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WITHDRAWAL SHEET
Ronald Reagan Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. list	participants for NSC meeting	5/22/81	P-1
2. memo	A. Lenz to J. Colson, re attendance for NSC meeting <i>CAS WH GUIDELINES 2/14/01</i>	5/21/81	P-1
3. NSC profile	#8190100	5/20/81	P-1
4. memo	R.V. Allen to E. Meese, re NSC meeting [8190100] (2 pp) <i>P 11/2/05 M1276 #1</i>	5/20/81	P-1
5. NSC profile	#8190099	5/22/81	P-1
6. minutes	of NSC meeting [8190099] (7 pp) <i>P 11/2/05 M1276 #2</i>	5/22/81	P-1 P-5 <i>PS</i>
7. NSC profile	#8190098	5/22/81	P-1 <i>PS</i>
8. memo	R.V. Allen, re NSC meeting [8190098] (5 pp) <i>P 11/2/05 M1276 #3</i>	5/22/81	P-1
9. paper	re Standing Consultative Commission (SCC) meeting [8190098] <i>R 11/2/05 M1276 #4</i>	5/27/81	P-1 <i>PS</i>
10. paper	re SCC meeting [8190098] (3 pp) <i>R 11/2/05 M1276 #5</i>	5/27/81	P-1 P-5
11. memo	for Special Coordination Committee, re proposal [8190098] (2 pp) <i>D 11/2/05 M1276 #6</i>	2/19/81	P-1
12. scope paper	[8190098] <i>D 11/2/05 M1276 #7</i>	n.d.	P-1
13. finding	[8190098] <i>D 11/2/05 M1276 #8</i>	n.d.	P-1 <i>PS</i>
14. paper	re U.S. policy [8190098] (7 pp) <i>R 11/2/05 M1276 #9</i>	n.d.	P-1 P-5
15. paper	re executive summary of strategy paper for the NSC [8190098] (4 pp) <i>R " " #10</i>	n.d.	P-1
16. paper	re strategy paper for the NSC [8190098] (14 pp) <i>P 11/2/05 M1276 #11</i>	n.d.	P-1 P-5 <i>PS</i>
COLLECTION: EXEC. SECRETARIAT, NSC (NSC Mtg. Files)			DSD
FILE LOCATION: NSC00009 22 May 81 Box 91282			4/7/94

RESTRICTION CODES

Presidential Records Act - (44 U.S.C. 2204(a))

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

Freedom of Information Act - (5 U.S.C. 552(b))

- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
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WITHDRAWAL SHEET

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
17. paper	re policy implementation [8190098] (6 pp) <i>P 11/2/05 M1276 #12</i>	n.d.	P-1 P-5 <i>PS</i>
18. summary table	[8190098] <i>R 11/2/05 M1276 #13</i>	n.d.	P-1
19. summary table	[8190098] <i>R " " #14</i>	n.d.	P-1
20. NSC profile	#8102913	5/18/81	P-1 <i>PS</i>
21. memo	R. Schweitzer and S. Kraemer, re NSC meeting [8102913] <i>R 11/2/05 M1276 #15</i>	5/21/81	P-1 P-5
22. memo	for R.V. Allen to the President, re NSC meeting [8102913] <i>R " " #16</i>	n.d.	P-1
23. talking points	re SCC meeting [8102913] <i>R " " #17</i>	5/27/81	P-1
24. memo	L.P. Bremer to R.V. Allen et al., re NSC meeting [8102913] <i>R " " #18</i>	5/12/81	P-1 <i>PS</i>
25. page	#3, re SCC meeting [8102913] <i>R " " #19</i>	n.d.	P-1 P-5
26. NSC profile	#8102907	5/21/81	P-1
27. memo	G. Kemp to R.V. Allen, re NSC meeting [8102907] <i>R 11/2/05 M1276 #20</i>	5/21/81	P-1
28. briefing paper	R.V. Allen to the President, re NSC meeting [8102907] (3 pp) <i>P 11/2/05 M1276 #21</i>	5/22/81	P-1 <i>PS</i>
29. paper	re U.S. policy [8102907] (7 pp) <i>R 11/2/05 M1276 #22</i>	n.d.	P-1 P-5
30. NSC profile	#8103161	6/1/81	P-1
COLLECTION:			
EXEC. SECRETARIAT, NSC (NSC Mtg. Files)			DSD
FILE LOCATION:			
NSC00009 22 May 81 Box 91282			4/7/94

RESTRICTION CODES

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Ronald Reagan Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
31. memo	D. Gregg, M. Berta, K. de Graffenreid to R.V. Allen, re NSC meeting [8103161]. R 11/2/05 M1276 # 23	6/1/81	P-1
32. MEMO	ALLEN to the P RE US policy towards Central America & the Caribbean	5/22/81	B1
33. PAPER	EXEC SUMMARY OF STRATEGY PAPER (COPY OF #15) R 8/8/07 M1276 #10	ND	B1
34.	RE US policy in Central America (COPY OF #16) PART 8/8/07 M1276 #11	ND	B1
35. PAPER	RE policy implementation considerations (COPY OF #17) PART 8/8/07 M1276 #12	N.D.	B1
COLLECTION: EXEC. SECRETARIAT, NSC (NSC Mtg. Files)			DSD
FILE LOCATION: NSC00009 22 May 81 Box 91282			4/7/94

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PENDING REVIEW IN ACCORDANCE WITH E.O. 13233
Ronald Reagan Library

Collection: Executive Secretariat, NSC: Meeting Files
 OA/Box: 91282
 File Folder: NSC 00009 5/22/81

Archivist: cas
 FOIA ID: ~~MA218~~ M1276
 Date: 3/20/07

DOCUMENT NO. & TYPE	SUBJECT/TITLE		DATE	RESTRICTION
6. minutes	Of NSC meeting (7 pp.) (#2)	MVH	3/14/08	5/22/81
8. memo	Richard Allen re NSC meeting (5 pp.) (#3)	MVH	3/14/08	5/22/81
10. paper	Re SCC meeting (3 pp.) (#5)	MVH	3/14/08	Nd
14. paper	Re IIS policy (7 p.) (#9)	MVH	3/14/08	Nd
15. paper	Executive summary of NSC strategy paper (1 pp.) (#10)	MVH	3/14/08	Nd
16. paper	NSC strategy paper (14 pp.) (#11)	MVH	3/14/08	Nd
17. paper	Re policy implementation (6 pp.) (#12)	MVH	3/14/08	Nd
22. memo	Richard Allen to the President re NSC meeting (1 p.) (#16)	MVH	3/14/08	Nd
25. paper	p. 3 only (1 pp.) (#19)	MVH	3/14/08	Nd
28. briefing paper	Allen to the President re NSC meeting (3 pp.) (#21)	MVH	3/14/08	5/22/81
29. paper	Re US policy (7 pp.) (#22)	MVH	3/14/08	Nd
33. paper	(Copy of #15) 4 p	MVH	3/14/08	Nd
34. paper	(copy of 16) 14 p	MVH	3/14/08	NA
35. paper	(copy of #17) 5 p	MVH	3/14/08	NA

NATIONAL SECURITY COUNCIL MEETING:

DATE:

SUBJECT:

PARTICIPANTS:

5/22/81

The President
The Vice President
Admiral Daniel J. Murphy
State:
Sec Alexander M. Haig, Jr.
Dep Sec William P. Clark
OSD:
Sec Caspar W. Weinberger
Dep Sec Frank Carlucci
DCI:
Mr. William J. Casey
JCS:
General David C. Jones
Lt Gen John S. Pustay
USUN:
Amb Jeane Kirkpatrick
ACDA:
Mr. Eugene V. Rostow
OMB:
Mr. William Schneider
White House:
Mr. Edwin Meese III
Mr. James A. Baker III
Mr. Michael K. Deaver
Mr. Richard V. Allen
Mr. Frank Hodsoll
NSC:
Mr. Don Gregg
Mr. Geoff Kemp
Mr. Sven Kraemer
(Mr. Roger Fontaine - standby)

CAS

August 26, 1997
e. 2/4/01

0009

~~CONFIDENTIAL~~

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 21, 1981

INFORMATION/ACTION

MEMORANDUM FOR JANET COLSON

FROM: ALLEN J. LENZ *AL*
SUBJECT: Attendance List for National Security
Council Meeting (U)

The following officials plan to attend the National Security Council meeting which is scheduled for tomorrow, May 22, 9:00-10:00 a.m., The Cabinet Room, Chaired by the President. (C)

The Vice President

State
Secretary Alexander M. Haig, Jr.
Deputy Secretary William P. Clark

OSD
Secretary Caspar W. Weinberger
Deputy Secretary Frank Carlucci

DCI
Mr. William J. Casey

JCS
General David C. Jones
Lt Gen John S. Pustay

USUN
Ambassador Jeane Kirkpatrick

ACDA
Mr. Eugene V. Rostow

White House
Mr. Edwin Meese III
Mr. James A. Baker III
Mr. Michael K. Deaver
Mr. Richard V. Allen

NSC
Mr. Don Gregg
Mr. Geoff Kemp
Mr. Sven Kraemer

Approved AL As Amended _____

Attached is a proposed seating plan for the meeting. (U)

~~CONFIDENTIAL~~

Review on May 21, 1982

~~CONFIDENTIAL~~

DECLASSIFIED

By *CA* NARA Date *2/11/01*

Kirkpatrick Clark Haig THE PRESIDENT Weinberger Carlucci Rostow

Jones Casey Allen THE VICE PRESIDENT Meese Baker Deaver

Pustay

NSC -- Chairs in Back
(Don Gregg; Geoff Kemp; Sven Kramer;
Bud Nance; Janet Colson)

Schneider (1-11-71)

RECEIVED 30 DEC 81 18

TO MEESE, E

FROM ALLEN

DOCDATE 20 MAY 81

White House GI

1997

2/14/01

KEYWORDS: AGENDA USSR
 SCC SALT
 LIBYA SUDAN

SUBJECT: AGENDA ITEMS FOR 22 MAY NSC MTG

ACTION: FOR DECISION DUE: STATUS C FILES IFM O

FOR ACTION FOR CONCURRENCE FOR INFO

MEESE, E

COMMENTS

REF# LOG 8190098 8190099 NSCIFIED NSC00009 (B / B)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

DISPATCH _____ W/ATTCH FILE _____ (C)

How would you
~~be~~ treat this one?

To measure from
Allen

THE WHITE HOUSE

WASHINGTON

~~SECRET/SENSITIVE~~

May 20, 1981

DECLASSIFIED IN PART

NLS M1276 #1

By [Signature], NARA, Date 11/3/05

MEMORANDUM FOR ED MEESE

FROM: RICHARD V. ALLEN *Bud*

SUBJECT: NSC Meeting, Friday, May 22, 1981

During our NSC meeting on May 22, there are three subjects we would like your approval to cover:

(1) NSC Considerations of SALT SCC Issues - The Standing Consultative Commission (SCC) meets in Geneva on May 27. During this SCC meeting, we will confront the Soviets with several SALT-related issues. In preparing for this, we have completed the SIG process in developing instructions for the U. S. Delegation. The NSC must approve these instructions before the SCC meeting. Items that may be discussed at the SCC and for which we have developed instructions are:

- (a) ABM Treaty adherence
- (b) Interim Agreement and SALT II Observance
- (c) SALT II Ratification

Agree Disagree

(2) Policy Toward Libya - Libya has become a strategic threat to the U. S. interests both in the Middle East and Africa. A policy is needed which will bring about a basic reorientation of these Libyan policies and attitudes which are harmful to the United States interests. The policies developed in the paper for consideration, though not meant to be deliberately provocative, are meant to put Qadhafi on notice that the U. S. is taking a new and more forceful approach to our dealings with Tripoli.

Agree Disagree

(3) CIA Finding

Agree Disagree

REDACTED

SECRETED

~~SECRET/SENSITIVE~~

Review on May 20, 2011
Extended by R. V. Allen
Reason: NSC 1.13(a)

OK
EW
20 May 81

Because Item (1) is of primary interest to ACDA, approval to include Gene Rostow in the meeting is requested.

Approve _____ Disapprove _____

Normally the Attorney General is included when a CIA "Finding" is discussed. However, with your approval, I will discuss this item with him separately to preclude the necessity of his having to be present.

Agree _____ Disagree _____

Attendees at the meeting will be:

- The President
- The Vice President
- Secretary Haig
- Deputy Secretary of State Clark
- Secretary Weinberger
- Deputy Secretary of Defense Carlucci
- Ed Meese
- James Baker
- Michael Deaver
- Richard V. Allen
- Ambassador Kirkpatrick
- General Jones
- Eugene Rostow

Agree _____ Disagree _____

Notetakers for the meeting will be:

- Sven Kraemer - Item (1)
- Geoff Kemp - Item (2)
- Don Gregg - Item (3)

OK
EW
20 May 81

RECEIVED 30 DEC 81 18

TO MEMO FOR RECORD FROM ALLEN

DOCDATE 22 MAY 81

CAS

7128 1397
21.4/01

KEYWORDS: MINUTES NSC USSR
SCC SALT
CARIBBEAN

SUBJECT: MINUTES OF 22 MAY NSC MTG

ACTION: FOR RECORD PURPOSES DUE: STATUS C FILES FFM O

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS

REF# LOG 8190098 8190100 NSC IF ID NSC60009 (B / B)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO

DISPATCH _____ W/ATTCH FILE _____ (C)

NATIONAL SECURITY COUNCIL MEETING

Friday, May 22, 1981

TIME AND PLACE: 9:00-10:00 a.m.
The Cabinet Room

SUBJECT: US-USSR Standing Consultative Commission
and US Policy for Caribbean Basin

PARTICIPANTS:

President Ronald Reagan

Vice President George Bush

State

Secretary Alexander Haig
Deputy Secretary William F. Clark

Defense

Secretary Caspar Weinberger
Deputy Secretary Frank Carlucci

CIA

Director William Casey

USUN

Ambassador Jeanne Kirkpatrick

JCS

General David Jones
Lt General John Pustay

ACDA

Director-Designee Eugene Rostow

White House

Edwin Meese III
James Baker
Michael Deaver
Richard V. Allen
Frank Hodsoll

DECLASSIFIED IN PART
NLS M1276 #2
By amf, NARA, Date 11/2/05

Office of the Vice President

ADM Daniel J. Murphy

OMB

Associate Director William Schneider

NSC

Mr. Donald Greg
Mr. Geoffrey Kemp
Mr. Sven Kraemer

~~TOP SECRET/SENSITIVE~~

2

MINUTES OF MEETING

Mr. Allen: We have a fairly tight agenda today. The issues for discussion are: (1) next week's meeting of the US-Soviet Standing Consultative Commission (SCC); (2) US policy towards Sudan; (3) US policy towards Libya; and (4) a new Central American policy framework.

Issue 1: US-Soviet Standing Consultative Commission (SCC)

Mr. Allen: The SCC is a body created by the signatories to the SALT I agreement to oversee compliance issues. At issue today, is what approach the US will take at the May 27 meeting of the SCC, the first during this Administration. Guidelines for such an approach and for instructions to the US Delegation have been worked out in a series of Interagency Group meetings and at the Senior Interdepartmental Group (SIG) level. An outline of the State Department's discussion paper on this approach is attached at Tab A. The Secretary of State, the Secretary of Defense, and others will speak on the proposed approach.

Secretary Haig: The discussion paper reflects sound inter-agency consensus. Let us review its basic points. The SCC is essentially a technical body reviewing SALT compliance issues. At this forum, we will express some general concerns about non-SALT arms control compliance issues, but we see more detailed expressions of such non-SALT concerns as one to be delivered through our Embassy in Moscow by our Chargé, Jack Matlock. On the ABM Treaty, we will provide the routine notifications, state our adherence, and raise compliance concerns involving concurrent Soviet testing of SAMs and radars. On the Interim Agreement (IA) and SALT II, we will be non-committal about our observance, using only the general formula that while our policy review is underway, we will take no actions to undercut existing agreements as long as the Soviet Union exercises the same restraints. At the SCC, we will not raise compliance issues in terms of specific provisions of the Interim and SALT II agreements but, in the general context of compliance concerns, would raise the three issues of: (1) telemetry encryption; (2) reconstitution/reload capability; and (3) ICBM launcher dismantling. Internally, we would agree not to seek ratification of SALT II, and would agree that we are prepared to take actions inconsistent with SALT II and the Interim Agreement, if required by national security considerations.

~~TOP SECRET/SENSITIVE~~

Our next steps in developing our SALT policy should be to ask the SALT IG, which has done an outstanding job so far, to undertake three further analyses. First, the IG should consider steps by which we would implement our internal policy concerning SALT II and the Interim Agreement, including the modalities of withdrawing the SALT II Treaty from the Senate, how we should officially inform the Soviets, what to say to our Congress and public, and what, if any, planned or proposed US defense programs might be inconsistent with the Interim Agreement or SALT II. Second, the IG should undertake a formal interagency review of the ABM Treaty and of US ABM options in the arms control context. Third, the IG should initiate a study of long-term US SALT approaches designed to support our strategic force modernization programs and including our policy towards the Soviets and towards our Allies.

Mr. Meese: Who is heading our Delegation to the SCC?

Mr. Allen: [Brigadier] General John Lasater. Secretary Weinberger, do you wish to say something?

Secretary Weinberger: This will be our first time in the same room with the Soviets discussing SALT. We see this SCC as a technical-level discussion, but the Soviets will surely want to use it for much wider purposes, including probes of our positions on the Interim Agreement and SALT II. We should emphasize that this is a lower-level technical forum, and we should stay away from larger arms control issues. On the internal policy review issue, I do not think we should say that we will take actions inconsistent with SALT II. After all, SALT II is not in effect. President Carter urged that the Senate not vote on it, and it is in no sense pending. Earlier, the Armed Services Committee rejected it by vote of 10-0, and the Senate Foreign Relations Committee favored it by only one vote. SALT II is not alive. Our defense budget does not involve any violation of the SALT II agreement, but that was by chance, and we should retain flexibility.

Mr. Rostow: In preparing the back-up policy papers for today, over 30 suspected Soviet arms control violations were carefully examined. The proposed instructions to our SCC Commissioner would raise five SALT compliance issues as follows: (1) SAM and ABM concurrent testing; (2) large phased-array radars; (3) telemetry encryption; (4) reconstitution/reload capability; and (5) ICBM launcher dismantling. In instructions to our Embassy in Moscow, we would have them raise four non-SALT compliance issues as matters of US concern, to include: (1) chemical warfare in Afghanistan and elsewhere; (2) biological incidents at Sverdlovsk; (3) the floating of radioactive materials; and (4) nuclear testing.

Looking ahead, I would like our arms control policy to accentuate the positive. We should not be talking just about withdrawal but what to do next. In my calls on Senator Percy and other Senators, we agreed that the best way to handle the SALT II Treaty issue would be via a Senate resolution, unanimous if possible, sending it back to the White House, while at about the same time, the Administration would announce its policy of where we want to go in arms control and what we wish to achieve.

General Jones: We have found past SCC meetings with the Soviets very useful. It is a rare forum for military-to-military contact. On the SCC approach proposed before us today, we have no fundamental differences. However, we see a problem in the proposed distinction between our internal and external policy on our observance of SALT II and the Interim Agreement. Publicly, it is proposed that we would say we will take no actions inconsistent with SALT II, while internally we would agree to take actions inconsistent with SALT II and the Interim Agreement, if required by national security considerations. We should recognize that the Soviets can do many things in the near term if they cease to observe current SALT restrictions, such as increasing their SS-18 Reentry Vehicles (RVs) from 10 to 20 or 30. In the short run, we cannot match them. We would, therefore, prefer to see us stay with the language that we will not take actions that would undercut existing agreements as long as the Soviet Union exercises the same restraints. A further consideration is that we probably cannot keep the knowledge of any sensitive internal US Government decision within the confines of this room.

Mr. Meese: We can keep it in this room. Our internal decision would not be communicated to the Commissioner.

General Jones: We have not been too successful so far.

Secretary Haig: General Jones has a point -- that this formulation may be too negative. I am quite comfortable with the language here in our discussion paper, but I would like to have the old language in any public areas.

Secretary Weinberger: Several practical issues are involved here. For example, if our 4,600 M-X holes have to be opened up under SALT II verification, this adds three to four billion dollars in cost. As for jeopardizing current SALT II restrictions on the Soviets, there are things the Soviets could choose to do, of course, but I suspect they are doing these

things anyway, and I am against restraining our own programs. That's why I opposed SALT II. Also, our Trident program is affected, and a whole host of other programs.

Mr. Meese: Our public posture should be that of taking no actions that would undercut existing agreements as long as the Soviets exercise the same restraints. On the other hand, none of our programs should be inhibited by SALT II.

Secretary Haig: That's right. And we should be saying that we are reviewing the whole SALT process.

The President: What can the Soviets really do that prevents us from telling them now that we cannot go along with SALT II?

Mr. Allen: It would indicate to the rest of the world that we are against the SALT process. We've all been imprisoned by the SALT language. We need some new categories, e.g., Strategic Arms Reductions Talks. They would be known as START.

Secretary Weinberger: We should also be looking at ABM defense as arms control. Let's keep our options open on ABM. On the distinction between real arms reductions, as distinguished from arms limitations, the public does not realize the important differences. For example, in SALT, the Soviets could deploy an unlimited number of missiles and their intercontinental Backfire bombers.

The President: Why should we preserve the illusion of SALT, if we are going to slide around and do what we accuse the Soviets of doing, i.e., violating it?

Mr. Meese: The SCC Commissioner will focus on technical matters and will not be addressing these larger issues.

General Jones: With SALT restrictions lifted, the Soviets could rapidly deploy more missiles, warheads, and Backfire bombers, and there is little, if anything, we can do to prevent or to match it. There is no SALT impact on our M-X now because we will not begin deployment until 1986. You can forget about the M-X verification port holes until 1984. On Trident, we can make a decision a year from now. Let's stick with the public statement.

Secretary Haig: We have to avoid creating a negative stalemate in the public's mind. We need to express our objectives and clarify our approach on issues like the ABM.

The President: But the Soviets are not being restrained by SALT II, are they?

General Jones: So far, they have taken no actions inconsistent with the provisions of the Treaty, except, perhaps, in the area of verification. On the SS-18, they could go rapidly from 10 to 20 RVs.

Secretary Weinberger: However, there are some real concerns about Soviet compliance with the ABM Treaty and the Interim Agreement.

General Jones: Yes, there are.

E. O. 12958
As Amended
Sec. 1.4c

Mr. Casey: [REDACTED]

Mr. Rostow: That dimension is fully taken care of in these papers.

Mr. Schneider: As a footnote to what Secretary Weinberger said about SALT restrictions on US programs, I recall that the SIG also referred to the Protocol restrictions on our sea-based cruise missile and other programs.

General Jones: The Protocol expires on December 31, 1981. Then it has no programmatic impact.

Mr. Allen: The issue before us today is approval of this guidance for the SCC meeting. We will be continuing our review of the larger issues and will be bringing up these issues here at another time. Do you approve?

The President: Okay.

Issue 2: US Policy Toward Sudan

E. O. 12958
As Amended
Sec. 1.4c

At the request of [REDACTED] the second item on the agenda -- Sudan -- was referred to the NSPG for consideration.

Issue 4: US Policy Toward the Caribbean Basin

Mr. Allen: The agenda will be US policy toward the Caribbean Basin. Secretary Haig will outline the policy guidelines that have been developed in the interagency paper on this area.

Secretary Haig: Before reviewing the major conclusions of the Caribbean study, it should first be noted that one of the most critical questions in the Caribbean area has to do with Cuban troublemaking, and that we need to develop a strategy to deal with Cuba. This will be done separately and will be presented to the NSC at a later date. However, we need to come up with a broader strategy to work on some of the underlying causes that have permitted Cuba to undermine US interests in the Caribbean Basin. The proposed Caribbean Basin plan will be very popular within the region and the country. It would certainly set the stamp for the Reagan Administration's policy in the Caribbean, and would help to offset some of the criticisms that have been leveled against us over the El Salvador problem. It would also help us get away from the idea that we are solely interested in military options.

The State-drafted paper addresses the problem of preventing future Cuban successes in the region by dealing with the underlying conditions that make Cuban-style subversion possible. The paper outlines a Caribbean Basin proposal that focuses on improving economic conditions in the region. It also indicates further measures to improve internal security by providing effective security assistance to friendly governments. It addresses the question of how best to keep Nicaragua from becoming entirely a creature of the Soviet Union and Cuba. In addition, these steps will be implemented by measures to alter Cuban and Soviet policy in the area. Finally, the proposal includes initiatives to generate support for our policies in the US, our Allies, and world opinion generally.

The President: More time is required to read and digest the essence of the proposal.

Mr. Meese: This item should go on the agenda of the next NSC meeting.

This being agreed upon, Secretary Weinberger, Ambassador Kirkpatrick, and OMB Deputy Director Schneider all indicated that they would like to submit written critiques and comments on the Caribbean Basin proposal. These will be prepared within the next few days and coordinated by the NSC before being forwarded to the President.

Issue 3: US Policy Toward Libya

This agenda item was not discussed.

The meeting concluded at 10:00 a.m.

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TO PRES

FROM ALLEN

DOCDATE 22 MAY 81

CAS

2/14/01

KEYWORDS: AGENDA

USSR

SCC

SALT

LIBYA

SUDAN

SUBJECT: PRES MEETING PAPER FOR 22 MAY NSC MTG

ACTION: FOR RECORD PURPOSES

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THE WHITE HOUSE

WASHINGTON

~~TOP SECRET/SENSITIVE~~NATIONAL SECURITY COUNCIL MEETING

Friday, May 22, 1981
 9:00 - 10:00 a.m. (1 hour)
 The Cabinet Room

FROM: Richard V. Allen

I. PURPOSE

The President will chair a meeting of the National Security Council at 9:00 a.m. on Friday, May 22, 1981. Agenda items will include (1) Considerations of SALT SCC Issues, (2) [REDACTED] (3) U. S. Policy Toward Libya, and (4) U. S. Policy in Central America and the Caribbean.

E.O. 12958
 As Amended
 Sec. 1.4c

Participants will include the Vice President, the Secretary of State, the Secretary of Defense, the Director of Central Intelligence, the Counsellor to the President, the U. S. Ambassador to the United Nations, the Chief of Staff to the President, the Assistant to the President for National Security Affairs, the Deputy Chief of Staff to the President, the Chairman, Joint Chiefs of Staff, the Director, Arms Control and Disarmament Agency, the Deputy Secretary of State and the Deputy Secretary of Defense.

II. BACKGROUNDA. Considerations of SALT SCC Issues.

The Standing Consultative Commission (SCC) meets in Geneva on May 27, 1981. During the SCC meeting, we will confront the Soviets with several SALT-related issues. In preparing for this, we have completed the SIG process in developing instructions for the U. S. Delegation. The NSC must approve these guidelines before the SCC meeting. The more important areas to be discussed are the ABM Treaty Compliance Issues, the Interim Agreement and SALT II Compliance Issues and SALT II Ratification.

More details on this agenda item are shown at Tab A.

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Review on May 21, 2011
 Extended By Richard V. Allen
 Reason: NSC 1.13(a)

DECISION

NLS M1276 #3

By Amf, NARA, Date 11/2/05

- (2) approve in principle enhanced resource and policy commitment to the region, with specific programs and resource levels to be determined within the interagency process at a later date;
- (3) authorize the Department of State to begin consultations with Congress, our Allies and key countries in Latin America and the Caribbean concerning our proposed policies; and
- (4) authorize the interagency group, subsequent to the above consultations, to develop specific courses of action, risk assessments and funding requirements within the general guidelines of the approved package and return to the SIG or NSC for further consideration before actions are undertaken.

More details on this agenda item are shown at Tab D.

III. QUESTIONS FOR DISCUSSION

A. Consideration of SALT SCC Issues.

- Al and Gene, when we start SALT negotiations, I want it to be at the time and place I want to start. Therefore, we have to ensure that our actions in the SCC do not inadvertently lock us into any position on more general SALT issues.
- Gene (Rostow), are we prepared to level any specific charges of cheating at this meeting?
- Where does the SCC process go from here?
- Cap (Weinberger), we have said that we will not take any actions to undercut SALT II if the Soviets do likewise.

Are we unnecessarily restraining our force improvements in order to adhere to a treaty we have repeatedly denounced?

- Al (Haig), how are we progressing in developing an interagency articulation of my arms control philosophy?

E 3
As Amended
Sec. 1.4c

~~REDACTED~~

~~REDACTED~~

~~REDACTED~~

~~REDACTED~~

~~REDACTED~~

C. U. S. Policy Toward Libya.

-- Al (Haig), with the crisis in Lebanon still unresolved and the possibility that there could be a major war between Israel and Syria, shouldn't we be preparing for the possibility of attacks on our interests by Libya and other radical countries? Isn't Qadhafi very anxious to improve his relations with Syria and provide arms and moral support? Could this threaten any of our people in Libya?

-- Al (Haig), what effect are our actions likely to have on our oil supplies from Libya? Is the current glut sufficient to cushion the effects of a Libyan embargo or are they so dependent on us that they will continue to sell come what may?

-- ~~REDACTED~~

E. O. 12958
As Amended
Sec. 1.4c

- Cap (Weinberger), I understand we are going to postpone the June exercise in the Gulf of Sidra. Can we pick a firm date now to reschedule the exercise?

D. U. S. Policy in Central America and the Caribbean.

- Al (Haig), how soon can we have a refined strategy paper with all the elements in place?
- Bill (Casey), how much time do we have in El Salvador and Nicaragua?
- Al (Haig), how much do you estimate the two policy packages will cost?
- Al (Haig), there is a separate paper on Cuba. Since Cuba is of overriding importance in all this, should that paper be merged with the final strategic plan? How far along are we on the Cuban paper?
- Al (Haig), on the Caribbean basin proposal, what is the step-by-step procedure involving the other proposed sponsors of the plan?
- Al (Haig), how long will that take? What are the likely responses?
- Al (Haig), should the Brazilians be involved in the Caribbean basin plan? The Colombians?

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US-USSR STANDING CONSULTATIVE COMMISSION (SCC) MEETING

May 27, 1981

OUTLINE OF STATE DEPARTMENT DISCUSSION PAPER

There is interagency agreement that our general strategy for the May 27 SCC meeting will be to focus on SALT issues at a low-key and technical level, avoiding major policy issues. Our approach will be as follows:

- Non-SALT Agreements: We will stress the relationship between SALT progress and compliance with other arms control agreements, including biological warfare. Concurrently, our Embassy in Moscow would stress that Soviet behavior patterns undermine the trust necessary for arms control. The Administration will require rigorous compliance with SALT and with other agreements.
- Anti-Ballistic Missile (ABM) Treaty: We would state our continued adherence and indicate that our ongoing review of the Treaty will be influenced by Soviet behavior.
- Interim Agreement and SALT II: We would indicate that our SALT policy is under review, and that we will take no action that would undercut existing agreements as long as the Soviet Union exercises the same restraint.
- SALT II Ratification: We would not inform the Soviets that we will not seek ratification. (As an internal USG policy matter, we need to confirm that we will not seek ratification, and that we will take actions inconsistent with SALT II and the Interim Agreement, if required by national security considerations.)
- ABM Treaty Compliance Issues: We would raise two issues: (1) the Soviets' concurrent operation of SAM and ABM components, and (2) the Soviets' large phased-array radars.
- Interim Agreement and SALT II Compliance Issues: We would avoid raising compliance questions in terms of specific provisions of these two agreements, but, in the context of the general SALT process, would raise three issues: (1) expanding Soviet encryption of telemetry; (2) Soviet reconstitution/reload capability; and (3) ICBM launcher dismantling.
- In order to preserve our future flexibility in the SCC, we would also reserve the right to raise additional issues at subsequent sessions.

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Review May 21, 1987

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NLS M1276 #4

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BY Amf, DATE 11/2/05

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An Approach on SALT-Related Issues in Preparation
for the May 27 Meeting of the US-Soviet
SALT Standing Consultative Commission (SCC)

This memorandum sets out for NSC approval a position on the issues of US near-term SALT observance and Soviet compliance with SALT (and other arms control agreements), in conjunction with a US strategy for the May 27 SCC. The SIG has reached a consensus on this position.

A. SCC Strategy

The SCC was established in 1972 as a bilateral US-Soviet body to promote the objectives and implementation of SALT agreements. It meets at least twice annually, and has concerned itself primarily with such questions as SALT compliance and technical issues such as procedures for dismantling of strategic systems under the SALT agreements.

The SIG decided that we should seek to maintain the SCC essentially as a technical body for discussion and resolution of SALT questions. It would be a mistake to politicize it or unduly broaden its scope to arms control agreements not within its mandate.

Thus broad issues -- such as expressions to the Soviets of concerns about their compliance with arms control agreements generally -- would more usefully be raised in non-SCC channels. This important political message should be conveyed through Embassy Moscow at the senior diplomatic level. Such an approach could be timed to coincide roughly with the SCC session. It would make the points that the pattern of Soviet behavior on compliance threatens to undermine the trust necessary for arms control, and that the Administration will require not only rigorous Soviet SALT compliance but also the highest standard of Soviet compliance with other arms control agreements (e.g., on chemical and biological weapons, nuclear testing) as a prerequisite for a viable SALT process.

It would be appropriate to state briefly in the SCC that there is a relationship between future progress in SALT and compliance concerns with respect to arms control agreements generally -- including agreements outside SALT, such as the biological warfare convention.

B. Near-Term SALT Observance

Our posture on near-term observance of SALT agreements should not be driven by the upcoming SCC session.

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NLS M1226 #5

BY AMJ, NARA, DATE 11/2/05

(1) ABM Treaty Adherence. The U.S. continues to adhere to the Treaty. We should make ABM Treaty notifications at the SCC consistent with past US practices. We should note at the SCC that we are reviewing ABM Treaty issues and that this review will be influenced by Soviet responses to compliance and other matters under discussion in the SCC. The US and the USSR will be conducting their next joint review of the ABM Treaty in 1982.

(2) Interim Agreement and SALT II Observance. If questioned on near-term IA or SALT II observance, we would state that our SALT policy is under review and that while this review is underway we will take no action that would undercut existing agreements as long as the Soviet Union exercises the same restraint. We should avoid being drawn into any discussion as to whether this constitutes observance or non-observance for either agreement.

We would provide the standard IA notifications at the SCC, noting at that time that U.S. policy towards the IA remains under review.

(3) SALT II Ratification. We should not inform the Soviets at this juncture and in this forum that we do not intend to seek ratification of SALT II. The USG should, however, confirm as an internal policy matter that : a) we will not seek ratification of the SALT II Treaty; and b) that we will take actions inconsistent with SALT II (and the IA) if required by national security considerations.

C. Soviet Compliance with SALT

In addition to make notifications, the U.S. would raise the following compliance issues at the SCC:

(1) ABM Treaty.

(a) Concurrent Operation of SAM and ABM Components. This is a serious issue that will be raised in the SCC as a compliance concern, or pursued in an effort to broaden the existing Agreed Statement (which prohibits only concurrent testing), or both. (After technical review, the SALT IG will decide on which approach would be the most suitable).

(b) Large Phased Array Radars. We should raise this issue as an ambiguous situation and request Soviet clarification about the purposes and capabilities of these radars. This would parallel the approach the Soviets made about the US PAVE PAWS early warning radars in 1978.

In addition, the SCC Commissioner should refer to the importance of correct reporting under SCC procedures on ABM dismantling.

(2) Interim Agreement and SALT II

In order to avoid discussing the U.S. posture on observance, we should refrain from raising any concerns over Soviet activities as questions of compliance with specific provisions of these two agreements. Instead, we should raise such concerns in the context of patterns of activity affecting the SALT process generally.

In this context, the U.S. should raise three issues:

(a) The expanding pattern of Soviet telemetry encryption during flights of ICBMs, SLBMs and IRBMs undermines the SALT process in the key area of verification. The US would state this concern in the context of a broader concern over concealment activities generally.

(b) Soviet reconstitution capability. We should in note in passing our concern over possible Soviet efforts to acquire such a capability and its potential for undercutting the SALT process.

(c) ICBM launcher dismantling. The SCC Commissioner should refer to the importance of carrying out precisely the agreed procedures, and of correct reporting under SCC procedures on ICBM dismantling.

(3) Other Issues

The U.S. Commissioner should inform his Soviet counterpart that we reserve the right to raise issues other than those covered here at subsequent SCC sessions.

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SENSITIVE

U.S. Policy Toward Libya

BACKGROUND

Libya under Qadhafi is a major threat to U.S. interests throughout the Middle East/African region and, in the broadest sense, to our concept of an international order. Qadhafi's support for international terrorism, his dreams of empire (now becoming a reality in Chad*), his arrogation of the right to murder Libyan dissidents abroad, his hatred for and potential violence against Israel and key Arab moderates, and his potential for developing nuclear weapons require a concerted program of counteraction.

Libya poses a threat to the long Mediterranean lifeline of our capability to project power into the Persian Gulf area as well as directly threatening the survival of friendly regimes in the area. This could endanger our entire strategy in that region. Our ultimate objective, therefore, must be no less than a basic reorientation of those Libyan policies and attitudes which are now harmful to our interests.

*A separate paper on Libya/Chad has already been sent to the President.

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RDS-1-3 5/12/01

BY Amf, NARA, DATE 11/2/05

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RECOMMENDATIONS:

Our study of this problem through an Interagency Group and discussions at the SIG level have produced interagency consensus on the seriousness of the problem, the need for firm U.S. action in support of our interests, and the following recommendations for certain steps that can be taken immediately--while stronger measures are developed and measures protective of our interests are put into place. The Departments of Defense and Energy, and the Central Intelligence Agency participated fully in these deliberations, and the recommendations that follow have been endorsed at the policy-making level in each case. In no instance are these steps meant to be deliberately provocative.

These recommended first steps (1) lay a foundation for more vigorous actions to follow, if needed; (2) put the United States in a stronger position to deal with any possible Libyan countermeasures; and (3) begin the process of clearly signaling to the current Libyan leadership, to potential future Libyan leaders, and to other governments a new and more forceful approach in our dealings with Tripoli. Specifically, the following steps are being proposed:

-- As the President has authorized, this new policy is being signalled immediately by closing the Libyan People's Bureau (equivalent to an embassy) in Washington. This will indicate to Arab and other governments, and to private companies and citizens now doing business in Libya that the United States is refusing to deal normally with Qadhafi.

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-- Through careful, low-key official and background statements, focus international public opinion on Libyan excesses, and make clear the growing concert of world opinion that Qadhafi's international conduct is unacceptable.

-- Keep selected European and regional friends and allies informed of this new policy toward Libya and urge their support for vigorous measures commensurate with the menace that Libya poses to Western interests.

In addition, we began to reduce U.S. vulnerability by the following actions:

-- Consultations have been held with the management of the U.S. companies operating in Libya, and they have been urged strongly to reduce the size of their American staffs. The State Department has issued a strong advisory urging Americans not to travel to Libya. The closing of the People's Bureau, however, is the step now most likely to convey our seriousness of purpose and to lead U.S. companies to withdraw their employees, without degrading their optional capability, if possible.

-- A maritime advisory has been issued consistent with the travel advisory.

-- State and DOD are working to update evacuation and other emergency contingency planning.

-- DOD in consultation with State will develop contingency planning to cope with possible Soviet initiatives to support Libya in some new aggressive action.

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-- In conjunction with the intelligence community including the FBI, plan to initiate an assessment of the U.S. internal vulnerability to terrorist activity that might be triggered in the event of a crisis with Libya.

In order to contain Libyan excesses and lay a foundation for stronger measures additional proposed actions include:

-- Developing a concrete program to deter Libyan assassination and intimidation campaigns, and seek to enlist the cooperation of the other countries most seriously menaced.

-- Because the acquisition of nuclear weapons by Libya would pose an intolerable threat to the security and well-being of friendly states in the region, under development is an action plan which, in consultation with the states that supply, or may supply, nuclear equipment to Libya or provide nuclear training for Libyans, will be designed to prevent Libya from obtaining the capability to produce nuclear weapons. Also under examination is the possibility of prohibiting U.S. universities from providing nuclear training to Libyan nationals.

-- Beginning conversations with those who have given military assistance (and training) to Libya with the aim of eliminating or cutting back this activity.

-- The Sixth Fleet has tentatively planned a naval and air exercise in the eastern Mediterranean starting in late June that is scheduled, for the first time in three years, to bring our units into those waters in the Gulf of Sidra that Libya illegally claims. The Libyans have in the past threatened

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military opposition to such activities. This would be preceded by a stern warning to the Libyans that any hostile Libyan actions against this exercise--or our regular air reconnaissance flights off Libya's coast--will be met by force. (The Fleet elements participating will operate under peacetime rules of engagement which are defensive in nature.)

-- In the case of neighboring states directly threatened by Libya (such as Tunisia and the Sudan) tangible measures will be proposed to help them defend themselves, including not only the high priority for FMS already being accorded, but also joint military exercises, training, etc.

RISK FACTORS

While the program outlined above represents a significant beginning in developing a new policy toward Qadhafi there continues to be a risk factor to be taken into account in dealing with Libya. Qadhafi can respond to our actions, and the probability is quite high that he will. Of his possible responses, three could have serious repercussions:

-- He could attack U.S. aircraft or ships, thus precipitating hostilities or even war.

-- He could take hostage or use violence against some of the more than 2,000 Americans now working in Libya.

-- He could use the oil weapon through an embargo on exports to the U.S. or our allies or through a partial or general production shutdown. (An embargo would be manageable, though U.S. oil companies operating in Libya might

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be hurt. A partial production shutdown, under soft spot market conditions, would raise spot prices but official prices should remain relatively stable. U.S. refiners should be able to find alternate supplies but U.S. oil companies in Libya might be adversely affected. A substantial production shutdown could cause a modest increase in world oil price and problems worldwide for less efficient refiners dependent upon high quality oil.

It is the best judgment of the SIG participants, however, that the steps which proposed will not trigger a drastic response by the Libyans. Above all Qadhafi must fear what the U.S. will do if sufficiently provoked. The President's warning against State-supported terrorism against the United States must have registered with Qadhafi.

In addition, Qadhafi also is operating under a system of constraints. He basically needs his oil income for his domestic and international goals (despite the existence of large financial reserves); he is potentially over-extended in Chad; and his relationship with the Soviets may cause more costs than benefits to him if actual hostilities break out. In addition, the precautionary measures which we have proposed as the first steps in this program are designed to help insulate the United States from such a response even if it does occur. Finally, Qadhafi has significant political vulnerabilities including the increasingly organized exile Libyan

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opposition groups, and internal tribal and political cleavages. Nevertheless, Qadhafi is highly erratic and a violent response on his part cannot be completely ruled out.

Commensurate with the truly serious threat which Libya poses, we are developing and plan to present to you shortly further specific recommendations for dealing with the long-term security threat posed by Libya's current policies.

In making these additional proposals full account will be taken of the results of consultations with other concerned states, the results of contingency studies, intervening developments including any reaction on Qadhafi's part to the initial steps, and assessments at that time of constraints on action.

EXECUTIVE SUMMARY OF STRATEGY
PAPER FOR THE NSC ON

U.S. POLICY IN CENTRAL AMERICA
AND THE CARIBBEAN

ISSUE

This paper seeks NSC approval of a multifaceted and comprehensive long-term U.S. strategy for restoring stability in Central America and the Caribbean. It also seeks NSC guidance in principle on the blend of political, economic and military instruments to be used to implement the strategy and the overall level of resources and policy commitment the NSC is prepared to approve. Subject to the President's approval of the general strategy and level of effort, we will prepare detailed program proposals and specific cost estimates for further NSC consideration.

DISCUSSION

Armed insurgency, strongly supported by Cuba, threatens U.S. interests in Central America and the Caribbean. Our overriding goal is to defeat Cuban-supported insurgency and reduce Cuban influence, and to do so in such a way that preserves other important U.S. interests in the hemisphere and around the world. Just as the challenge is a multifaceted one, so must be our strategy to meet the challenge. While Cuban support of insurgency is an immediate problem that must be addressed, we must recognize that the insurgency has its roots in the long-standing political, economic and social problems which provide an all-too-fertile ground for subversion and violent change. Therefore, we need a carefully balanced and integrated strategy in which anti-insurgency and anti-Cuban efforts will be accompanied by prompt and decisive actions in the political and economic realms. Such a strategic approach is necessary not only to address all aspects of the challenge, but also to maximize domestic and international support for our efforts. We are particularly concerned that a policy largely based on -- or seen to be based on -- military measures would generate such opposition among the American public, the Congress and our Allies as to jeopardize their support and ultimately the strategy itself.

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RDS-3 3/23/2001 (MCFARLANE, ROBERT C.)

DECLASSIFIED / RELEASED

NLS M1276 #10

BY Amj, NARA, DATE 11/2/05

THE STRATEGY

As detailed in the full paper below, U.S. strategy would address three broad strategy dimensions, each of which we have divided into "strategic elements" with supporting "illustrative courses of action" and "preliminary evaluations." We have used the caveats "illustrative" and "preliminary" to underscore that, subject to Presidential approval of the general strategy, detailed courses of action will be prepared, evaluated and submitted to the NSC for consideration. In outline, our proposed strategy is:

A. Efforts to deal internally with the challenges.

Strategic Element: Measures in Central America and the Caribbean to Control or Prevent Armed Insurgency (effective security assistance to friendly governments, aid to forces opposing Cuban-backed governments, upgraded DOD and CIA intelligence and surveillance capabilities)

Strategic Element: Effective U.S. Support for Improving the Political, Economic and Social Conditions of Central America and the Caribbean, the Breeding Ground of the Insurgency Virus (increased economic assistance, a "Reagan Plan for Caribbean Basin Cooperation," support for early and credible elections, assistance to the government in curbing abuses against the people by the militaries)

Strategic Element: Measures to get Nicaragua back on the Course Toward Pluralism and Away from Castro (steps to assist the existing government back to moderate paths or to replace it with moderate forces)

B. Efforts aimed at the sources: i.e. to alter Cuban and Soviet behavior.

Strategic Element: Measures vis-a-vis Cuba to end or Curtail Cuban Support

Strategic Element: Measures to Induce the Soviet Union to Withdraw its Support of Cuban Adventurism

NOTE: U.S. policies in this dimension of the strategy will be studied in a separate policy paper commissioned by the SIG given the global nature of Cuban and Soviet support of insurgencies and the far-reaching implications of any U.S. measures against Cuba or the Soviet Union.

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C. Initiatives to generate support for our policies.

Strategic Element: Consultations with Allies on U.S. Policy toward Cuba, Central America and the Caribbean (quiet diplomatic missions to seek political support for our balanced strategy and cooperation in increased assistance to the region)

Strategic Element: Consultations with Congress (a legislative action program aimed at fostering support for economic and security measures and, if necessary, for sanctions against Cuba and Nicaragua)

Strategic Element: A Worldwide Information Campaign (a massive effort, perhaps kicked off with a major Presidential address setting forth U.S. policy for the region)

OPTIONS ON RESOURCES AND LEVEL OF EFFORT

In concluding that a broad and integrated strategy is needed, we recognize there are any number of combinations of courses of action and variations of emphasis. The full NSC paper below presents two illustrative general policy combinations which represent: (a) a high-priority enhanced (above inherited levels) policy commitment, but attentive to costs to U.S. programs in other parts of the world; and (b) a top-priority, high-intensity, all-out policy commitment. A highly tentative estimate to indicate a rough order of magnitude between the two packages would put cost to the U.S. in terms of additional economic and security assistance to the region in FY 1982 at some \$330 million in the "enhanced" package and \$530 million in the "all-out" package. In subsequent years official assistance could be augmented by, or partially substituted by, resource transfers to the region resulting from a major Administration initiative to establish a new approach to fostering stable regional economic development through a Caribbean Basin Cooperation Agreement.

RECOMMENDATIONS

1. That the NSC approve the general strategy presented in this paper on U.S. Policy in Central America and the Caribbean:

APPROVE _____ DISAPPROVE _____

2. That NSC guidance on the relative priority, resource levels and policy commitment that it intends are most closely approximated in:

Package A _____

Package B _____

3. That the NSC authorize the Department of State to consult with Congress, our Allies, and key countries in Latin America and the Caribbean concerning our proposed policies:

APPROVE _____ DISAPPROVE _____

4. That the NSC authorize the Interagency Group subsequent to the above consultations to develop specific courses of action, risk assessments and funding requirements within the general guidelines of the approved Package and return to the NSC for further consideration before actions are undertaken:

APPROVE _____ DISAPPROVE _____

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STRATEGY PAPER FOR THE NSC

U.S. POLICY IN CENTRAL AMERICA
AND THE CARIBBEAN

I. Strategic Overview

The most aggravated insurgent situation in the Caribbean and Central America exists in El Salvador, where substantial U.S. security assistance efforts are already underway to buy time and to stabilize the immediate threat. The insurgency challenges faced by Guatemala and Honduras are less advanced, but will increase unless effectively countered. In Nicaragua and Grenada, Cuban influence has already reached an unacceptably high level. In Costa Rica, traditional democratic institutions are being undermined by severe economic problems. Similar economic difficulties undermine the democratic institutions of the other islands of the Caribbean, offering potentially fertile ground for Cuban subversive efforts.

U.S. interests call for a Central America and Caribbean of stable, prospering and moderate states friendly to the United States and free of significant influence from powers hostile to us. Cuba's objectives in the region are to overthrow existing governments, replace them with Marxist regimes and diminish U.S. influence. Cuba, with indirect Soviet support, has trained, coordinated, supplied and advised insurgents and would-be insurgents throughout the region. The SIG has directed that actions vis-a-vis Cuba to end or curtail its support for Central American insurgents be studied separately as part of a broader U.S. policy for addressing Cuban and Soviet support for Marxist insurgent groups around the world. This study will be forthcoming shortly.

For twenty years successive U.S. administrations have sought to cope with the Cuban challenge, most usually on an ad hoc and random basis. It is time that the United States developed a broad and enduring program for dealing with the Cuban threat. We have spoken publicly of our intentions in this regard, and our credibility will suffer if we do not match our words with effective action. Cuban adventurism must be met in our own front yard not only to defend our local interests, but also to defend our global stakes in the rule of law and international order; a failure to deal with the Cuban problem will only embolden our adversaries and undermine our Allies and friends worldwide.

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NLS M 1276 #11

By Amf, NARA, Date 11/2/05 ~~TOP SECRET/SENSITIVE~~
RDS-3 3/23/2001 (McFARLANE, ROBERT C.)

It is important that we understand the precise nature of the threat. There exists throughout much of the region long-standing and deep-rooted political, economic, and social problems which provide an all-too-fertile ground for subversion and violent change. Cuba, with Soviet encouragement and support, is successfully exploiting these conditions, using a range of military and political instruments.

But just as the challenge is multifaceted, so must be our response. It is our view that to succeed we must adopt a carefully balanced and integrated strategy in which anti-insurgency and anti-Cuban efforts will be accompanied by prompt and decisive actions in the political and economic realms. Such a strategic approach is necessary, not only to address all aspects of the problem, but to maximize domestic and international support for our efforts. Indeed, we are particularly concerned that a policy largely based on -- or seen to be based on -- military measures would generate such opposition among the American public, the Congress and our Allies as to jeopardize their support and ultimately the strategy itself.

II. Strategic Dimensions and Elements

A successful strategy for dealing with the Cuban challenge must be both balanced and comprehensive. Three basic dimensions are necessary:

A. Efforts to deal internally with the challenge, i.e. measures to control or prevent armed insurgency and to effectively support improved political, economic and social conditions;

B. Efforts aimed at the sources, i.e. measures to alter Cuban and Soviet behavior through inducements or sanctions;

C. Initiatives to generate support for our policies in the U.S. public and Congress, among our Allies and in world opinion generally.

We have divided these three broad strategy dimensions into eight "strategic elements," with supporting illustrative courses of action and preliminary evaluations.

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ganda, enhance U.S. and Western credibility and improve the image of the respective governments:

-- Significant increases above previous economic assistance levels for Central America are necessary, for political, psychological and propaganda impact, as well as on strict economic grounds.

-- Economic assistance programs in the Caribbean should be examined and increased as necessary; existing assistance mechanisms should be reviewed to determine their responsiveness to U.S. interests;

-- the U.S. should take the lead in arranging increased economic assistance for Central America and the Caribbean from other donor nations and international financial institutions.

-- appropriate performance standards must be developed to assure that economic assistance programs are seen by the people of Central America and the Caribbean to be directed at improving their standards of living.

B. Develop a "Reagan Plan for Caribbean Basin Cooperation." Many expert observers doubt that, regardless of levels of outside official economic assistance, the tiny-to-small economies of the Caribbean and Central America will ever become self-sustaining without a special relationship to the markets of North America. The Administration could explore a new Caribbean Basin Cooperation Agreement providing for:

- One-way free trade with the U.S. and Canada (no doubt there would have to be transitional quantity safeguards on some sensitive products such as textiles, Puerto Rican rum, some vegetables).
- Some trade concessions by Mexico and Venezuela (and possibly Brazil) to the other members.
- Stabilization loans to primary producers when prices fall below a certain trend; all members would participate in financing.
- Political conditionality -- i.e., cut off if a country does not move toward pluralism.
- Initiative to be taken jointly by Mexico, Venezuela and U.S. (and possibly Brazil).

C. Quietly but firmly help authorities of each government develop early and credible electoral processes to legitimize them in the eyes of their own people and U.S. and world opinion; elections -- not negotiated power-sharing with the left -- is the political solution that meets our policy goals while at the same time providing a positive focus for our consultative and information programs.

-- the U.S. must heavily emphasize in all public discussions of El Salvador the electoral process that is getting underway and seek means (e.g. international supervision or oversight) to enhance the credibility and fairness of the process both in El Salvador and abroad.

-- in Guatemala and Honduras we must impress upon the governments that our economic and security assistance is sustainable only if accompanied by firm and effective government measures setting up credible processes leading to early national elections. The U.S. should assure the continued progress in Honduras toward elections and insist with Guatemalan authorities that they take prompt steps toward elections.

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D. Quietly but firmly help the authorities of each government to curb the excesses of their militaries which serve to alienate their populations and feed the insurgencies.

-- develop programs and training courses with Central American militaries for this purpose; identify appropriate and inappropriate military behavior; codes of conduct; military civic action programs; prevention of crimes against the population by the military, and punishment of crime when it occurs; propaganda campaign putting military in a favorable light.

Preliminary Evaluation

We believe that in the strategy context outlined here, Congress will support substantially increased economic assistance for Central America and the Caribbean. A major Administration initiative toward a special economic relationship with the Caribbean Basin would be a dramatic demonstration of long-term United States commitment to the region. Quiet but firm U.S. pressure on the Central American governments in

the areas of economic and social progress, political reform and curbing military excesses is indispensable to the strategy; U.S. assistance should be linked to satisfactory performance. We cannot appear to be supporting a return to extreme right military dictatorships in Central America. In the Caribbean we must act now to increase support of the existing democratic structures before they are overwhelmed by economic and social problems. Our purpose here is not to engage in mindless coercion of governments over isolated inconsistencies with our values which ignore our larger concern for measured progress in broad terms toward political and economic stability. We believe that our initial expressions of support without exacting quids pro quo have established our bona fides and good faith and that we will be able to achieve the changes we seek through quiet, balanced diplomacy.



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rd Strategic Element: Measures to get Nicaragua back on Course toward Pluralism and away from Castro: A Carrot and Stick Approach

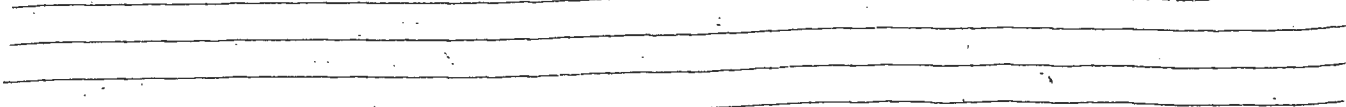
Illustrative Courses of Action

A. In a forceful, private demarche to appropriate Nicaraguan leaders, delivered by our Ambassador after consultations with you, explain our Cuban denial policy and the unacceptability of (1) Cuban security links with Nicaragua and (2) emergence of a Marxist-Leninist, one-party state in Central America; invite Nicaragua to move toward free elections together with its Central American neighbors; offer resumption of U.S. assistance to and cooperation with a pluralistic, moderate Nicaragua. Our goal is to push the existing government back to moderate paths or promote its replacement by moderate forces.

B. Openly promote and encourage democratic institutions in Nicaragua. Work with Central American neighbors to support Nicaraguan moderates against the Sandinistas;

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Preliminary Evaluation

The prospects of a demarche to Nicaragua are poor. Nicaragua is a special case in that the insurgency triumphed, and the problem is now excessive Cuban influence and growing radicalization of the regime. The Soviet and Cuban commitment to a Leninist-Marxist state in Nicaragua is high. Nevertheless, for reasons analogous to our approach to Cuba -- to protect our flank on the left -- a demarche to Nicaragua appears to be a necessary square to fill. In the context of the constructive U.S. strategy outlined here, U.S. concerns about the course of developments in Nicaragua may be shared sympathetically by some other regional players, such as Venezuela and Costa Rica. A U.S. public policy of staying in the background and letting Venezuela and others take the lead in urging early and free elections in Nicaragua is feasible.

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4th Strategic Element: Measures vis-a-vis Cuba to end or Curtail Cuban Support: A Carrot and Stick Approach

NOTE: Measures vis-a-vis Cuba will be examined in the context of the separate policy paper commissioned by the SIG. With regard to Central America and the Caribbean, the objective would be to put an end to effective Cuban support for insurgents before Cuban-supplied assistance reaches the area. A related issue is that of interdicting on the scene in Central America the infiltration of Cuban assistance to insurgents.

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5th Strategic Element: Measures to Induce the Soviet Union to Withdraw its Support of Cuban Adventurism

NOTE: Measures vis-a-vis the Soviet Union will be examined in the context of the broader policy paper commissioned by the SIG. With regard to Central America and the Caribbean, we would make clear to the Soviet Union that we will no longer tolerate Cuba's support for insurgency in Central America and emphasize that the USSR cannot avoid responsibility for Cuban actions which they are in a position to influence. It is not clear, however, that we would need to invoke linkage formally. There is some evidence that the Soviet Union will not go to the mat for Cuba at a time when they are preoccupied with events in Afghanistan, Poland and elsewhere. If this is true, our insertion of this matter as a major issue in US-Soviet relations would be unnecessary and perhaps counterproductive in that the Soviets might require corresponding concessions from us elsewhere in return for easing off Central America -- a decision they may have already made. Consequently, there is no compelling need to approach the Soviets formally at this time. In the normal course of our dialogue, however, we should let it be known that our expectations of restraint encompass not only their behavior but that of their clients as well. Moreover, during the next six months we should measure Soviet reactions to our efforts and reconsider a formal demarche if the need arises.

6th Strategic Element: Consultations with Allies on U.S. Policy toward Cuba, Central America and the Caribbean

Illustrative Courses of Action

-- Subject to NSC approval of the strategy, diplomatic missions will be quietly dispatched to European allies and key Caribbean, Central and South American countries to consult on U.S. policy toward Cuba, Central America and the Caribbean. The approaches will follow-on from the earlier missions which alerted them to Soviet/Cuban support of insurgency. The principal purpose of the new approaches will be to counter fears of U.S. over-emphasis of a "military solution"; the emissaries will emphasize the U.S. commitment to political solutions through impartial elections and to sharply increased U.S. economic initiatives to attack the social and economic roots of discontent. They

will also reiterate that the U.S. will not tolerate Cuban support for insurgency in Central America and the Caribbean. The emissaries will seek political support from the countries visited for our policies and their cooperation in increased economic assistance for the region.

Preliminary Evaluation

This element is an essential and integral part of our strategy. The emphasis should be to place into the broader strategic context of overall U.S. policy in Central America the U.S. determination to counter Cuban-supported armed insurgency which was the principal message of the Eagleburger and related consultations.

7th Strategic Element: Consultations with Congress

Illustrative Courses of Action

-- Subject to NSC approval of the strategy, we will prepare a legislative action program beginning with briefings and consultations with Congress aimed at fostering support for economic and security assistance measures and, if necessary, for sanctions against Cuba and Nicaragua.

Preliminary Evaluation

Only a balanced U.S. strategy as presented above will be likely to obtain and sustain Congressional support. A careful Legislative Action strategy must be developed and implemented in order to maximize the likelihood of Congressional support.

8th Strategic Element: A Worldwide Information Campaign.

Illustrative Courses of Action

-- We will need to develop a massive information campaign to inform U.S. and world opinion of the challenges in Central America and the Caribbean and U.S. policies to counter the challenges.

-- The campaign could be kicked off with a major Presidential address definitively setting forth the enlightened, statesmanlike and clear U.S. policy for the region.

Preliminary Evaluation

We need to develop a major campaign: to present to American and foreign opinion an image of a Central America (a) on the road to democracy, moderation and economic development, and (b) struggling against Soviet/Cuban subversion; and to represent U.S. policy as firm, constructive and well-motivated.

III. Viable Policy Combinations

The strategy presented in this paper is a balanced and integrated one which addresses concurrently the three basic dimensions of the challenge. The previous Administration in its concentration on the underlying and regional causes of insurgency failed to address in time the fact of Cuban and Soviet support and, indeed, failed to attack even the domestic root conditions with adequate resources. We have considered the opposite approach of a "quick fix" solution, i.e. trying to end the problem through slamming the door on Cuban/Soviet support (either through negotiations or by force) or through military defeat of the insurgents on the ground. We will be studying further in a subsequent policy paper measures vis-a-vis the Soviet Union and Cuba. However, we have concluded that unless root social, economic and political causes are effectively addressed, insurgency will remain an ever-attractive alternative for the alienated populations.

In concluding that a broad and integrated strategy is needed, we recognize there are any number of policy combinations, and variations of relative emphasis on policy elements are possible. Below we present two illustrative general policy combinations which represent: (a) a high-priority, enhanced (above inherited levels) policy commitment, but attentive to costs to U.S. programs in other parts of the world, and (b) a top-priority, high-intensity, all-out policy commitment.

PACKAGE A: ENHANCED BUT MODERATE

This option would recognize our acceptance of the nature of the threat and our readiness to act to meet it. Considerable resources would be made available, and we would run some risk of Cuban or Soviet reprisal. The objective would be to reduce Cuban influence in the region and to begin effectively to attack underlying causes, aiming for a not particularly dramatic but nevertheless enhanced effort to be sustained over time. Within this approach we would: 1/

-- survey and propose revised economic and security assistance programs, prioritizing from most pressing to least pressing;

-- expand current economic and security assistance efforts to address most pressing needs, in the light of competing needs from other regions;

-- increase MTT and other training throughout the region in response to requests and priority needs;

-- develop a major Administration initiative for Caribbean Basin Cooperation;

-- support early progress toward impartial political elections in Central America;

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-- undertake limited indirect efforts (broadcasts, etc.) to expose Castro's failures and promote anti-regime elements in Nicaragua;

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-- encourage programs to end military abuses in Central America;

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1/ See note on page 12.

-- engage in an extensive consultation and information campaign with U.S. public, Congress and allied and Latin American governments to build support for our policies;

NOTE: Measures vis-a-vis Cuba or the Soviet Union will be examined within the context of the broader policy paper commissioned by the SIG.

PACKAGE B: TOP PRIORITY, ALL-OUT

This option would require an effort to forge a consensus to act decisively against the Cuban threat. We would devote resources as required, and we would seek to substantially reduce or eliminate the threat emanating from Havana and to attack massively indigenous social, economic and political conditions. Under this option we would (above and beyond the measures in Package A):

-- carry out a major assistance effort in which Central America and the Caribbean would have high-priority claim in competition with other regions;

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NOTE: Measures vis-a-vis Cuba or the Soviet Union will be examined within the context of the broader policy paper commissioned by the SIG. The extent and directness of these measures would be a major variable between Packages A and B.

RESOURCE IMPLICATIONS OF PACKAGES

It is not feasible at this time to project with precision the resource costs of pursuing courses of action along the illustrative lines of Package A or Package B; specific program proposals and detailed program costs will be prepared subject to NSC approval of the overall strategy.

• Economic Assistance

The State Department estimates that the realistic U.S. share of additional outside resources necessary to begin to reverse the negative economic growth rates of Central America and the Caribbean (our "ALL-OUT" package) would be an increase

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of some \$410 million in official economic assistance in FY 1982. While any amount substantially short of that figure would be inadequate to start to turn the economic situation around, an additional U.S. economic assistance figure of \$250 million in FY 1982 (our "ENHANCED" package) could probably be presented in such a way as to provide strong evidence of U.S. resolve to support the economic development of the region.

A "Reagan Plan for Caribbean Basin Cooperation", if proven feasible after further study, could in the years beyond FY 1982 augment, or partially substitute for, U.S. official resource transfer to the region.

Security Assistance

Tentative estimates of additional security assistance and training in FY 1982 range from an additional \$76 million for Central America (and perhaps an additional \$5 million for the Caribbean islands) in an "ENHANCED" package to an additional \$110 million (plus \$10 million for the Caribbean) in an "ALL-OUT" package. The orders of magnitude are thus:

	FY 82 Package A "ENHANCED"	FY 82 Package B "ALL-OUT"
Additional Economic Assistance	\$ 250	\$ 410
Additional Security Assistance and Training	<u>81</u>	<u>120</u>
	\$ 331	\$ 530

The above figures (the tentative nature of which cannot be stressed too highly) do not include increased program and operational costs that would result from implementation of other measures and actions discussed in this paper.

IV. Conclusion

Regardless of level of effort, there are a number of initiatives we can and should take:

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-- emphasize our positive economic and political policies in consultation and information programs;

-- provide more economic assistance;

-- assure progress toward elections and reduction of military abuses;

-- lower our military presence profile in the fight against the insurgency; downplay the U.S. security contribution;

-- rationalize our military command arrangements in Latin America;

-- seek relief from legislative restrictions which constrain our ability to assist paramilitary or police forces and limit our ability to respond to unforeseen contingencies.

These initiatives are needed not only to enhance our flexibility and credibility but to give us the capability to respond to unanticipated developments. The political climate at home and abroad for mounting a high-level counter-Cuban strategy must be developed. We must be prepared to act. What level we respond at is a policy choice; we must, however, have remedial steps to insure we possess the capacity to exercise that choice.

Lastly, there is no necessity of choosing either option in its entirety. Rather than viewing Package A and Package B as sharply different starting point levels, they can also be viewed as graduated steps, beginning with the moderate package without precluding eventual use of more stringent measures. Aspects of each can be blended, owing to preference or in some cases lack of resources. What is necessary, however, is that we fashion an integrated package and make the commitment to carry it out -- with resources, with Allies, with actions. Most important, we must decide how central a role to accord this decision in our foreign policy. Only with such a framework and consensus can we decide on more specific policy alternatives. With NSC approval of the recommendations on page 4 of the Executive Summary, we can proceed to develop detailed program proposals and specific cost estimates for NSC consideration.

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Policy Implementation Considerations

First Strategic Element: Measures in Central America
and the Caribbean to Control or Prevent
Armed Insurgency

SUMMARY

Of the possible courses of action identified in the basic paper under the First Strategic Element, this discussion addresses military materiel and training assistance to Central America and the Caribbean [REDACTED]

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A basic assumption of this paper is that reasonable progress is being made on the other elements of the overall U.S. strategy for the region, particularly in reducing the inflow of Cuban support for insurgency.

Our principal conclusions are: (1) Upgrading of U.S. military materiel and training assistance to the region is an essential element in developing an effective long-term U.S. strategy for restoring stability in the area; (2) Total assistance costs resulting from an up-graded U.S. effort in Central America and the Caribbean will remain modest compared to other world trouble spots; (3) Nevertheless, priority attention in the budget process to the security needs of the area is necessary to assure that needed resources are not preempted by much larger programs elsewhere; (4) The security situations in Central America and the Caribbean are very dissimilar and require differentiated security assistance approaches; a common element is the need for concessional security assistance terms in most countries and flexible mechanisms which take into account the special characteristics of the individual countries; (5) Detailed program development and cost estimates will require interagency coordination in Washington and the active participation of our embassies in the area.

The summary table attached to this paper provides rough estimates of FMS and IMET projections for FY 82 and FY 83, as compared to the FY 81 base.

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By AMF, NARA, Date 11/2/05

- 2 -

SECURITY CHALLENGE AND RESPONSE IN
CENTRAL AMERICA

The security requirements of the region range from El Salvador's need to combat a full-scale insurgency, the outcome of which is uncertain, to Costa Rica's relatively non-violent, permissive environment which has lent itself to leftist and rightist operations aimed at other countries and, now, the beginnings of terrorism. Guatemala is dealing repressively and unsuccessfully with a low-grade insurgency; Honduras must cope with internal corruption and the flow of arms through its borders to the Salvadoran and Guatemalan insurgencies; and Belize is struggling to work out an acceptable independence formula which would also provide for its security. Nicaragua is treated separately in the basic strategy paper. Panama is a special case given the presence of American troops there to defend the Canal.

U.S. security assistance to Central America must be viewed in the context of the political climate of each country and the degree to which military forces are avoiding blatant abuses that alienate the civilian populations and poison the climate in the United States for the provision of security assistance. While we seek to avoid public condemnations and direct linkages between our security assistance programs and military abuses or political repression, we must impress upon recipient countries the inevitable interrelationship of these factors.

Organizational, intelligence, and command and control deficiencies are at the root of Central American military problems. U.S. training, equipment and advice are crucial. In addition, the key role played by national guard/paramilitary units in rural villages and police units in the cities -- in the case of El Salvador and other countries -- point to the need to seek legislative adaptation or armed forces restructuring to facilitate training for these abuse-prone units and to orient them toward civic action, psyops, rallier programs, and informational activity designed to win popular support and undermine guerrilla strength.

Equipment requirements for Central America will be heavily influenced by the character and extent of insurgent offensive activity in the various countries, the type of weapons received by the guerrillas, and the nature of the

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military threat posed by Nicaragua. The sums of the projected FMS and IMET levels by FY 83 (strictly subject to more detailed study) for Central America are a modest \$50.0 million and \$4.07 million, respectively. In the event of unforeseen emergencies, consideration should be given to drawing from the \$100 million dollar MAP (grant) Special Requirements Fund, being requested of Congress for the first time in FY 1982. Another way to meet such emergencies would be to reprogram FMS credits to Central America or within Central America.

EL SALVADOR

The U.S. should continue to counter the foreign-supported insurgency through security assistance -- materiel and training -- to the Salvadoran forces.

To implement the programs, FMS credits over the next 2-3 years should be made available at about the same level as proposed for FY 82 (\$25 million), on concessional terms. These credits would be used to equip new units of the armed forces and to improve their mobility and counter-infiltration capabilities. IMET should be increased significantly from the FY 82 levels of \$1 million to \$1.5 million to upgrade the professional capabilities of the armed forces. Training programs should be shifted as rapidly as feasible from El Salvador to Panama or the U.S. U.S. military presence in the country should be reduced as quickly as possible consistent with achievement of training objectives. We must keep in mind the potential need for higher levels of assistance and training if there occurs an unexpected deterioration.

HONDURAS

The U.S. security assistance should upgrade Honduran counter-insurgency and counter-infiltration capabilities to stem the flow of materiel to El Salvador and to defend Honduras against internal security threats.

In support of these objectives, FMS credits should for the next 2-3 years be increased above current modest levels (\$10 million in FY 82) and made on concessional terms. IMET training should be increased from \$.7 million in FY 82 to \$1.0 million in FY 83. The recommendations of the proposed border surveillance MTT will be useful in planning both training and materiel assistance.

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COSTA RICA

A detailed survey of Costa Rican security needs and the most effective way for the U.S. to promote the professionalization of Costa Rican security forces is necessary. IMET training should be expanded from \$.06 million in FY 82 to \$.3 million in FY 83 and redirected to intelligence, border patrol and counter-infiltration techniques. FMS credits have not been sought or offered in recent years. We would expect a review of Costa Rican security needs to result in a modest one-time requirement (say \$5 million for contingency planning purposes) for concessional FMS which, if realized in FY 82, would have to be reprogrammed from other countries. The possibility of requirements in follow-on years would be kept under review.

Guatemala

Assuming Guatemala meets our political conditions for resumption of U.S. security assistance, we anticipate an FMS requirement of \$5 million in FY 83 and beyond in the area of transportation and communication equipment and parts. Training programs are needed in the areas of planning, communications, counter-insurgency and civic action, etc. An FY 83 IMET level of \$700,000 is recommended with an increase to \$1 million in FY 84 and beyond.

Belize

While we should urge the British to retain primary responsibility for Belize's security even after independence, we should begin to establish a security relationship with a small \$60,000 IMET program in FY 82 and beyond.

PANAMA

By an exchange of notes at the time of the Treaty, we are committed to providing up to \$50 million in FMS credits over a ten-year period. Panama has so far showed no urgency to utilize the credits. While there are no immediate security threats in Panama, a GOP estrangement from Cuba, which may now be developing, could give birth to leftist dissidence. Until Panama undertakes requisite force planning, FMS planning levels of \$5 million annually beginning in FY 82 and

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beyond seems adequate, but will have to be increased in later years to meet our ten-year commitment by FY 89. IMET programs at the FY 82 level of \$500,000 should be adequate for future years.

MATERIEL AND TRAINING ASSISTANCE FOR THE CARIBBEAN

Unlike Central America, active insurgency is not currently a problem in the Caribbean. Potential threats could develop in Jamaica and in the Eastern Caribbean, and over the longer term are possible in Haiti and perhaps the Dominican Republic. Apart from social and economic conditions, addressed elsewhere in the basic paper, the primary security problem is the sorry state -- bordering on non-existence, in some cases -- of government security forces in the smaller EC islands. With some individual exceptions, security forces in the region generally lack equipment, cadre, training, leadership and organization. And they lack the resources to correct these problems. The objective of U.S. security and training assistance is to assist the development on each island of basic security force capabilities to permit them to cope with low-level threats that could develop. Substantial programs are already underway in the Dominican Republic and Barbados; limited programs are in progress in Haiti, Jamaica, Guyana and Suriname; and assistance is planned for the Eastern Caribbean (see table).

For most of the countries of the region, former colonial powers (the UK, Netherlands and France) have primary interest in and responsibility for internal and external security. Canada and Venezuela also have provided limited security assistance. The USG effort should augment -- but not replace -- the security support provided by these other nations.

The U.S. needs to increase substantially (from very low or minimal existing levels) FMS credits (the terms must be concessional in most cases to be useful) and IMET training, with programs for individual countries developed with our Embassies and host country governments to address specific needs. Security cooperation among the Eastern Caribbean islands should be encouraged to the extent possible. In this regard, the more developed and sophisticated countries (e.g. Jamaica, Barbados, Trinidad and Tobago) could perhaps play key roles in training the security forces of the smaller islands. Also, we wish to continue our efforts to encourage cooperation in the Eastern Caribbean on Coast Guard capabilities.

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AND THE CARIBBEAN
 FY 81 - 83
 (\$ Million)

<u>COUNTRY</u>	FY 81 EST.	FY 82 (Requested)	FY 82 (Enhanced)	FY 83 (Proposed)
<u>Central America</u>				
Costa Rica	-	-	5.0 (5.0)	-
El Salvador	10.0	25.0 (17.0)	-	25.0 (25.)
Guatemala	-	-	-	5.0
Honduras	5.0	10.0 (4.5)	-	15.0 (8.)
Panama	-	5.0	-	5.0
<u>Sub Total</u>	15.0	40.0 (21.5)	5.0 (5.0)	50.0 (33.)
<u>Caribbean</u>				
Bahamas	-	1.0	-	1.0
Dom. Rep.	3.0	7.0 (4.0)	-	9.0 (6.)
*Eastern Caribbean	5.0	7.5 (4.5)	-	10.0 (10.)
Haiti	.3	.3	-	.5
Jamaica	1.5	1.0 (1.0)	-	2.0
<u>Sub Total</u>	9.8	16.8 (9.5)	-	22.5 (18.)
<u>TOTAL</u>	<u>24.8</u>	<u>56.8 (31.)</u>	<u>5.0 (5.0)</u>	<u>72.5 (51.)</u>

*Includes Barbados, Dominica, St. Lucia, St. Vincent

() = Direct FMS Credit on Concessional Terms

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BY smf, NARA, DATE 11/2/05

FOR CENTRAL AMERICA
AND THE CARIBBEAN
FY 81 - 83
(\$ Million)

NLS M1276 #14

BY smf, NARA, DATE 11/2/83

COUNTRY	FY 81 (est.)	FY 82 (Requested)	FY 82 (Enhanced)	FY 83 (Proposed)
<u>CENTRAL AMERICA</u>				
Belize	-	-	.06	.07
Costa Rica	.03	.06	-	.3
El Salvador	.44	1.	-	1.5
Guatemala	-	-	-	.7
Honduras	.53	.7	-	1.0
Panama	.39	.5	-	.5
Sub Total	1.39	2.26	.06	4.07
<u>CARIBBEAN</u>				
Bahamas	.04	.06	-	.06
Barbados	.08	.1	-	.2
Dominica	.03	.06	-	.06
Dom Rep	.42	.6	-	.8
Guyana	.02	.04	-	.05
Haiti	.11	.41	-	.5
Jamaica	.05	.07	-	.15
St. Lucia	.05	.06	-	.1
St. Vincent	.04	.06	-	.1
Suriname	.03	.07	-	.1
Sub Total	.87	1.53	-	2.12

RECEIVED 19 MAY 81 12

TO ALLEN

FROM BREMER

DOCDATE 18 MAY 81

CAS

2/14/81

KEYWORDS: SALT

SCC

SIG

USSR

SUBJECT: NSC CONSIDERATION OF SALT SCC ISSUES FOR 27 MAY SCC MTG

ACTION: PREPARE MEMO FOR ALLEN

DUE: 20 MAY 81 STATUS S FILES

FOR ACTION

FOR COMMENT

FOR INFO

SCHWEITZER

LORD

STEARMAN

LENZ

PIPES

NANCE

COMMENTS

REF# 8115786

LOG 8102814

8102755

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ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

Allen x *5/21* *and to Presheim* *10, 15, 20*
5/27 *"OBE" per TWA of C* *SE/SK*

DISPATCH _____

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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ACTION

May 21, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: ROBERT SCHWEITZER *RLS*
SVEN KRAEMER *SK*

SUBJECT: NSC Meeting on US Approach at May 27 SCC (U)

The May 22 NSC meeting will determine the approach to be taken at the meeting of the US-Soviet Standing Consultative Commission (SCC) to be held in Geneva on May 27. Attached at Tab B is State's discussion paper that emerged from the May 15 SIG. ~~(C)~~

There are no longer any points of disagreement between the interagency community, as a direct result of earlier NSC interventions -- to include your own. However, in the commendable effort to compress the much longer SIG paper, clarity and precision gave way to some rather diffused writing in the State paper. We do not feel that a Presidential Talker is necessary, but we have provided an outline (Tab A) to your forwarding memo to the President (*TAB I*) that will aid him in understanding State's paper. ~~(C)~~

We have prepared a Talking Paper for your own use at Tab II. However, you may wish to defer to Al Haig after brief introductory remarks. In any case, you could draw on the outline at Tab A to fill in any gaps during the discussion. ~~(C)~~

RECOMMENDATION

That you sign the memorandum to the President at Tab I, with Attachments A and B, for his use at the NSC meeting. (U)

Approve _____ Disapprove _____

Tab I Memo from Richard Allen to the President
A Outline of State Discussion Paper
B State Discussion Paper

Tab II Talking Paper for Richard Allen

DECLASSIFIED / RELEASED

~~CONFIDENTIAL WITH
TOP SECRET ATTACHMENTS~~
Review May 21, 1987

NLS M1276 #15

BY Amf, NARA, DATE 11/2/05

~~TOP SECRET~~

2513

THE WHITE HOUSE
WASHINGTON

~~SECRET WITH~~
~~TOP SECRET ATTACHMENTS~~

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: NSC Meeting on US Approach
at May 27 SCC (U)

At the May 22 NSC meeting, we will confirm the approach the US will take at the May 27 meeting of the US-Soviet Standing Consultative Commission (SCC) in Geneva. You will recall that we decided earlier to postpone the semi-annual SCC meeting scheduled for last March until next week. The May 27 meeting will thus mark your Administration's initial discussion with the Soviets on Strategic Arms Limitations. (S)

At this SCC meeting, we should send appropriate signals to the Soviet Union on our arms control concerns, including serious compliance issues. At the same time, we need to maintain maximum flexibility as we complete our review of our arms control approach. (S)

The State Department has prepared a discussion paper for NSC consideration which reflects an interagency consensus; it is attached at Tab B. We have provided a one-page outline of the State paper for your use at Tab A. There are no major areas of disagreement on this issue; our objective at the NSC meeting is to explain our approach to the SCC and obtain your endorsement. (S)

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REF M1276 #16

DATE 11/2/05

~~SECRET WITH~~
~~TOP SECRET ATTACHMENTS~~
Review May 21, 1987

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US-USSR STANDING CONSULTATIVE COMMISSION (SCC) MEETING

May 27, 1981

TALKING POINTS

- Today, we will decide the approach the US will take at the May 27 meeting of the US-Soviet Standing Consultative Commission in Geneva.
- We decided earlier to postpone the scheduled March 25 meeting of the SCC to next week, which will mark our Administration's initial US-Soviet discussions on Strategic Arms Limitations issues.
- Since the SCC was established in 1972 to promote the objectives and implementation of Strategic Arms Limitations agreements, it has been an important bilateral forum. We want to send the appropriate signals to the Soviet Union on our arms control concerns. At the same time, we will want to maintain maximum flexibility during the ongoing review of our approach to arms control.
- The State paper prepared for our review today outlines interagency views on the way we should handle this meeting. It reflects the consensus that emerged at the May 15 SIG.
- The new interagency SCC Backstopping Committee which we have just established, should assure that our SCC Delegation will receive clear instructions and full support from Washington.
- There are no major issues of interagency disagreement; indeed, the production of this paper appears to be a model of teamwork. Our purpose today is to review our approach for your approval.

~~TOP SECRET~~

Review May 21, 1981

~~TOP SECRET~~

DECLASSIFIED / RELEASED

NLS M1276 #17

BY SM, NARA. DATE 11/2/05



ST:
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May 12, 1981

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~~CONFIDENTIAL (w/TOP SECRET attachment)~~

TO: SEE DISTRIBUTION
FROM: L. Paul Bremer, III *gpk for*
Executive Secretary
SUBJECT: National Security Council Meeting Friday,
May 15, 10:00 a.m.

Forwarded herewith are three papers on Central America for consideration at the NSC meeting. The Top Secret policy paper on Central America and the Caribbean was circulated in late March. It is reproduced herein for the convenience of addressees. Also attached are two supplementary papers addressing: (1) Measures to control or prevent armed insurgency and (2) U.S. support for economic development and Caribbean cooperation.

DISTRIBUTION:

- NSC - Mr. Richard Allen (8115013)
- DOD - Mr. Jay Rixse (8115014)
- JCS - Gen. Jim Granger (8115015)
- OVP - Ms. Nancy Bearg Dyke (8115016)
- CIA - Mr. Bob Gates (8115017)

DECLASSIFIED / RELEASED

Attachments:

As stated.

NLS M1276 #18

BY *AM*, NARA, DATE *11/2/05*

~~CONFIDENTIAL (w/TOP SECRET attachment)~~

(2) Interim Agreement and SALT II

In order to avoid discussing the U.S. posture on observance, we should refrain from raising any concerns over Soviet activities as questions of compliance with specific provisions of these two agreements. Instead, we should raise such concerns in the context of patterns of activity affecting the SALT process generally.

In this context, the U.S. should raise three issues:

(a) The expanding pattern of Soviet telemetry encryption during flights of ICBMs, SLBMs and IRBMs undermines the SALT process in the key area of verification. The US would state this concern in the context of a broader concern over concealment activities generally.

(b) Soviet reconstitution capability. We should in note in passing our concern over possible Soviet efforts to acquire such a capability and its potential for undercutting the SALT process.

(c) ICBM launcher dismantling. The SCC Commissioner should refer to the importance of carrying out precisely the agreed procedures, and of correct reporting under SCC procedures on ICBM dismantling.

(3) Other Issues

The U.S. Commissioner should inform his Soviet counterpart that we reserve the right to raise issues other than those covered here at subsequent SCC sessions.

DECLASSIFIED, RELEASED

NLS M1276 #19

BY AM, NARA, DATE 11/2/05

DATE: 20 MAY 68

WARRANT NO.

By: CAS PARA. 214101

SUBJECT: [Faint text]

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REMARKS:

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IN VIEW OF THE [Faint text] to type any not returned

DATE: [Faint text]

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MEMORANDUM

17 2907

NATIONAL SECURITY COUNCIL

~~SECRET/SENSITIVE~~

ACTION

May 21, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: GEOFFREY KEMP

SUBJECT: NSC Meeting on US Policy Toward Libya,
Friday, May 22, 1981, 9:00 a.m. (S)

Attached at Tab I is the paper for the President for tomorrow's NSC meeting which will consider a US policy toward Libya. (S)

You should be aware of the following:

-- The Libyan People's Bureau was ordered to be closed on May 6. They were given five working days to remove their entire staff. Their staff left Washington on May 13. (S)

-- So far there has been no direct retaliation against the United States, but yesterday there were anti-American demonstrations in Tripoli. No violence reported but alot of noise and TV cameras. (S)

RECOMMENDATION

That you sign the briefing memorandum to the President at Tab I. (U)

Attachment

Tab I Briefing memorandum for the President

DECLASSIFIED / RELEASED

NLS M 1276 # 20

BY SM, NARA, DATE 11/2/05

~~SECRET/SENSITIVE~~

Review May 21, 1987

~~SECRET~~

2907

THE WHITE HOUSE
WASHINGTON

~~SECRET/SENSITIVE~~

NATIONAL SECURITY COUNCIL MEETING

Friday, May 22, 1981
9:00 a.m. (60 Minutes)
The Cabinet Room

FROM: Richard V. Allen

I. PURPOSE

To discuss U.S. Policy toward Libya.

II. BACKGROUND

U.S. Policy Toward Libya

Libya has now become a strategic threat to U.S. interests both in the Middle East and Africa. A policy is needed which will bring about a basic reorientation of those Libyan policies and attitudes which are harmful to our interests. Our initial policy recommendations -- though not meant to be deliberately provocative -- are meant to put Colonel Qadhafi on notice that the United States Government is now taking a new and more forceful approach in our dealings with Tripoli. These steps are also designed to lay the foundation for additional and more vigorous measures should they be needed.

Presidential Decisions Already Taken

-- On May 8, you approved a plan for a diplomatic strategy to remove the Libyans from Chad.

-- On May 5, you approved a decision to close the Libyan People's Bureau (Embassy) in Washington. As a result of this decision, notice was given to the Libyans on May 6 that they were to evacuate by midnight May 13. This action has now been carried out and the Libyans have left the country. Libya has been told that if they approve the establishment of a Special Interests Section for the United States in a foreign embassy in Tripoli, we will grant them similar rights in Washington.

~~SECRET/SENSITIVE~~

Review on May 21, 2001
Drv Cl by State

DECLASSIFIED IN PART
NLS M 1276 + 21
By AM, NARA, Date 11/2/05

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2

Decisions to be taken by the NSC

NSC approval is sought for a series of follow-up actions designed to reinforce the measures we have already taken. These include:

- A media campaign to focus world attention on Libyan misdeeds.
- An approach to European and regional governments to both inform them of our policy and enlist maximum cooperation.
- An approach to countries which have provided military sales or training to Libya with the aim of eliminating or cutting back this activity.
- Sixth Fleet naval maneuvers for late June in international waters now illegally claimed by Libya.
- A commitment in principle to more tangible measures such as increased FMS levels (some already approved), training, and joint maneuvers with countries most threatened by Libya (such as Tunisia and Sudan).
- Contingency studies for evacuation and other emergencies and proposals for coping with Soviet initiatives to support Libya in some new aggressive action.
- An action plan designed to prevent Libya from obtaining nuclear weapons.
- Additional steps for dealing with the long-term security threat posed by Libya.

III. ISSUES FOR DISCUSSION

U.S. Policy Toward Libya

- Al (Haig), last week the Libyan diplomats left the People's Bureau in Washington. What sort of reaction have we had so far from Qadhafi? Are any retaliatory measures likely to be taken in the near future? What sort of response has this action had from U.S. companies operating in Libya, especially the oil companies?
- Al (Haig), what has been the reaction of the Arab and African countries to our decision to close the People's Bureau? Are they prepared to do more to put pressure on Qadhafi themselves now that we have taken this first move?

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-- Al (Haig), with the crisis in Lebanon still unresolved and the possibility that there could be a major war between Israel and Syria, shouldn't we be preparing for the possibility of attacks on our interests by Libya and other radical countries? Isn't Qadhafi very anxious to improve his relations with Syria and provide arms and moral support? Could this threaten any of our people in Libya?

-- Al (Haig), what effect are our actions likely to have on our oil supplies from Libya? Is the current glut sufficient to cushion the effects of a Libyan embargo or are they so dependent on us that they will continue to sell come what may?

-- Bill (Casey), [REDACTED] Sadat, [REDACTED]

E. O. 12958
As Amended
Sec. 1.4c

[REDACTED] Is he likely to make-up with Qadhafi in the near future or does he just want to protect his own flank in the Sudan?

-- Bill (Casey), just how far along is the Libyan nuclear program? We hear rumors and reports about Qadhafi wanting to get hold of a bomb. With all his money, surely there is a possibility he might succeed one day? I hope we have some plans for taking prompt and immediate action in the event Libya does get access to nuclear weapons.

-- Cap (Weinberger), I understand we are going to postpone the June exercise in the Gulf of Sidra. Can we pick a firm date now to reschedule the exercise?

DECLASSIFIED / RELEASED

~~SECRET~~

REF M1276 #22

SENSITIVE

by *Amf* 11/2/05

U.S. Policy Toward Libya

BACKGROUND

Libya under Qadhafi is a major threat to U.S. interests throughout the Middle East/African region and, in the broadest sense, to our concept of an international order. Qadhafi's support for international terrorism, his dreams of empire (now becoming a reality in Chad*), his arrogation of the right to murder Libyan dissidents abroad, his hatred for and potential violence against Israel and key Arab moderates, and his potential for developing nuclear weapons require a concerted program of counteraction.

Libya poses a threat to the long Mediterranean lifeline of our capability to project power into the Persian Gulf area as well as directly threatening the survival of friendly regimes in the area. This could endanger our entire strategy in that region. Our ultimate objective, therefore, must be no less than a basic reorientation of those Libyan policies and attitudes which are now harmful to our interests.

*A separate paper on Libya/Chad has already been sent to the President.

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- 2 -

RECOMMENDATIONS:

Our study of this problem through an Interagency Group and discussions at the SIG level have produced interagency consensus on the seriousness of the problem, the need for firm U.S. action in support of our interests, and the following recommendations for certain steps that can be taken immediately--while stronger measures are developed and measures protective of our interests are put into place. The Departments of Defense and Energy, and the Central Intelligence Agency participated fully in these deliberations, and the recommendations that follow have been endorsed at the policy-making level in each case. In no instance are these steps meant to be deliberately provocative.

These recommended first steps (1) lay a foundation for more vigorous actions to follow, if needed; (2) put the United States in a stronger position to deal with any possible Libyan countermeasures; and (3) begin the process of clearly signaling to the current Libyan leadership, to potential future Libyan leaders, and to other governments a new and more forceful approach in our dealings with Tripoli. Specifically, the following steps are being proposed:

-- As the President has authorized, this new policy is being signalled immediately by closing the Libyan People's Bureau (equivalent to an embassy) in Washington. This will indicate to Arab and other governments, and to private companies and citizens now doing business in Libya that the United States is refusing to deal normally with Qadhafi.

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- 3 -

-- Through careful, low-key official and background statements, focus international public opinion on Libyan excesses, and make clear the growing concert of world opinion that Qadhafi's international conduct is unacceptable.

-- Keep selected European and regional friends and allies informed of this new policy toward Libya and urge their support for vigorous measures commensurate with the menace that Libya poses to Western interests.

In addition, we began to reduce U.S. vulnerability by the following actions:

-- Consultations have been held with the management of the U.S. companies operating in Libya, and they have been urged strongly to reduce the size of their American staffs. The State Department has issued a strong advisory urging Americans not to travel to Libya. The closing of the People's Bureau, however, is the step now most likely to convey our seriousness of purpose and to lead U.S. companies to withdraw their employees, without degrading their optional capability, if possible.

-- A maritime advisory has been issued consistent with the travel advisory.

-- State and DOD are working to update evacuation and other emergency contingency planning.

-- DOD in consultation with State will develop contingency planning to cope with possible Soviet initiatives to support Libya in some new aggressive action.

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-4-

-- In conjunction with the intelligence community including the FBI, plan to initiate an assessment of the U.S. internal vulnerability to terrorist activity that might be triggered in the event of a crisis with Libya.

In order to contain Libyan excesses and lay a foundation for stronger measures additional proposed actions include:

-- Developing a concrete program to deter Libyan assassination and intimidation campaigns, and seek to enlist the cooperation of the other countries most seriously menaced.

-- Because the acquisition of nuclear weapons by Libya would pose an intolerable threat to the security and well-being of friendly states in the region, under development is an action plan which, in consultation with the states that supply, or may supply, nuclear equipment to Libya or provide nuclear training for Libyans, will be designed to prevent Libya from obtaining the capability to produce nuclear weapons. Also under examination is the possibility of prohibiting U.S. universities from providing nuclear training to Libyan nationals.

-- Beginning conversations with those who have given military assistance (and training) to Libya with the aim of eliminating or cutting back this activity.

-- The Sixth Fleet has tentatively planned a naval and air exercise in the eastern Mediterranean starting in late June that is scheduled, for the first time in three years, to bring our units into those waters in the Gulf of Sidra that Libya illegally claims. The Libyans have in the past threatened

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-5-

military opposition to such activities. This would be preceded by a stern warning to the Libyans that any hostile Libyan actions against this exercise--or our regular air reconnaissance flights off Libya's coast--will be met by force. (The Fleet elements participating will operate under peacetime rules of engagement which are defensive in nature.)

-- In the case of neighboring states directly threatened by Libya (such as Tunisia and the Sudan) tangible measures will be proposed to help them defend themselves, including not only the high priority for FMS already being accorded, but also joint military exercises, training, etc.

RISK FACTORS

While the program outlined above represents a significant beginning in developing a new policy toward Qadhafi there continues to be a risk factor to be taken into account in dealing with Libya. Qadhafi can respond to our actions, and the probability is quite high that he will. Of his possible responses, three could have serious repercussions:

-- He could attack U.S. aircraft or ships, thus precipitating hostilities or even war.

-- He could take hostage or use violence against some of the more than 2,000 Americans now working in Libya.

-- He could use the oil weapon through an embargo on exports to the U.S. or our allies or through a partial or general production shutdown. (An embargo would be manageable, though U.S. oil companies operating in Libya might

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- 6 -

be hurt. A partial production shutdown, under soft spot market conditions, would raise spot prices but official prices should remain relatively stable. U.S. refiners should be able to find alternate supplies but U.S. oil companies in Libya might be adversely affected. A substantial production shutdown could cause a modest increase in world oil price and problems worldwide for less efficient refiners dependent upon high quality oil.

It is the best judgment of the SIG participants, however, that the steps which proposed will not trigger a drastic response by the Libyans. Above all Qadhafi must fear what the U.S. will do if sufficiently provoked. The President's warning against State-supported terrorism against the United States must have registered with Qadhafi.

In addition, Qadhafi also is operating under a system of constraints. He basically needs his oil income for his domestic and international goals (despite the existence of large financial reserves); he is potentially over-extended in Chad; and his relationship with the Soviets may cause more costs than benefits to him if actual hostilities break out. In addition, the precautionary measures which we have proposed as the first steps in this program are designed to help insulate the United States from such a response even if it does occur. Finally, Qadhafi has significant political vulnerabilities including the increasingly organized exile Libyan

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-7-

opposition groups, and internal tribal and political cleavages. Nevertheless, Qadhafi is highly erratic and a violent response on his part cannot be completely ruled out.

Commensurate with the truly serious threat which Libya poses, we are developing and plan to present to you shortly further specific recommendations for dealing with the long-term security threat posed by Libya's current policies.

In making these additional proposals full account will be taken of the results of consultations with other concerned states, the results of contingency studies, intervening developments including any reaction on Qadhafi's part to the initial steps, and assessments at that time of constraints on action.

Staff memo to
APNSA

AG

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~TOP SECRET/SENSITIVE~~

June 1, 1981

ACTION

DECLASSIFIED / RELEASED

MEMORANDUM FOR RICHARD V. ALLEN ✓

NLS M1276 #23FROM: DONALD GREGG *DF/B*
MICHAEL BERTA
KENNETH DEGRAFFENREID *Ked*BY *any*, NARA, DATE 11/2/05

SUBJECT: NSC Meeting

The President raised several questions at the May 22nd NSC meeting.

- What can the Soviets really do that prevents us from telling them now that we cannot go along with SALT II?
- But the Soviets are not being restrained by SALT II, are they?

Although these questions have implications beyond intelligence, there are some important intelligence aspects that need to be investigated.

Bob Schweitzer concurs. *RS*

RECOMMENDATION

That we work with Bob Schweitzer and obtain answers for the President.

Approve *Bud* Disapprove _____

Intelligence Branch

Don't understand this memo. Why should you have to ask permission to do this? We are all on the same side (I think). Just do it.

Bud~~TOP SECRET/SENSITIVE~~

June 1, 1987

Classified by *Richard V. Allen*

RECEIVED 22 MAY 81 08

TO ALLEN

FROM FONTAINE

DOC DATE 21 MAY 81

UNCLASSIFIED UPON REMOVAL OF SECURITY CLASSIFICATION

041 8/8/07

KEYWORDS: CENTRAL AMERICA CARIBBEAN
NSC AGENDA

SUBJECT: AGENDA ITEM FOR 22 MAY NSC MTG ON US POLICY TWD CENTRAL AMERICA & CARIBBEAN

ACTION: FWD TO PRES FOR INFO DUE: 22 MAY 81 STATUS C FILES IFM C

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

LENZ

BAILEY

COMMENTS

REF#

LOG 8102993

NSCIFID NSC000010 (C / C)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

c 7/22 orig not returned to NSC/S

DISPATCH

W/ATTCH FILE (C)

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MEMORANDUM

NATIONAL SECURITY COUNCIL

May 21, 1981

~~SECRET~~~~With TOP SECRET Attachments~~ACTION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: ROGER FONTAINE

SUBJECT: Agenda Item for the NSC Meeting, May 22, 1981:
U.S. Policy Toward Central America and the
Caribbean

At Tab I is your memorandum to the President on the proposed agenda item U.S. Policy for Central America and the Caribbean for possible discussion at the NSC meeting scheduled for May 22, 1981 at 9:00 a.m.

At Tab A is a copy of the State Department strategy paper for the Caribbean and Central America.

Attachments

Tab I Memorandum to the President
Tab A Strategy Paper

~~SECRET~~~~With TOP SECRET Attachments~~

DECLASSIFIED

White House Guidelines, August 28, 1997

By U1 NARA, Date 8/8/07

May 12, 1981

~~CONFIDENTIAL (w/TOP SECRET attachment)~~

TO: SEE DISTRIBUTION

FROM: L. Paul Bremer, III
Executive Secretary *LPB*

SUBJECT: National Security Council Meeting Friday,
May 15, 10:00 a.m.

Forwarded herewith are three papers on Central America for consideration at the NSC meeting. The Top Secret policy paper on Central America and the Caribbean was circulated in late March. It is reproduced herein for the convenience of addressees. Also attached are two supplementary papers addressing: (1) Measures to control or prevent armed insurgency and (2) U.S. support for economic development and Caribbean cooperation.

DISTRIBUTION:

NSC - Mr. Richard Allen (8115013)
DOD - Mr. Jay Rixse (8115014)
JCS - Gen. Jim Granger (8115015)
OVP - Ms. Nancy Bearg Dyke (8115016)
CIA - Mr. Bob Gates (8115017)

Attachments:

As stated.

~~CONFIDENTIAL (w/TOP SECRET attachment)~~

RDS-3 4/12/01

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Authority *MIZ76 #18 SMT 11/2/05*BY *LN**8/1/07*

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WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

EXECUTIVE SUMMARY OF STRATEGY
PAPER FOR THE NSC ON

U.S. POLICY IN CENTRAL AMERICA
AND THE CARIBBEAN

ISSUE

This paper seeks NSC approval of a multifaceted and comprehensive long-term U.S. strategy for restoring stability in Central America and the Caribbean. It also seeks NSC guidance in principle on the blend of political, economic and military instruments to be used to implement the strategy and the overall level of resources and policy commitment the NSC is prepared to approve. Subject to the President's approval of the general strategy and level of effort, we will prepare detailed program proposals and specific cost estimates for further NSC consideration.

DISCUSSION

Armed insurgency, strongly supported by Cuba, threatens U.S. interests in Central America and the Caribbean. Our overriding goal is to defeat Cuban-supported insurgency and reduce Cuban influence, and to do so in such a way that preserves other important U.S. interests in the hemisphere and around the world. Just as the challenge is a multifaceted one, so must be our strategy to meet the challenge. While Cuban support of insurgency is an immediate problem that must be addressed, we must recognize that the insurgency has its roots in the long-standing political, economic and social problems which provide an all-too-fertile ground for subversion and violent change. Therefore, we need a carefully balanced and integrated strategy in which anti-insurgency and anti-Cuban efforts will be accompanied by prompt and decisive actions in the political and economic realms. Such a strategic approach is necessary not only to address all aspects of the challenge, but also to maximize domestic and international support for our efforts. We are particularly concerned that a policy largely based on -- or seen to be based on -- military measures would generate such opposition among the American public, the Congress and our Allies as to jeopardize their support and ultimately the strategy itself.

TOP SECRET/SENSITIVE

RDS-3 3/23/2001 (McFARLANE, ROBERT C.)

DECLASSIFIED

Authority: M1276 #10 SMC 11/2/85

BY CU

8/8/07

THE STRATEGY

As detailed in the full paper below, U.S. strategy would address three broad strategy dimensions, each of which we have divided into "strategic elements" with supporting "illustrative courses of action" and "preliminary evaluations." We have used the caveats "illustrative" and "preliminary" to underscore that, subject to Presidential approval of the general strategy, detailed courses of action will be prepared, evaluated and submitted to the NSC for consideration. In outline, our proposed strategy is:

A. Efforts to deal internally with the challenges.

Strategic Element: Measures in Central America and the Caribbean to Control or Prevent Armed Insurgency (effective security assistance to friendly governments, aid to forces opposing Cuban-backed governments, upgraded DOD and CIA intelligence and surveillance capabilities)

Strategic Element: Effective U.S. Support for Improving the Political, Economic and Social Conditions of Central America and the Caribbean, the Breeding Ground of the Insurgency Virus (increased economic assistance, a "Reagan Plan for Caribbean Basin Cooperation," support for early and credible elections, assistance to the government in curbing abuses against the people by the militaries)

Strategic Element: Measures to get Nicaragua back on the Course Toward Pluralism and Away from Castro (steps to assist the existing government back to moderate paths or to replace it with moderate forces)

B. Efforts aimed at the sources: i.e. to alter Cuban and Soviet behavior.

Strategic Element: Measures vis-a-vis Cuba to end or Curtail Cuban Support

Strategic Element: Measures to Induce the Soviet Union to Withdraw its Support of Cuban Adventurism

NOTE: U.S. policies in this dimension of the strategy will be studied in a separate policy paper commissioned by the SIG given the global nature of Cuban and Soviet support of insurgencies and the far-reaching implications of any U.S. measures against Cuba or the Soviet Union.

TOP SECRET/SENSITIVE

C. Initiatives to generate support for our policies.

Strategic Element: Consultations with Allies on U.S. Policy toward Cuba, Central America and the Caribbean (quiet diplomatic missions to seek political support for our balanced strategy and cooperation in increased assistance to the region)

Strategic Element: Consultations with Congress (a legislative action program aimed at fostering support for economic and security measures and, if necessary, for sanctions against Cuba and Nicaragua)

Strategic Element: A Worldwide Information Campaign (a massive effort, perhaps kicked off with a major Presidential address setting forth U.S. policy for the region)

OPTIONS ON RESOURCES AND LEVEL OF EFFORT

In concluding that a broad and integrated strategy is needed, we recognize there are any number of combinations of courses of action and variations of emphasis. The full NSC paper below presents two illustrative general policy combinations which represent: (a) a high-priority enhanced (above inherited levels) policy commitment, but attentive to costs to U.S. programs in other parts of the world; and (b) a top-priority, high-intensity, all-out policy commitment. A highly tentative estimate to indicate a rough order of magnitude between the two packages would put cost to the U.S. in terms of additional economic and security assistance to the region in FY 1982 at some \$330 million in the "enhanced" package and \$530 million in the "all-out" package. In subsequent years official assistance could be augmented by, or partially substituted by, resource transfers to the region resulting from a major Administration initiative to establish a new approach to fostering stable regional economic development through a Caribbean Basin Cooperation Agreement.

RECOMMENDATIONS

1. That the NSC approve the general strategy presented in this paper on U.S. Policy in Central America and the Caribbean:

APPROVE _____ DISAPPROVE _____

2. That NSC guidance on the relative priority, resource levels and policy commitment that it intends are most closely approximated in:

Package A _____

Package B _____

3. That the NSC authorize the Department of State to consult with Congress, our Allies, and key countries in Latin America and the Caribbean concerning our proposed policies:

APPROVE _____ DISAPPROVE _____

4. That the NSC authorize the Interagency Group subsequent to the above consultations to develop specific courses of action, risk assessments and funding requirements within the general guidelines of the approved Package and return to the NSC for further consideration before actions are undertaken:

APPROVE _____ DISAPPROVE _____

DECLASSIFIED

Authority M1276 #11 SMF 11/2/05

BY CS NARA DATE 8/8/07

STRATEGY PAPER FOR THE NSC

U.S. POLICY IN CENTRAL AMERICA
AND THE CARIBBEAN

I. Strategic Overview

The most aggravated insurgent situation in the Caribbean and Central America exists in El Salvador, where substantial U.S. security assistance efforts are already underway to buy time and to stabilize the immediate threat. The insurgency challenges faced by Guatemala and Honduras are less advanced, but will increase unless effectively countered. In Nicaragua and Grenada, Cuban influence has already reached an unacceptably high level. In Costa Rica, traditional democratic institutions are being undermined by severe economic problems. Similar economic difficulties undermine the democratic institutions of the other islands of the Caribbean, offering potentially fertile ground for Cuban subversive efforts.

U.S. interests call for a Central America and Caribbean of stable, prospering and moderate states friendly to the United States and free of significant influence from powers hostile to us. Cuba's objectives in the region are to overthrow existing governments, replace them with Marxist regimes and diminish U.S. influence. Cuba, with indirect Soviet support, has trained, coordinated, supplied and advised insurgents and would-be insurgents throughout the region. The SIG has directed that actions vis-a-vis Cuba to end or curtail its support for Central American insurgents be studied separately as part of a broader U.S. policy for addressing Cuban and Soviet support for Marxist insurgent groups around the world. This study will be forthcoming shortly.

For twenty years successive U.S. administrations have sought to cope with the Cuban challenge, most usually on an ad hoc and random basis. It is time that the United States developed a broad and enduring program for dealing with the Cuban threat. We have spoken publicly of our intentions in this regard, and our credibility will suffer if we do not match our words with effective action. Cuban adventurism must be met in our own front yard not only to defend our local interests, but also to defend our global stakes in the rule of law and international order; a failure to deal with the Cuban problem will only embolden our adversaries and undermine our Allies and friends worldwide.

It is important that we understand the precise nature of the threat. There exists throughout much of the region long-standing and deep-rooted political, economic, and social problems which provide an all-too-fertile ground for subversion and violent change. Cuba, with Soviet encouragement and support, is successfully exploiting these conditions, using a range of military and political instruments.

But just as the challenge is multifaceted, so must be our response. It is our view that to succeed we must adopt a carefully balanced and integrated strategy in which anti-insurgency and anti-Cuban efforts will be accompanied by prompt and decisive actions in the political and economic realms. Such a strategic approach is necessary, not only to address all aspects of the problem, but to maximize domestic and international support for our efforts. Indeed, we are particularly concerned that a policy largely based on -- or seen to be based on -- military measures would generate such opposition among the American public, the Congress and our Allies as to jeopardize their support and ultimately the strategy itself.

II. Strategic Dimensions and Elements

A successful strategy for dealing with the Cuban challenge must be both balanced and comprehensive. Three basic dimensions are necessary:

- A. Efforts to deal internally with the challenge, i.e. measures to control or prevent armed insurgency and to effectively support improved political, economic and social conditions;
- B. Efforts aimed at the sources, i.e. measures to alter Cuban and Soviet behavior through inducements or sanctions;
- C. Initiatives to generate support for our policies in the U.S. public and Congress, among our Allies and in world opinion generally.

We have divided these three broad strategy dimensions into eight "strategic elements," with supporting illustrative courses of action and preliminary evaluations.

1st Strategic Element: Measures in Central America and the Caribbean to Control or Prevent Armed Insurgency

Illustrative Courses of Action

-- DOD security assistance and training to correct serious deficiencies in the armed forces of El Salvador, Guatemala and Honduras;

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-- security and training assistance to the security forces of the Caribbean islands.

Preliminary Evaluation

Training and materiel security assistance for the armed forces is do-able. ~~REDACTED~~

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~~REDACTED~~ Congressional approval is necessary and probably would be forthcoming in the strategy context here. In furtherance of our overall strategy, U.S. military presence and visibility in-country should be as low and as unpublicized as possible. If kept in balance with other elements of the strategy, the risks are manageable.

2nd Strategic Element: Effective U.S. Support for Improving the Political, Economic and Social Conditions of Central America and the Caribbean, the Breeding Ground of the Insurgency Virus

Illustrative Courses of Action

A. Increased U.S. and international economic assistance to Central America and the Caribbean deliberately designed and packaged to help neutralize insurgent propa-

ganda, enhance U.S. and Western credibility and improve the image of the respective governments:

-- Significant increases above previous economic assistance levels for Central America are necessary, for political, psychological and propaganda impact, as well as on strict economic grounds.

-- Economic assistance programs in the Caribbean should be examined and increased as necessary; existing assistance mechanisms should be reviewed to determine their responsiveness to U.S. interests;

-- the U.S. should take the lead in arranging increased economic assistance for Central America and the Caribbean from other donor nations and international financial institutions.

-- appropriate performance standards must be developed to assure that economic assistance programs are seen by the people of Central America and the Caribbean to be directed at improving their standards of living.

B. Develop a "Reagan Plan for Caribbean Basin Cooperation." Many expert observers doubt that, regardless of levels of outside official economic assistance, the tiny-to-small economies of the Caribbean and Central America will ever become self-sustaining without a special relationship to the markets of North America. The Administration could explore a new Caribbean Basin Cooperation Agreement providing for:

- One-way free trade with the U.S. and Canada (no doubt there would have to be transitional quantity safeguards on some sensitive products such as textiles, Puerto Rican rum, some vegetables).
- Some trade concessions by Mexico and Venezuela (and possibly Brazil) to the other members.
- Stabilization loans to primary producers when prices fall below a certain trend; all members would participate in financing.
- Political conditionality -- i.e., cut off if a country does not move toward pluralism.
- Initiative to be taken jointly by Mexico, Venezuela and U.S. (and possibly Brazil).

C. Quietly but firmly help authorities of each government develop early and credible electoral processes to legitimize them in the eyes of their own people and U.S. and world opinion; elections -- not negotiated power-sharing with the left -- is the political solution that meets our policy goals while at the same time providing a positive focus for our consultative and information programs.

-- the U.S. must heavily emphasize in all public discussions of El Salvador the electoral process that is getting underway and seek means (e.g. international supervision or oversight) to enhance the credibility and fairness of the process both in El Salvador and abroad.

-- in Guatemala and Honduras we must impress upon the governments that our economic and security assistance is sustainable only if accompanied by firm and effective government measures setting up credible processes leading to early national elections. The U.S. should assure the continued progress in Honduras toward elections and insist with Guatemalan authorities that they take prompt steps toward elections.

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D. Quietly but firmly help the authorities of each government to curb the excesses of their militaries which serve to alienate their populations and feed the insurgencies.

-- develop programs and training courses with Central American militaries for this purpose; identify appropriate and inappropriate military behavior; codes of conduct; military civic action programs; prevention of crimes against the population by the military, and punishment of crime when it occurs; propaganda campaign putting military in a favorable light.

Preliminary Evaluation

We believe that in the strategy context outlined here, Congress will support substantially increased economic assistance for Central America and the Caribbean. A major Administration initiative toward a special economic relationship with the Caribbean Basin would be a dramatic demonstration of long-term United States commitment to the region. Quiet but firm U.S. pressure on the Central American governments in

the areas of economic and social progress, political reform and curbing military excesses is indispensable to the strategy; U.S. assistance should be linked to satisfactory performance. We cannot appear to be supporting a return to extreme right military dictatorships in Central America. In the Caribbean we must act now to increase support of the existing democratic structures before they are over-whelmed by economic and social problems. Our purpose here is not to engage in mindless coercion of governments over isolated inconsistencies with our values which ignore our larger concern for measured progress in broad terms toward political and economic stability. We believe that our initial expressions of support without exacting quid pro quo have established our bona fides and good faith and that we will be able to achieve the chances we seek through quiet, balanced diplomacy.



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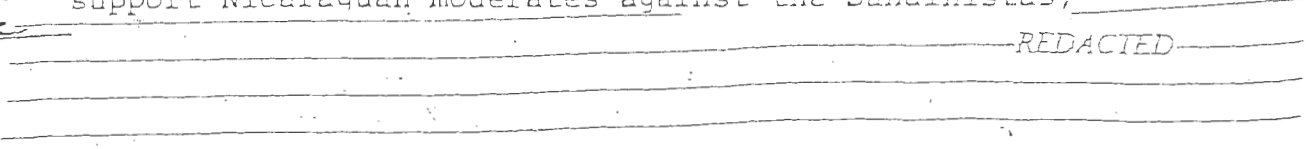
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rd Strategic Element: Measures to get Nicaragua back on Course toward Pluralism and away from Castro: A Carrot and Stick Approach

Illustrative Courses of Action

A. In a forceful, private demarche to appropriate Nicaraguan leaders, delivered by our Ambassador after consultations with you, explain our Cuban denial policy and the unacceptability of (1) Cuban security links with Nicaragua and (2) emergence of a Marxist-Leninist, one-party state in Central America; invite Nicaragua to move toward free elections together with its Central American neighbors; offer resumption of U.S. assistance to and cooperation with a pluralistic, moderate Nicaragua. Our goal is to push the existing government back to moderate paths or promote its replacement by moderate forces.

B. Openly promote and encourage democratic institutions in Nicaragua. Work with Central American neighbors to support Nicaraguan moderates against the Sandinistas;



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Preliminary Evaluation

The prospects of a demarche to Nicaragua are poor. Nicaragua is a special case in that the insurgency triumphed, and the problem is now excessive Cuban influence and growing radicalization of the regime. The Soviet and Cuban commitment to a Leninist-Marxist state in Nicaragua is high. Nevertheless, for reasons analogous to our approach to Cuba -- to protect our flank on the left -- a demarche to Nicaragua appears to be a necessary square to fill. In the context of the constructive U.S. strategy outlined here, U.S. concerns about the course of developments in Nicaragua may be shared sympathetically by some other regional players, such as Venezuela and Costa Rica. A U.S. public policy of staying in the background and letting Venezuela and others take the lead in urging early and free elections in Nicaragua is feasible.

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4th Strategic Element: Measures vis-a-vis Cuba to end or Curtail Cuban Support: A Carrot and Stick Approach

NOTE: Measures vis-a-vis Cuba will be examined in the context of the separate policy paper commissioned by the SIG. With regard to Central America and the Caribbean, the objective would be to put an end to effective Cuban support for insurgents before Cuban-supplied assistance reaches the area. A related issue is that of interdicting on the scene in Central America the infiltration of Cuban assistance to insurgents.

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5th Strategic Element: Measures to Induce the Soviet Union to Withdraw its Support of Cuban Adventurism

NOTE: Measures vis-a-vis the Soviet Union will be examined in the context of the broader policy paper commissioned by the SIG. With regard to Central America and the Caribbean, we would make clear to the Soviet Union that we will no longer tolerate Cuba's support for insurgency in Central America and emphasize that the USSR cannot avoid responsibility for Cuban actions which they are in a position to influence. It is not clear, however, that we would need to invoke linkage formally. There is some evidence that the Soviet Union will not go to the mat for Cuba at a time when they are preoccupied with events in Afghanistan, Poland and elsewhere. If this is true, our insertion of this matter as a major issue in US-Soviet relations would be unnecessary and perhaps counterproductive in that the Soviets might require corresponding concessions from us elsewhere in return for easing off Central America -- a decision they may have already made. Consequently, there is no compelling need to approach the Soviets formally at this time. In the normal course of our dialogue, however, we should let it be known that our expectations of restraint encompass not only their behavior but that of their clients as well. Moreover, during the next six months we should measure Soviet reactions to our efforts and reconsider a formal demarche if the need arises.

6th Strategic Element: Consultations with Allies on U.S. Policy toward Cuba, Central America and the Caribbean

Illustrative Courses of Action

-- Subject to NSC approval of the strategy, diplomatic missions will be quietly dispatched to European allies and key Caribbean, Central and South American countries to consult on U.S. policy toward Cuba, Central America and the Caribbean. The approaches will follow-on from the earlier missions which alerted them to Soviet/Cuban support of insurgency. The principal purpose of the new approaches will be to counter fears of U.S. over-emphasis of a "military solution"; the emissaries will emphasize the U.S. commitment to political solutions through impartial elections and to sharply increased U.S. economic initiatives to attack the social and economic roots of discontent. They

will also reiterate that the U.S. will not tolerate Cuban support for insurgency in Central America and the Caribbean. The emissaries will seek political support from the countries visited for our policies and their cooperation in increased economic assistance for the region.

Preliminary Evaluation

This element is an essential and integral part of our strategy. The emphasis should be to place into the broader strategic context of overall U.S. policy in Central America the U.S. determination to counter Cuban-supported armed insurgency which was the principal message of the Eagleburger and related consultations.

7th Strategic Element: Consultations with Congress

Illustrative Courses of Action

-- Subject to NSC approval of the strategy, we will prepare a legislative action program beginning with briefings and consultations with Congress aimed at fostering support for economic and security assistance measures and, if necessary, for sanctions against Cuba and Nicaragua.

Preliminary Evaluation

Only a balanced U.S. strategy as presented above will be likely to obtain and sustain Congressional support. A careful Legislative Action strategy must be developed and implemented in order to maximize the likelihood of Congressional support.

8th Strategic Element: A Worldwide Information Campaign.

Illustrative Courses of Action

-- We will need to develop a massive information campaign to inform U.S. and world opinion of the challenges in Central America and the Caribbean and U.S. policies to counter the challenges.

-- The campaign could be kicked off with a major Presidential address definitively setting forth the enlightened, statesmanlike and clear U.S. policy for the region.

Preliminary Evaluation

We need to develop a major campaign: to present to American and foreign opinion an image of a Central America (a) on the road to democracy, moderation and economic development, and (b) struggling against Soviet/Cuban subversion; and to represent U.S. policy as firm, constructive and well-motivated.

III. Viable Policy Combinations

The strategy presented in this paper is a balanced and integrated one which addresses concurrently the three basic dimensions of the challenge. The previous Administration in its concentration on the underlying and regional causes of insurgency failed to address in time the fact of Cuban and Soviet support and, indeed, failed to attack even the domestic root conditions with adequate resources. We have considered the opposite approach of a "quick fix" solution, i.e. trying to end the problem through slamming the door on Cuban/Soviet support (either through negotiations or by force) or through military defeat of the insurgents on the ground. We will be studying further in a subsequent policy paper measures vis-a-vis the Soviet Union and Cuba. However, we have concluded that unless root social, economic and political causes are effectively addressed, insurgency will remain an ever-attractive alternative for the alienated populations.

In concluding that a broad and integrated strategy is needed, we recognize there are any number of policy combinations, and variations of relative emphasis on policy elements are possible. Below we present two illustrative general policy combinations which represent: (a) a high-priority, enhanced (above inherited levels) policy commitment, but attentive to costs to U.S. programs in other parts of the world, and (b) a top-priority, high-intensity, all-out policy commitment.

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PACKAGE A: ENHANCED BUT MODERATE

This option would recognize our acceptance of the nature of the threat and our readiness to act to meet it. Considerable resources would be made available, and we would run some risk of Cuban or Soviet reprisal. The objective would be to reduce Cuban influence in the region and to begin effectively to attack underlying causes, aiming for a not particularly dramatic but nevertheless enhanced effort to be sustained over time. Within this approach we would: 1/

- survey and propose revised economic and security assistance programs, prioritizing from most pressing to least pressing;
- expand current economic and security assistance efforts to address most pressing needs, in the light of competing needs from other regions;
- increase MTT and other training throughout the region in response to requests and priority needs;
- develop a major Administration initiative for Caribbean Basin Cooperation;
- support early progress toward impartial political elections in Central America;

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- undertake limited indirect efforts (broadcasts, etc.) to expose Castro's failures and promote anti-regime elements in Nicaragua;

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- encourage programs to end military abuses in Central America;

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1/ See note on page 12.

-- engage in an extensive consultation and information campaign with U.S. public, Congress and allied and Latin American governments to build support for our policies;

NOTE: Measures vis-a-vis Cuba or the Soviet Union will be examined within the context of the broader policy paper commissioned by the SIG.

PACKAGE B: TOP PRIORITY, ALL-OUT

This option would require an effort to forge a consensus to act decisively against the Cuban threat. We would devote resources as required, and we would seek to substantially reduce or eliminate the threat emanating from Havana and to attack massively indigenous social, economic and political conditions. Under this option we would (above and beyond the measures in Package A):

-- carry out a major assistance effort in which Central America and the Caribbean would have high-priority claim in competition with other regions;

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NOTE: Measures vis-a-vis Cuba or the Soviet Union will be examined within the context of the broader policy paper commissioned by the SIG. The extent and directness of these measures would be a major variable between Packages A and B.

RESOURCE IMPLICATIONS OF PACKAGES

It is not feasible at this time to project with precision the resource costs of pursuing courses of action along the illustrative lines of Package A or Package B; specific program proposals and detailed program costs will be prepared subject to NSC approval of the overall strategy.

Economic Assistance

The State Department estimates that the realistic U.S. share of additional outside resources necessary to begin to reverse the negative economic growth rates of Central America and the Caribbean (our "ALL-OUT" package) would be an increase

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of some \$410 million in official economic assistance in FY 1982. While any amount substantially short of that figure would be inadequate to start to turn the economic situation around, an additional U.S. economic assistance figure of \$250 million in FY 1982 (our "ENHANCED" package) could probably be presented in such a way as to provide strong evidence of U.S. resolve to support the economic development of the region.

A "Reagan Plan for Caribbean Basin Cooperation", if proven feasible after further study, could in the years beyond FY 1982 augment, or partially substitute for, U.S. official resource transfers to the region.

Security Assistance

Tentative estimates of additional security assistance and training in FY 1982 range from an additional \$76 million for Central America (and perhaps an additional \$5 million for the Caribbean islands) in an "ENHANCED" package to an additional \$110 million (plus \$10 million for the Caribbean) in an "ALL-OUT" package. The orders of magnitude are thus:

	FY 82 Package A "ENHANCED"	FY 82 Package B "ALL-OUT"
Additional Economic Assistance	\$ 250	\$ 410
Additional Security Assistance and Training	<u>81</u>	<u>120</u>
	\$ 331	\$ 530

The above figures (the tentative nature of which cannot be stressed too highly) do not include increased program and operational costs that would result from implementation of other measures and actions discussed in this paper.

IV. Conclusion

Regardless of level of effort, there are a number of initiatives we can and should take:

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-- emphasize our positive economic and political policies in consultation and information programs;

-- provide more economic assistance;

-- assure progress toward elections and reduction of military abuses;

-- lower our military presence profile in the fight against the insurgency; downplay the U.S. security contribution;

-- rationalize our military command arrangements in Latin America;

-- seek relief from legislative restrictions which constrain our ability to assist paramilitary or police forces and limit our ability to respond to unforeseen contingencies.

These initiatives are needed not only to enhance our flexibility and credibility but to give us the capability to respond to unanticipated developments. The political climate at home and abroad for mounting a high-level counter-Cuban strategy must be developed. We must be prepared to act. What level we respond at is a policy choice; we must, however, have remedial steps to insure we possess the capacity to exercise that choice.

Lastly, there is no necessity of choosing either option in its entirety. Rather than viewing Package A and Package B as sharply different starting point levels, they can also be viewed as graduated steps, beginning with the moderate package without precluding eventual use of more stringent measures. Aspects of each can be blended, owing to preference or in some cases lack of resources. What is necessary, however, is that we fashion an integrated package and make the commitment to carry it out -- with resources, with Allies, with actions. Most important, we must decide how central a role to accord this decision in our foreign policy. Only with such a framework and consensus can we decide on more specific policy alternatives. With NSC approval of the recommendations on page 4 of the Executive Summary, we can proceed to develop detailed program proposals and specific cost estimates for NSC consideration.

Policy Implementation Considerations

First Strategic Element: Measures in Central America
and the Caribbean to Control or Prevent
Armed Insurgency

SUMMARY

Of the possible courses of action identified in the basic paper under the First Strategic Element, this discussion addresses military materiel and training assistance to Central America and the Caribbean.

A basic assumption of this paper is that reasonable progress is being made on the other elements of the overall U.S. strategy for the region, particularly in reducing the inflow of Cuban support for insurgency.

Our principal conclusions are: (1) Upgrading of U.S. military materiel and training assistance to the region is an essential element in developing an effective long-term U.S. strategy for restoring stability in the area; (2) Total assistance costs resulting from an up-graded U.S. effort in Central America and the Caribbean will remain modest compared to other world trouble spots; (3) Nevertheless, priority attention in the budget process to the security needs of the area is necessary to assure that needed resources are not preempted by much larger programs elsewhere; (4) The security situations in Central America and the Caribbean are very dissimilar and require differentiated security assistance approaches; a common element is the need for concessional security assistance terms in most countries and flexible mechanisms which take into account the special characteristics of the individual countries; (5) Detailed program development and cost estimates will require interagency coordination in Washington and the active participation of our embassies in the area.

The summary table attached to this paper provides rough estimates of FMS and IMET projections for FY 82 and FY 83, as compared to the FY 81 base.

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SECURITY CHALLENGE AND RESPONSE IN
CENTRAL AMERICA

The security requirements of the region range from El Salvador's need to combat a full-scale insurgency, the outcome of which is uncertain, to Costa Rica's relatively non-violent, permissive environment which has lent itself to leftist and rightist operations aimed at other countries and, now, the beginnings of terrorism. Guatemala is dealing repressively and unsuccessfully with a low-grade insurgency; Honduras must cope with internal corruption and the flow of arms through its borders to the Salvadoran and Guatemalan insurgencies; and Belize is struggling to work out an acceptable independence formula which would also provide for its security. Nicaragua is treated separately in the basic strategy paper. Panama is a special case given the presence of American troops there to defend the Canal.

U.S. security assistance to Central America must be viewed in the context of the political climate of each country and the degree to which military forces are avoiding blatant abuses that alienate the civilian populations and poison the climate in the United States for the provision of security assistance. While we seek to avoid public condemnations and direct linkages between our security assistance programs and military abuses or political repression, we must impress upon recipient countries the inevitable inter-relationship of these factors.

Organizational, intelligence, and command and control deficiencies are at the root of Central American military problems. U.S. training, equipment and advice are crucial. In addition, the key role played by national guard/paramilitary units in rural villages and police units in the cities -- in the case of El Salvador and other countries -- point to the need to seek legislative adaptation or armed forces restructuring to facilitate training for these abuse-prone units and to orient them toward civic action, psyops, rallier programs, and informational activity designed to win popular support and undermine guerrilla strength.

Equipment requirements for Central America will be heavily influenced by the character and extent of insurgent offensive activity in the various countries, the type of weapons received by the guerrillas, and the nature of the

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military threat posed by Nicaragua. The sums of the projected FMS and IMET levels by FY 83 (strictly subject to more detailed study) for Central America are a modest \$50.0 million and \$4.07 million, respectively. In the event of unforeseen emergencies, consideration should be given to drawing from the \$100 million dollar MAP (grant) Special Requirements Fund, being requested of Congress for the first time in FY 1982. Another way to meet such emergencies would be to reprogram FMS credits to Central America or within Central America.

EL SALVADOR

The U.S. should continue to counter the foreign-supported insurgency through security assistance -- materiel and training -- to the Salvadoran forces.

To implement the programs, FMS credits over the next 2-3 years should be made available at about the same level as proposed for FY 82 (\$25 million), on concessional terms. These credits would be used to equip new units of the armed forces and to improve their mobility and counter-infiltration capabilities. IMET should be increased significantly from the FY 82 levels of \$1 million to \$1.5 million to upgrade the professional capabilities of the armed forces. Training programs should be shifted as rapidly as feasible from El Salvador to Panama or the U.S. U.S. military presence in the country should be reduced as quickly as possible consistent with achievement of training objectives. We must keep in mind the potential need for higher levels of assistance and training if there occurs an unexpected deterioration.

HONDURAS

The U.S. security assistance should upgrade Honduran counter-insurgency and counter-infiltration capabilities to stem the flow of materiel to El Salvador and to defend Honduras against internal security threats.

In support of these objectives, FMS credits should for the next 2-3 years be increased above current modest levels (\$10 million in FY 82) and made on concessional terms. IMET training should be increased from \$.7 million in FY 82 to \$1.0 million in FY 83. The recommendations of the proposed border surveillance MTT will be useful in planning both training and materiel assistance.

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COSTA RICA

A detailed survey of Costa Rican security needs and the most effective way for the U.S. to promote the professionalization of Costa Rican security forces is necessary. IMET training should be expanded from \$.06 million in FY 82 to \$.3 million in FY 83 and redirected to intelligence, border patrol and counter-infiltration techniques. FMS credits have not been sought or offered in recent years. We would expect a review of Costa Rican security needs to result in a modest one-time requirement (say \$5 million for contingency planning purposes) for concessional FMS which, if realized in FY 82, would have to be reprogrammed from other countries. The possibility of requirements in follow-on years would be kept under review.

Guatemala

Assuming Guatemala meets our political conditions for resumption of U.S. security assistance, we anticipate an FMS requirement of \$5 million in FY 83 and beyond in the area of transportation and communication equipment and parts. Training programs are needed in the areas of planning, communications, counter-insurgency and civic action, etc. An FY 83 IMET level of \$700,000 is recommended with an increase to \$1 million in FY 84 and beyond.

Belize

While we should urge the British to retain Primary responsibility for Belize's security even after independence, we should begin to establish a security relationship with a small \$60,000 IMET program in FY 82 and beyond.

PANAMA

By an exchange of notes at the time of the Treaty, we are committed to providing up to \$50 million in FMS credits over a ten-year period. Panama has so far showed no urgency to utilize the credits. While there are no immediate security threats in Panama, a GOP estrangement from Cuba, which may now be developing, could give birth to leftist dissidence. Until Panama undertakes requisite force planning, FMS planning levels of \$5 million annually beginning in FY 82 and

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beyond seems adequate, but will have to be increased in later years to meet our ten-year commitment by FY 89. IMET programs at the FY 82 level of \$500,000 should be adequate for future years.

MATERIEL AND TRAINING ASSISTANCE FOR THE CARIBBEAN

Unlike Central America, active insurgency is not currently a problem in the Caribbean. Potential threats could develop in Jamaica and in the Eastern Caribbean, and over the longer term are possible in Haiti and perhaps the Dominican Republic. Apart from social and economic conditions, addressed elsewhere in the basic paper, the primary security problem is the sorry state -- bordering on non-existence, in some cases -- of government security forces in the smaller EC islands. With some individual exceptions, security forces in the region generally lack equipment, cadre, training, leadership and organization. And they lack the resources to correct these problems. The objective of U.S. security and training assistance is to assist the development on each island of basic security force capabilities to permit them to cope with low-level threats that could develop. Substantial programs are already underway in the Dominican Republic and Barbados; limited programs are in progress in Haiti, Jamaica, Guyana and Suriname; and assistance is planned for the Eastern Caribbean (see table).

For most of the countries of the region, former colonial powers (the UK, Netherlands and France) have primary interest in and responsibility for internal and external security. Canada and Venezuela also have provided limited security assistance. The USG effort should augment -- but not replace -- the security support provided by these other nations.

The U.S. needs to increase substantially (from very low or minimal existing levels) FMS credits (the terms must be concessional in most cases to be useful) and IMET training, with programs for individual countries developed with our Embassies and host country governments to address specific needs. Security cooperation among the Eastern Caribbean islands should be encouraged to the extent possible. In this regard, the more developed and sophisticated countries (e.g. Jamaica, Barbados, Trinidad and Tobago) could perhaps play key roles in training the security forces of the smaller islands. Also, we wish to continue our efforts to encourage cooperation in the Eastern Caribbean on Coast Guard capabilities.

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FY 01 - 03
(\$ Million)

<u>COUNTRY</u>	FY 01 EST.	FY 02 (Requested)	FY 02 (Enhanced)	FY 03 (Proposed)
<u>Central America</u>				
Costa Rica	-	-	5.0 (5.0)	-
El Salvador	10.0	25.0 (17.0)	-	25.0 (25.)
Guatemala	-	-	-	5.0
Honduras	5.0	10.0 (4.5)	-	15.0 (8.)
Panama	-	5.0	-	5.0
<u>Sub Total</u>	15.0	40.0 (21.5)	5.0 (5.0)	50.0 (33.)
<u>Caribbean</u>				
Bahamas	-	1.0	-	1.0
Dom. Rep.	3.0	7.0 (4.0)	-	9.0 (6.)
*Eastern Caribbean	5.0	7.5 (4.5)	-	10.0 (10.)
Haiti	.3	.3	-	.5
Jamaica	1.5	1.0 (1.0)	-	2.0
<u>Sub Total</u>	9.8	16.8 (9.5)	-	22.5 (10.)
<u>TOTAL</u>	24.0	56.8 (31.)	5.0 (5.0)	72.5 (51.)

*Includes Barbados, Dominica, St. Lucia, St. Vincent

() = Direct FMS Credit on Concessional Terms

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FOR CENTRAL AMERICA
AND THE CARIBBEAN
FY 01 - 03
(\$ Million)

<u>COUNTRY</u>	FY 01 (est.)	FY 02 (Requested)	FY 02 (Enhanced)	FY 03 (Prop)
<u>CENTRAL AMERICA</u>				
Belize	-	-	.06	.07
Costa Rica	.03	.06	-	.3
El Salvador	.44	1.	-	1.5
Guatemala	-	-	-	.7
Honduras	.53	.7	-	1.0
Panama	.39	.5	-	.5
Sub Total	1.39	2.26	.06	4.07
<u>CARIBBEAN</u>				
Bahamas	.04	.06	-	.06
Barbados	.08	.1	-	.2
Dominica	.03	.06	-	.06
Dom Rep	.42	.6	-	.8
Guyana	.02	.04	-	.05
Haiti	.11	.41	-	.5
Jamaica	.05	.07	-	.15
St. Lucia	.05	.06	-	.1
St. Vincent	.04	.06	-	.1
Suriname	.03	.07	-	.1
Sub Total	.07	1.53	-	2.12

DECLASSIFIED
Authority: M1226 #14 11/65
BY: CA NARA DATE 8/8/69