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# FOIA MARKER

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**OA/ID Number:** 13523  
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**Folder Title:**  
Aid to Nicaragua & Panama 3/13/90 [OA 4728]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>24</b>	<b>25</b>	<b>1</b>	<b>1</b>

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**PRESS STATEMENT: AID TO NICARAGUA AND PANAMA  
TUESDAY, MARCH 13, 1990**

**WE BEGAN THIS ADMINISTRATION BY SAYING THAT THE DAY OF THE DICTATOR IS OVER. NOW RESTLESS MILLIONS HAVE SPOKEN, AND HAVE ELECTED OR PREPARE TO ELECT NEW GOVERNMENTS -- THEIR GOVERNMENTS.**

**AS LONG AS WE LIVE, THE IMAGES OF THIS REVOLUTION, THE REVOLUTION OF '89, WILL ALWAYS BE WITH US -- A PLAYWRIGHT PRESIDENT IN PRAGUE, THE TUMBLING OF THE BERLIN WALL AND THE CRUMBLING OF A ROMANIAN DICTATORSHIP.**

- 2 -

**BUT THIS REVOLUTION LEAVES US WITH A NEW CHALLENGE: HOW TO BEST SUPPORT NEW-BORN DEMOCRACIES?**

**THIS CHALLENGE IS UTTERLY UNLIKE THE TASK OF REBUILDING EUROPE AFTER THE SECOND WORLD WAR, FOR NO SINGLE GREAT PLAN WILL DO. WE NEED A FLEXIBLE APPROACH -- ONE THAT WILL MEET THE NEEDS OF EACH COUNTRY WE SEEK TO HELP. TODAY I WANT TO SPEAK ABOUT HOW WE CAN BEST HELP TWO NEW DEMOCRACIES IN OUR HEMISPHERE: PANAMA AND NICARAGUA.**

- 3 -

**WE SHOULD TAKE GREAT PRIDE IN THE WAY IN WHICH OUR LEADERSHIP HELPED THE DEMOCRATIC SPIRIT TAKE HOLD IN THESE TWO COUNTRIES. BUT THIS IS NO TIME FOR AMERICA TO BASK IN SELF-PRAISE. THESE NATIONS NEED OUR HELP TO HEAL DEEP WOUNDS INFLICTED BY YEARS OF STRIFE AND OPPRESSION, YEARS OF LOSS AND DEPRIVATION. WE MUST ACT -- AND ACT SOON -- TO HELP THE PEOPLES OF THESE NEW DEMOCRACIES IN TWO GREAT AND HISTORIC TASKS: RECONSTRUCTION AND RECONCILIATION.**

- 4 -

**I'VE TAKEN AN IMPORTANT STEP TODAY. AS A DEMONSTRATION OF OUR RESOLVE TO BE PART OF THE PROCESS OF RECONCILIATION, I JUST SIGNED AN EXECUTIVE ORDER TO END THE ECONOMIC EMBARGO AGAINST NICARAGUA. AMERICANS ARE DETERMINED TO HELP THE PEOPLE OF NICARAGUA.**

**NEXT, I AM ASKING THE CONGRESS AND THE AMERICAN PEOPLE TO JOIN ME IN CRAFTING A BIPARTISAN AGREEMENT TO HELP BOTH COUNTRIES.**

- 5 -

**AFTER ALL, BIPARTISANSHIP WORKED WELL LAST YEAR TO PUT THE FOCUS ON FREE ELECTIONS AND END THE FIGHTING IN NICARAGUA. BIPARTISANSHIP ALSO HELPED BRING AN END TO TYRANNY IN PANAMA. WE NEED TO WORK AGAIN IN THAT SAME SPIRIT TO PUT TOGETHER AN ASSISTANCE PROGRAM FOR BOTH COUNTRIES.**

**I AM PROPOSING THE CREATION OF A FUND FOR DEMOCRACY, TO ASSIST IN THE RECONSTRUCTION AND DEVELOPMENT OF THESE TWO COUNTRIES.**

- 6 -

I AM REQUESTING THE CONGRESS TO APPROVE, BY APRIL 5, A PACKAGE OF ASSISTANCE OF EIGHT HUNDRED MILLION DOLLARS FOR THESE TWO COUNTRIES, USING FUNDS FROM THE DEPARTMENT OF DEFENSE BUDGET. THIS PACKAGE CONSISTS OF \$500 MILLION FOR PANAMA (ALREADY REQUESTED IN MY JANUARY 25 PROPOSAL TO CONGRESS ALONG WITH \$70 MILLION FOR REFUGEES), AND AN ADDITIONAL \$300 MILLION FOR NICARAGUA.

- 7 -

**I AM ASKING THE SECRETARY OF STATE AND THE SECRETARY OF THE TREASURY TO WORK TOGETHER ON THE ECONOMIC ASSISTANCE ASPECTS OF THESE PACKAGES AND TO CONSULT WITH THE CONGRESS. IN ADDITION UNDER EXISTING AUTHORITIES, I AM INITIATING IMMEDIATE ACTION TO PROVIDE \$21 MILLION OF PREVIOUSLY APPROPRIATED ECONOMIC AID, PRINCIPALLY FOR FOOD AND HUMANITARIAN ASSISTANCE.**

*budget amendment*

- 8 -

**I ALSO WILL BE SENDING TO THE CONGRESS IN THE FUTURE A  
REQUEST FOR AN ADDITIONAL \$200 MILLION IN FISCAL YEAR  
'91 FOR NICARAGUA, CONSISTENT WITH THE APPROACH WE HAVE  
TAKEN THIS YEAR.**

- 9 -

**MOREOVER, I HAVE INSTRUCTED THE SECRETARY OF DEFENSE AND THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET, TO BEGIN NEGOTIATIONS IMMEDIATELY WITH THE CONGRESS ON MUTUALLY ACCEPTABLE OFFSETS FROM THE DEFENSE BUDGET THAT CAN BE USED FOR THIS DEMOCRACY FUND, WITHOUT HAVING AN UNACCEPTABLE IMPACT ON NATIONAL SECURITY. I FURTHER PROPOSE THAT, IN THE EVENT THAT AN AGREEMENT ON OFFSETS CANNOT BE REACHED BY MARCH 27, THE CONGRESS AUTHORIZE ME TO SELECT OFFSETS FROM THE DEFENSE BUDGET.**

- 10 -

**SHOULD NEITHER OF THESE ALTERNATIVES PROVE TO BE WORKABLE, I AM PREPARED, BECAUSE OF THE DIRE NEED FOR THESE FUNDS, TO ASK FOR A WAIVER OF THE BUDGET ACT TO ALLOW THIS CRITICAL PROGRAM TO PROCEED ON THE REQUIRED TIMETABLE.**

**I URGE THE CONGRESS TO MOVE QUICKLY, AND ALSO URGE IN THE STRONGEST TERMS THAT IT NOT ADD ANY EXTRANEIOUS ITEMS TO THIS REQUEST. IT IS URGENT TO ADVANCE THE PROSPECTS FOR DEMOCRACY AND RECONCILIATION IN NICARAGUA**

- 11 -

AND PANAMA. DAMAGE TO BOTH ECONOMIES HAS BEEN GREAT. WE MUST HELP AND WE WANT TO HELP. OUR HELP IS NEEDED SWIFTLY TO BRING ABOUT DEMILITARIZATION AND ADVANCE THE CENTRAL AMERICAN PEACE PROCESS. IF BIPARTISANSHIP PREVAILS, WE WILL BE ABLE TO MEET THIS GOAL, AND RESPOND TO THE EXPECTATIONS OF OUR NEIGHBORS.

LET ME SAVE THE DETAILS FOR CONGRESSIONAL COMMITTEE BRIEFINGS, AND GIVE YOU THE THREE BROAD CATEGORIES OF

- 12 -

**ASSISTANCE: AID FOR DEMOCRACY, FOR DEVELOPMENT AND FOR DEMILITARIZATION.**

**WE WANT TO HELP DEMOCRATIC INSTITUTIONS TAKE ROOT IN EACH COUNTRY. BUT DEMOCRACY BEGINS WITH THE RULE OF LAW AND RESPECT FOR HUMAN RIGHTS. IT NEEDS THE SUPPORT OF COURTS THAT ARE FAIR AND FREE OF EVERY INFLUENCE BUT THE LAW.**

**IT NEEDS THE SUPPORT OF POLICE FORCES THAT ARE UPRIGHT AND HONEST. AND IT NEEDS OUR SUPPORT.**

**DEVELOPMENT AND DEMILITARIZATION GO HAND IN HAND. THEY START WHEN WE PROVIDE TEXTBOOKS FOR CHILDREN; WHEN WE CREATE THOUSANDS OF NEW JOBS; WHEN THE HAND THAT HELD A GUN GUIDES A PLOW. IN SHORT, AS WE DEMOBILIZE THE MILITARY, WE MUST MOBILIZE THE MARKET.**

**THIS IS A GREAT AND HISTORIC TASK. BUT WE ARE INSPIRED BY THE COURAGE OF OUR NEIGHBORS.**

- 14 -

**WE ARE CLOSE, SO VERY CLOSE, TO A HEMISPHERE THAT IS COMPLETELY DEMOCRATIC -- A COMPASS OF FREEDOM THAT SPANS HALF THE WORLD, FROM ALASKA TO ARGENTINA.**

**IN FACING THIS ENORMOUS CHALLENGE, WE ARE NOT ALONE. OTHER NATIONS CAN AND MUST HELP. BUT ONLY AMERICA CAN TAKE THE LEAD. I STAND PREPARED TO WORK WITH THE CONGRESS TO DO OUR PART FOR RECONSTRUCTION AND RECONCILIATION -- FOR DEMOCRACY.**

**AND NOW, I WOULD DELIGHTED TO TAKE YOUR QUESTIONS.**

**# # #**

Davis/Martin  
Title: Nicama  
March 12, 1990  
Draft: Three

**PRESIDENTIAL STATEMENT: AID TO NICARAGUA AND PANAMA**

We began this Administration by saying that the day of the dictator is over. Now restless millions have spoken, and have elected or prepare to elect new governments -- their governments.

As long as we live, the images of this revolution, the Revolution of '89, will always be with us -- a playwright President in Prague, the tumbling of the Berlin Wall and the crumbling of a Romanian dictatorship. But this Revolution leaves us with a new challenge: how to best support new-born democracies?

This challenge is utterly unlike the task of rebuilding Europe after the Second World War, for no single great plan will do. We need a flexible approach -- one that will meet the needs of each country we seek to help. Today I want to speak about how we can best help two new democracies in our hemisphere: Panama and Nicaragua.

We should take great pride in the way in which our leadership helped the democratic spirit take hold in these two countries. But this is no time for America to bask in self-praise. These nations need our help to heal deep wounds inflicted by years of strife and oppression, years of loss and deprivation. We must act -- and act soon -- to help the peoples

of these new democracies in two great and historic tasks:  
Reconstruction and reconciliation.

I've taken an important step today. As a demonstration of our resolve to be part of the process of reconciliation, I just signed an executive order to end the economic embargo against Nicaragua. **Americans are determined to help the people of Nicaragua.**

Next, I am asking the Congress and the American people to join me in crafting a bipartisan agreement to help both countries. After all, bipartisanship worked well last year to put the focus on free elections and end the fighting in Nicaragua. Bipartisanship also helped bring an end to tyranny in Panama. We need to work again in that same spirit to put together an assistance program for both countries.

I am proposing the creation of a fund for democracy, to assist in the reconstruction and development of these two countries. I am requesting the Congress to approve, by April 5, a package of assistance of eight hundred million dollars for these two countries, using funds from the Department of Defense budget. This package consists of \$500 million for Panama (already requested in my January 25 proposal to Congress along with \$70 million for refugees), and an additional \$300 million for Nicaragua. I am asking the Secretary of State and the Secretary of the Treasury to work together on the economic assistance aspects of these packages and to consult with the Congress. In addition under existing authorities, I am

initiating immediate action to provide \$21 million of previously appropriated economic aid, principally for food and humanitarian assistance. I also will be sending to the Congress in the future a request for an additional \$200 million in Fiscal Year '91 for Nicaragua, consistent with the approach we have taken this year.

Moreover, I have instructed the Secretary of Defense and the Director of the Office of Management and Budget, to begin negotiations immediately with the Congress on mutually acceptable offsets from the Defense Budget which can be used for this democracy fund, without having an unacceptable impact on national security. I further propose that, in the event that an agreement on offsets cannot be reached by March 27, the Congress authorize me to select offsets from the Defense Budget. Should neither of these alternatives prove to be workable, I am prepared, because of the dire need for these funds, to ask for a waiver of the Budget Act to allow this critical program to proceed on the required timetable.

I urge the Congress to move quickly, and also urge in the strongest terms that it not add any extraneous items to this request. It is urgent to advance the prospects for democracy and reconciliation in Nicaragua and Panama. Damage to both economies has been great. We must help and we want to help. Our help is needed swiftly to bring about demilitarization and advance the Central American peace process. If bipartisanship prevails, we will be able to meet this goal, and respond to the expectations of our neighbors.

Let me save the details for Congressional committee briefings, and give you the three broad categories of assistance: aid for democracy, for development and for demilitarization.

We want to help democratic institutions take root in each country. But democracy begins with the rule of law and respect for human rights. It needs the support of courts that are fair and free of every influence but the law. It needs the support of police forces that are upright and honest. And it needs our support.

Development and demilitarization go hand in hand. They start when we provide textbooks for children; when we create thousands of new jobs; when the hand that held a gun guides a plow. In short, as we demobilize the military, we must mobilize the market.

This is a great and historic task. But we are inspired by the courage of our neighbors. We are close, so very close, to a hemisphere that is completely democratic -- a compass of freedom that spans half the world, from Alaska to Argentina.

In facing this enormous challenge, we are not alone. Other nations can and must help. But only America can take the lead. I stand prepared to work with the Congress to do our part for reconstruction and reconciliation -- for democracy.

And now, I would delighted to take your questions.

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1701 6:30  
Jm.  
Davis/Martin  
Title: Nicama  
March 12, 1990  
Draft: Two

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give emergency aid to Panama. We need to work again in that same TYRANNY  
spirit to put together an assistance program for both countries. IN  
PANAMA.

~~[So I am proposing the creation of a fund for democracy. I am transmitting to Congress an assistance request for Nicaragua of three hundred million dollars. This would be in addition to the proposals that I have already transmitted of five hundred million dollars for Panama and seventy million dollars for refugees. The total package of eight hundred and seventy million dollars will be offset by using funds from the Department of Defense. Therefore, I have instructed Secretary of Defense Cheney and Director of OMB Darman to work with Congress on finding mutually acceptable offsets. And I request that Congress approve this package by April 5.]~~

[This task is tough one; but it's not beyond our abilities - if we work together. We can find these funds without compromising our national security. I call on Congress to move quickly, and avoid bogging down this measure with extraneous

REPLACE  
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(A)

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[And if none of these alternatives prove to be workable, I am prepared to ask for a waiver of the Budget Act.] [History will not wait. We cannot delay America's support for these two new democracies. (11)]

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