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## **MESSAGE TO CONGRESS: STOP SUBSIDIZING SANDINISTA TERRORISM**

(Updating *Backgrounder* No. 933, "Restoring Democracy in Nicaragua: No U.S. Aid Without Reform," March 17, 1993)

**A** May 23 explosion in a Managua suburb has exposed the Sandinistas as supporters of international terrorism. The discovery of a large cache of arms and documents in the aftermath of the explosion proves that the Sandinistas have ties to terrorists in El Salvador and possibly the United States as well. This discovery also has exposed the failure of U.S. policy toward Nicaragua over the past three years. Washington's strong support for President Violeta Chamorro and generous aid were supposed to help establish Nicaragua's fledgling democracy on a stable foundation. Instead, this aid has allowed the Sandinistas to consolidate their power and thereby boldly and openly threaten the government. If it is to help salvage the democratic election victory of February 1990, and prevent the reestablishment of a Sandinista dictatorship, the U.S. must terminate its assistance to Nicaragua until President Chamorro removes the Sandinistas from control over the police, the army, and other parts of the Nicaraguan government and commits herself to carrying out the democratic mandate she won three years ago.

**Sandinista Holdovers.** Following her election victory on February 25, 1990, and despite strenuous opposition from her supporters in the National Opposition Union electoral coalition, President Chamorro allowed the defeated Sandinistas to retain control over the armed forces and the secret police, ostensibly to promote "national reconciliation." Of particular concern was, and still is, the continued presence of General Humberto Ortega, the brother of former Sandinista dictator Daniel Ortega, as Commander of the Nicaraguan armed forces, which, revealingly, still is termed the Sandinista Popular Army.

Although it has long been public knowledge that Sandinista holdovers used Chamorro's unexpected grant of power to brutalize and even kill their former, and now unarmed, opponents, and also to retain control over the property and other wealth seized during their tenure in power, it is now clear that their abuses and ambitions extend much further. For example, the suspects recently arrested in connection with the bombing of the World Trade Center in New York were found to be carrying documents which are believed to have come from the cache discovered in Managua. Moreover, recent actions and statements by Sandinista leaders indicate that they are looking to destabilize the Chamorro Administration. As recently as July 19, at a public rally, Daniel Ortega threatened that Chamorro would not be allowed to serve out her term if she did not abandon her "stringent [free market] reform policies."

**Deceiving the U.N.** That commitment to revolution extends beyond Nicaragua. Discovered in the arms cache were large stocks of weapons belonging to the Farabundo Martí National Liberation Front (FMLN), the communist insurgency in neighboring El Salvador, including nineteen surface-to-air missiles, hundreds of AK-47 assault rifles, machine guns, rocket-propelled grenades, and tons of ammunition and explosives. The Sandinistas have denied any continued Nicaraguan military support for the FMLN, but FMLN leaders

now have admitted that this connection still exists. In a June 11 letter to U.N. Secretary General Boutros Boutros-Ghali, former FMLN commander Salvador Sanchez Ceren admitted that the arms belonged to the guerrillas. He and others also have admitted that they deliberately deceived the United Nations and others brokering last year's peace accords in El Salvador by hoarding weapons which they had certified had been destroyed. In a July 1 report to the Security Council, Boutros-Ghali argued that hiding the weapons was "an extremely grave violation of the [1992] peace accords" and left no doubt that the rebels had deliberately "deceived" him.

As a result, the fallout from the Managua explosion is threatening to derail the U.N.-mediated peace process in El Salvador between the democratically elected government of Alfredo Cristiani and the FMLN guerrillas. Unlike the FMLN, the Salvadoran government has complied with all U.N. peace terms. It is now considering preventing the FMLN, which recently registered as a legal political party, from participating in next year's presidential elections.

**Global Terrorist Ties.** Even more disturbing than the Sandinista ties to the FMLN in El Salvador was the discovery of secret documents revealing Sandinista involvement in a global terrorist and kidnapping ring. According to a July 22 House Republican Policy Committee report, "There is compelling evidence that [radical elements of the Sandinista party] are still part of a network of international terrorism that stretches from the Spanish Basque separatist ETA, to the Palestine Liberation Organization (PLO), the Italian Red Brigades, and Libya." Among the documents were lists of potential kidnap targets and operations in Latin America, many of which had already been undertaken.

As many as 310 passports from 21 countries—many of them blank—plus scores of other false identification papers, blank permits to carry weapons, and immigration stamps from various countries were found in a vault at the explosion site. According to U.S. law enforcement and government officials, these documents point to links with suspects arrested in connection with the February 26 bombing of the World Trade Center in New York. Seven valid Nicaraguan passports, five birth certificates, and two driver's licenses were discovered in March at the Brooklyn home of one of the suspects, Ibrahim Elgabrowni. U.S. officials are continuing their investigation into these newly revealed connections.

The Sandinistas have been active at home as well. They have used their power to hunt down not only former opponents but former allies as well. In the latest example, the Sandinista army staged an armed confrontation on July 21 and 22 in the northern Nicaraguan town of Esteli to eliminate political opponents and to demonstrate the Sandinistas' ability to crush their adversaries. General Ortega used the battle to justify his control of the army and to make it appear that he can maintain law and order. The battle between a 1,500-member troop of the Sandinista army and some 150 members of the so-called *recompas* (cashiered and disgruntled former members of the Sandinista military) left more than forty dead and ninety wounded. All but one of the dead were members of the *recompas*, while many of the wounded were innocent civilians.

According to foreign diplomats in Nicaragua, it appears that the high command of the Sandinista army planned and executed the two-day battle in Esteli. Diplomatic sources assert that General Ortega even facilitated and encouraged the attack in order to eliminate potential enemies. Nicaraguan sources, who wish to remain unnamed, say that the *recompas* had been led to believe that they would not be killed by their former military colleagues.

**Squandered Mandate, Aid.** Far from providing stability, accommodating the Sandinistas only has spread unrest in Nicaragua. For example, the Chamorro government is facing increasing opposition from the 78,000 demobilized Sandinista army and the approximately 23,000 former Contra freedom fighters. These former combatants believe that the government has squandered its mandate for change and reform. As many as 2,000 to 4,000 former Contras, known as *recontras*, have once again taken up arms in northern Nicaragua and are preparing to fight the Sandinista-controlled army and government. They complain that Chamorro has failed to carry out her campaign promise to provide land to the former freedom fighters. The



*recontras* charge that Chamorro's Minister of Government, Antonio Lacayo, has entered into a secret power-sharing arrangement with the Sandinistas. As a result of these challenges to its authority, the Chamorro government may not last out its six-year term. Once again war may erupt in this impoverished Central American country.

The Managua explosion blew away any remaining justification for continued U.S. aid to Nicaragua. Clearly, the U.S. backing of Chamorro in the hope that she would consolidate power and gradually remove the remnants of the Sandinista dictatorship has not worked. Chamorro's accommodationist policies failed not because she was politically weak, but because she misjudged her ability to buy off the Sandinistas with government posts, influence, and property. Instead of turning the Sandinistas into democrats, Chamorro has turned over large and critical sections of the government to their control and given them virtual free rein.

Over the past three years, the U.S. has provided Nicaragua with one of the largest economic assistance packages to the Third World, amounting to approximately \$1 billion. U.S. officials acknowledge, however, that large amounts of this assistance has been squandered or stolen. According to former Nicaraguan Central Bank President Silvio de Franco, the U.S. cannot account for between \$100 million and \$180 million of the \$225 million of U.S. aid given to Nicaragua in 1992. Much of the money was lost through bad loans to state-run enterprises, Sandinista-controlled businesses, and other dubious recipients. There are even worse instances of theft. According to the U.S. Senate Foreign Relations Committee, there is evidence that General Ortega has diverted at least \$17 million in U.S. dollars from the Nicaraguan Central Bank to a secret bank account in Canada.

Faced with the latest revelations, the U.S. Senate voted 77 to 23 on July 28 to terminate all but humanitarian assistance to the Nicaraguan government. A cut-off of aid will require agreement by the U.S. House of Representatives.

Despite this clear signal from the Senate, including such long-time supporters of the Sandinistas as Democratic Senator Christopher Dodd of Connecticut, the Clinton Administration remains undecided on ending aid to Nicaragua. On the one hand, a State Department official has told The Heritage Foundation that a suspension of the aid "is not being considered at this time." The Administration stresses that "in order to remain engaged and remain a player in Nicaragua, the U.S. needs to maintain its aid leverage." On the other hand, Deputy Secretary of State Clifton Wharton has indicated on several occasions that no decision on the fate of Nicaraguan aid will be made until October.

**Administration Undaunted.** This is in line with its continued softening of the Bush Administration's policy toward Nicaragua. On April 2, the Clinton Administration released \$50 million in aid to the Chamorro government, stating that Managua was "making progress on human rights and other issues," despite well-documented reports to the contrary. That assistance, part of a \$731 million, two-year U.S. aid package, had been frozen in May 1992 by the Congress because of human rights abuses, corruption, and the continuing Sandinista control of Nicaragua's army and security forces. Undaunted by the negative reports flowing out of Nicaragua, the Administration has not modified its request for an additional \$66.5 million in aid for Managua for next year.

By trusting the Sandinistas, President Clinton is treading the same mistaken path of the Carter Administration in the late 1970s. Carter's support for the Sandinistas before and after their seizure of power was instrumental in helping them consolidate control and in bringing about the decade-long conflict which followed. The U.S. cannot afford to continue blindly supplying aid to a Nicaraguan government that is controlled by the Sandinistas and engaged in corruption and terrorism. If the Clinton Administration fails to apply pressure on Managua, the U.S. will be sending a signal to the Sandinistas that Washington is prepared to tolerate any action, even support for international terrorism directed at America.

To encourage the Chamorro government to abandon its accommodationist policies toward the Sandinistas, the U.S. Congress and President Clinton should withhold any aid from Nicaragua until:

- X **All senior members of the Sandinista party have been removed from key government positions.** These should include General Ortega, intelligence chief Lenin Cerna, and other senior Sandinista leaders in the army, secret police, local militia, and any organization responsible for, or benefitting from, the disbursement of U.S. aid money.
- X **A thorough U.S.-led investigation has been conducted into the May 23 explosion and possible Sandinista links to international terrorism.** Such an investigation, first proposed last month by Senator John McCain of Arizona, should focus on the relationship of the Sandinistas to acts of terrorism which threaten to undermine U.S. security and to weaken the stability and economic prosperity of the Western Hemisphere. Of special importance are the Nicaraguan ties to the terrorist bombing in New York.
- X **A multilateral "verification commission" has been created to carry out investigations in Nicaragua.** Such a commission should be made up of member countries from the Organization of American States. Its task should be similar to that of the panel sent to El Salvador to monitor the peace process and demilitarization program there. The commission should verify that no part of the Nicaraguan government is involved in international terrorist activities or in actions aimed at destabilizing other countries in the region. It also should verify that no Nicaraguan official is violating human rights or is harboring human rights offenders. Finally, the commission should determine whether or not the Chamorro government is effectively fighting Nicaragua's mounting drug trafficking problem.

There can now be no doubt that U.S. assistance to Nicaragua is aiding and abetting the Sandinistas, who have long and openly proclaimed themselves enemies of the United States. By suspending aid to Nicaragua, the Clinton Administration not only can end the scandalous use of taxpayer money. It also can help assure that Chamorro's promised campaign to bring democracy and a free market economy to Nicaragua eventually will succeed. By continuing to give Managua aid and thereby rewarding the criminal behavior of the Sandinistas, Washington will only ensure continued chaos, violence, and poverty in Nicaragua.

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