilla movements, let us say Afghanistan, which are very successful at fighting a Soviet-backed regime in that country.

I think, in order to be successful, you have to do a few things, some things in a much better way. First of all, instead of trying to control, manage the groups, both in the north and south, we do have to support both of them, while not controlling them and shaping, necessarily, their policies. We have to be a bit flexible in that respect.

Second, it is very important to push more forcefully for the coordination of the north and south, which is starting to happen. I think we cannot win in Nicaragua without having UNO and BOS coordinating their actions on political and military fronts.

And I wish we would have here today Alfredo Cesar from BOS, as well as Eden Pastora. Pastora still has some followers in Nicaragua in the militia. They do talk to him, even on the radio and so forth, across the borders. He is popular. He is a symbol of the revolution, and I think that could be used very skillfully. In other words, as much as we can, we should increase the cooperation or coordination of the resistance. There are personal problems and so forth, which all of us are aware of, but I think without Pastora it would be much more difficult to divide the Sandinistas to put it very bluntly.

I also think that we should use new, imaginative ways of building support for our policies, as well as the public diplomacy abroad. We can bring our case to the OAS, not necessarily on legalistic merits, but on merits of geopolitical concern, presenting the case as it has been presented by American scholars knowledgeable about Nicaragua. We have not done that very well.

We can also encourage other imaginative ways to influence the Latin American public, perhaps to think about what Arthur Spitzer, the founder of this Institute, suggested several times, a Hemispheric Parliament which would serve for dialogue among the states in America, and to which we can bring our case on Nicaragua, discuss that issues as well as the debt issue, and so forth.

The Spitzer suggestion has been echoed by Venezio Cabezo of Guatemala who also expressed the desire to set up a new institution which would deal with difficult problems, and I think the Hemispheric Parliament is something which we should consider while going more on the offensive with our public diplomacy.

Finally, I think what we should do better at home, still, in our own public diplomacy, our effort to influence the American public. There is still too much confusion and misunderstanding about the guerrilla groups in Nicaragua. There are still some Americans who confuse them with those groups in El Salvador. And I think in this effort, Pastora can be extremely helpful.

So can other leaders of the southern group, those who have socialist inclinations. They can be helpful here in this country by showing the church groups and others who do not understand the totalitarian nature of the regime in Nicaragua that, really, the revolution was betrayed.

The revolution against Somoza was justified, as Arturo Cruz pointed out, a necessary move, that we do not want to reverse revolution. As we have demonstrated in the Philippines and in Haiti, we learn from our mistakes. We do not stick to right-wing dictators. As a matter of fact, we can pull the rug out from under them. We are in favor of democratic change.

Also, some of those groups which I mentioned, they can be very helpful with the socialist leaders, I mean, social democratic leaders, in Latin American and Europe. They have very good contacts with the Socialist International. Not everything which the Socialist International is doing actually, in a lot of things, we agree with them. The analyses by some of their leaders, of FSLN and their politics, are similar to ours, and Pastora and his people can provide a kind of public diplomacy group.

Most importantly, we should remember a conflict in Nicaragua, like the one in Vietnam, can be lost or won at home. Of course, Vietnam was lost at home. We won it militarily with the Tet offensive. And therefore, we should do our utmost to build coalitions by doing things which I suggested, in a skillful way, public diplomacy, consensus building, as well as involving academics in this process. That has not been done. I think we need more cooperation, not only by The Heritage Foundation, but by other institutions in trying to build a consensus on what should be done in Nicaragua.

MR. WEINROD: Thank you, Jiri, for some very specific, concrete policy recommendations. I would like to now open the floor for any comments on Dr. Valenta's presentations or questions. Sir?

QUESTION: It is your recommendation that the U.S. should support these groups but not really control them and then you followed with a recommendation for unification?

MR. VALENTA: Not necessarily. I think you can try to do both. I think the most important recommendation which I have made is that kind of coordination, not necessarily unification, that I have been

suggesting today. I do not think you can unify those groups. For personal and ideological reasons, they have profound differences and there are different payoffs to be held if the FSLN is defeated, but some coordinated body between UNO and BOS can be created which would help in putting the FSLN on the defensive.

The first recommendation is more or less a philosophical problem which we have, you know. We, like every superpower, every great power, we like to control our friends, our proxies, if you will--I do not like to call them that--we cannot just accept loose structures. And I think our problem with the southern group is precisely that they are oriented a bit toward social democracy. They have very good connections with the Venezuelan politicians, with the new leadership in Costa Rica, and so forth.

But if you are there in the business of changing the policy of the FSLN, you need to have them as part of the joint struggle. They need some support as well.

We have to live with uncertainty. We have to take the risk. And surely we cannot defeat the FSLN without some kind of coordination of the northern and southern fronts. And I think Bruce and his institution are trying to do it.

You heard on Friday, from what I understand, Pastora and his people. People like Alfredo Cesar should be heard as well. I think it is in our interest.

QUESTION: You are saying that up to now the southern groups have not received much support from the Administration because of ideological differences?

MR. VALENTA: I hear different views. I have not used for this presentation any classified information, but they do complain, all of them are in senior positions, that they do not get any serious help, and they are saying that if they had support somehow they could do things which we perhaps would expect from them or that the Congress would expect from them or that the Congress would expect from them, and I think--may we make another point, Bruce--that it would be easier to sell our programs in the Congress, to create a bipartisan consensus, a true one, if we gave some support to the southern group.

I do think that given the political weight of both organizations, any unified body consisting both of UNO and BOS should have a majority. I think even those who are in BOS and UNO understand that UNO is more powerful; it has powerful support, it has distinguished people like Arturo Cruz in the leadership. Yet some support for the southern group is necessary for the reasons which I stated.

QUESTION: The Wall Street Journal yesterday suggested that the President might have an easier time in rallying the American people to

his program before the vote if he were to acknowledge that we have to topple the Sandinistas. Would you comment on that?

MR. VALENTA: I am not so sure if that is the case because I would still try to put pressure on the Sandinistas or perhaps cause some kind of division within FSLN, which you cannot exclude. If you invoke Pastora's forces, I think there might be a division within the people's militia, which is not yet a Leninist force, and Pastora can, at least his image, can provide part of an answer. And then other commandates have defected.

I think this kind of policy of ambiguity on Nicaragua is actually a useful one. Obviously, if the first alternative would not work, I think perhaps we should go to the second one, but suing freedom fighters and helping to create conditions in Nicaragua which might lead to some conflict which later on can be solved in one way or another, I think this is the best policy at this time, and that is, I think, why American senior decision makers do not want to be stuck to one option only.

MR. WEINROD: Again, before we go on, let me just add briefly I think you have touched on an important point which is, while there are similarities between Nicaragua and Cuba, and Nicaragua is clearly moving in that direction, nonetheless, at this point after Castro took power, the revolution, if you want to use that word, was consolidated totally. That has not been the case in Nicaragua because of the internal opposition still being there, because of the external pressures, including those put on by the United States.

And secondly, Castro basically was one individual who controlled everything. In Nicaragua, you still have a number of individuals who were involved in jockeying back and forth, and even within those people, there may well be some kind of divisions that can be exploited. Even though they may all be against the United States in various ways, there may yet be divisions that can be exploited, so I think those are things to keep in mind as well in shaping our policy.

MR. VALENTA: In addition, there are several differences between Cuba and Nicaragua. You still have limited freedom of expression, very limited. An exact totalitarian system has not been established. You have Church which is embattled but it is still fighting for freedom, and you have some oppositional groups which do work. I think it is heading towards Cuba, and yet there are some difference, and these are differences, as Bruce suggested, which could be exploited in our policies. So ambiguity is the right thing to have.

QUESTION: Do the northern Contras, the FDN that we heard today so much from, do they have any ideological mistrust of Eden Pastora, or has it been mostly his doing that the two groups have not gotten together before?

MR. VALENTA: You know, I have studied it and I still do not know the answer. There are many factors involved. It is a very complex process of unification of the forces in the south and north which is actually proceeding. The answer in part might be ideology. There is the resentment that you have of a few former Somozistas--and I want to stress a few--but perhaps there should be some adjustments so that Senator Dodd cannot get on TV and use this as an argument against Contadora aid.

I think that in both parties, more in the Democratic Party (to be bipartisan about it), those who do not want to support the freedom fighters are using this issue, and perhaps therefore we could do something in that regard.

On the other reasons for division among the Contras, there are issues of personalities, the machismo. The problem lies in the politics, culture, personalities--and I do not want to go into it, because we have some of the leaders here. But you can imagine that there are considerations given to what the next government might be, and so forth.

In general, I would say the southern groups, but not necessarily Pastora, are more associated with the social democratic parties of Latin America and Western Europe, but also with the Christian democratic parties. They have better ties with them and, put simply, they need each other in order to overcome personal, institutional and ideological differences. It is a combination of reasons.

I see some hopeful signs, incidentally, that they are talking to each other. There might be some coordination. But I believe the United States should encourage them. That is the only way we can succeed.

Recall that the FLSN has managed this extremely well. If you study them, you read my long article in Problems of Communism in the fall 1985 where I studied the FLSN factions, there were serious differences between the Terceristas and the other two factions but they overcame them and they created a unified command while still deferring in terms of what should be done. Yet they cooperated and perhaps we can learn from them, as well as from the other communist guerrilla movements.

I think that the situation in Nicaragua might be quite different than El Salvador because the pressure is very successful, and there is an army of freedom fighters, let us say twenty, twenty-five thousand, and the junta government is shrinking in Managua. You will see the cracks within the system, within those three factions.

Do not forget, the El Salvador government today is basically run by the civilian courageous man like Duarte, with some military providing input. Yet the FSLN still is a combination of leadership of

three factions. They work together because it was a necessity, because, as I mentioned, there are differences, there are Pastora's supporters, there are others who differ about the pace of socialism, and I think if you presented them significantly you would see those differences emerging.

QUESTION: Is that not coming close to, I mean, where you start talking about military dictators and one assumes that a lot less pressure than that would maybe get them in to a discussion or dialogue? That sounds like a long way down the road.

MR. VALENTA: Yes. It will take, of course, some time to achieve something like this. We have to sustain our policies. But unexpected things could happen.

I was joking about our book. Do study the Grenada documents. They provide a unique answer to how naive we are about various forces in so-called Marxist regimes and forces. There are those who are more Leninist-oriented. There are those who are more nationalist. There are differences between the charismatic leaders like Maurice Bishop and those who are of Soviet-type ideologues like Bernard Coard.

And without going into specifics, if you use a little imagination, similar differences in the FSLN might emerge under stress. Let us not forget, as Bruce said in his chapter, those differences in guerrilla leadership appear under the pressure of the U.S. government. That pressure actually does not necessarily lead to unification of the leadership, but it might provide conditions for division.

MR. WEINROD: May I also add that, I did not mean to interrupt you, but in a sense, you are asking a question about something that we do not have much, if any, actual historical experience in the sense of a Marxist-Leninist or Marxist government, if you will, actually having to negotiate in a real sense of being forced to and considering the options for change, because it has not happened and the U.S. is following policies which are relatively new, at least in this part of our history, of providing assistance for insurgencies against a Marxist-Leninist government, and we do not have a historical record.

We can always speculate on possibilities, and there are a lot of different theoretical ways in which this could turn out, but if the money does go through and the insurgency builds, we will have a chance to see whether or how this actually evolves in practice. If not, there will be no chance to turn things around soon.

MR. VALENTA: Let me just say, back to your very good question, I do not know how to answer all aspects of it, we have then two options if it does not work, which is still a small probability, but we should try this option. I think we should then think very seriously either about what Shultz hinted, which is at this time, too costly, or

containment with all the risks. If the American people are not willing to make this kind of great sacrifice to long-term, fifteen, twenty years containment, maybe we should promote the Yugoslav solution.

But I would try at this time, before they consolidate their power, this option, which seems to be the least costly among all three.

MR. WEINROD: I think we will wrap it up at this point. Thank you very much, Jiri.

MR. VALENTA: Thank you.