

# Ronald Reagan Presidential Library Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**Collection:**

Executive Secretariat, National Security Council: Country File: Records

**Folder Title:**

Central American Commission-Kissinger Bipartisan Commission  
(09/08/1983-09/22/1983)

**Box:** RAC Box 27

---

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library Inventories, visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

**Withdrawer**

KDB 3/29/2016

**File Folder** CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

**FOIA**

F03-002/5

**Box Number** 27

SKINNER

485

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
174333	MEMO	OLIVER NORTH TO W. CLARK RE NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA	1	9/9/1983	B1
174334	MEMO	OLIVER NORTH, A. SAPIA-BOSCH, AND R. FONTAINE TO W. CLARK RE BIPARTISAN COMMISSION ON CENTRAL AMERICA	1	9/14/1983	B1
174337	MEMO	SAME AS DOC #174335 (H. KISSINGER TO NATIONAL SECURITY ADVISOR RE SEPTEMBER MEETINGS OF COMMISSION ON CENTRAL AMERICA)	2	9/22/1983	B1
174338	MEMO	NORTH TO W. CLARK RE CENTRAL AMERICA COMMISSION: WEEKLY MEETING WITH DR. KISSINGER (W/ADDED NOTES)	3	9/22/1983	B1
174335	MEMO	H. KISSINGER TO NATIONAL SECURITY ADVISOR RE SEPTEMBER MEETINGS OF COMMISSION ON CENTRAL AMERICA	2	9/22/1983	B1

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

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-5 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

**Withdrawer**

KDB 3/29/2016

**File Folder** CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

**FOIA**

F03-002/5

**Box Number** 27

SKINNER

485

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
174339	SCHEDULE	RE SESSION ON SOCIAL DEVELOPMENT, 9/7/83-9/8/83	2	ND	B3
174340	REPORT	RE 9/8/83 PRESENTATION BEFORE NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA	1	9/8/1983	B1
	<b>R</b>	<b>8/22/2012</b>	<b>CREST NLR-748-27-34-5-0</b>		

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

SYSTEM II PROFILE

~~SECRET~~

ID 8391073

*3/29/86 CFB*

RECEIVED 12 SEP 83 17

TO CLARK

FROM NORTH

DOCDATE 09 SEP 83

KEYWORDS CENTRAL AMERICA

KISSINGER, HENRY A

SUBJECT: NATL BIPARTISAN COMMIS ON CENTRAL AMER

ACTION: FOR DECISION DUE: STATUS S FILES SII

FOR ACTION FOR CONCURRENCE FOR INFO  
CLARK

COMMENTS

REF# LOG NSCIFID ( B *B* )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Kimmitt</i>	<i>SEP 1 2 1983</i>	<i>Poundstone disapproved</i>		
	<i>SEP 1 2 1983</i>	<i>further action</i>		
	<i>SEP 1 3 1983</i>	<i>Kimmitt noted</i>		<i>on</i>

DISPATCH \_\_\_\_\_ W/ATTCH FILE \_\_\_\_\_ (C)

National Security Council  
The White House

801

II

System #

Package#

91073

	SEQUENCE TO	HAS SEEN	DISPOSITION
Executive Secretary	1	<input checked="" type="checkbox"/>	
John Poindexter	2	<input checked="" type="checkbox"/>	
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary	3	K	
NSC Secretariat	4		N
Situation Room			

I-Information    A-Action    R-Retain    D-Dispatch    N-No further Action

DISTRIBUTION

cc: VP    Meese    Baker    Deaver    Other \_\_\_\_\_

COMMENTS

Should be seen by: \_\_\_\_\_

Bob K.,

I totally agree with you. I am disagreeing. North should not have provided them to HAK. Stop that but see if Charlie Hill can't take care of it.

Ollie: A had mentioned to John that we could get into another Shultz-Clark gift if this cable procedure were discontinued. I will work w/ Charlie Hill, unless you advise otherwise. B

9-12-83

(Date/Time)

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

*Withdrawer*

KDB 3/29/2016

*File Folder*

CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

*FOIA*

F03-002/5  
SKINNER

*Box Number*

27

485

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restrictions</i>
174333	MEMO  OLIVER NORTH TO W. CLARK RE NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA	1	9/9/1983	B1

---

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

CHAIRMAN  
DR. HENRY A. KISSINGER  
  
COMMISSION MEMBERS:  
MR. NICHOLAS F. BRADY  
MAYOR HENRY G. CISNEROS  
GOV. WILLIAM P. CLEMENTS, JR.  
DR. CARLOS F. DIAZ-ALEJANDRO  
MR. WILSON S. JOHNSON  
MR. LANE KIRKLAND  
MR. RICHARD M. SCAMMON  
DR. JOHN SILBER  
JUSTICE POTTER STEWART  
AMB. ROBERT S. STRAUSS  
DR. WILLIAM B. WALSH  
  
EXECUTIVE DIRECTOR  
AMB. HARRY W. SHLAUDEMANN

THE NATIONAL BIPARTISAN COMMISSION  
ON CENTRAL AMERICA

SENIOR COUNSELLORS:  
REP. MICHAEL D. BARNES  
SEN. LLOYD BENTSEN  
REP. WILLIAM S. BROOMFIELD  
SEN. PETE V. DOMENICI  
SEN. HENRY M. JACKSON  
REP. JACK F. KEMP  
AMB. JEANE KIRKPATRICK  
MR. WINSTON LORD  
SEN. CHARLES McC. MATHIAS  
MR. WILLIAM D. ROGERS  
REP. JAMES C. WRIGHT

4

MEMORANDUM FOR MR. WILLIAM P. CLARK  
THE WHITE HOUSE

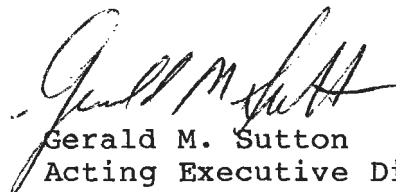
August 26, 1983

Subject: Request for Special Air Missions Aircraft

In support of the President's National Bipartisan Commission on Central America, the Commission will travel to Central America from 9 October to 15 October to hold discussions with government and non-government representatives. The countries to be visited by the Commission are Panama, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

To enable the Commission to maintain the travel schedule outlined above, the use of a Special Air Missions aircraft is requested. An estimated 40 passengers -- Commissioners, Senior Counsellors and staff -- will be traveling. The Commission requests the additional support of an accompanying flight surgeon. Questions and information regarding support for the Commission's trip can be directed to Major Edward Robarge, 632-5898.

Thank you for your ongoing support and cooperation.

  
Gerald M. Sutton  
Acting Executive Director

NSC/S PROFILE

~~CONFIDENTIAL~~

ID 8306448

UNCLASSIFIED UPON REMOVAL  
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 14 SEP 83 18

TO CLARK

FROM NORTH

3/29/16 CDB

DOCDATE 14 SEP 83

5

SAPIA-BOSCH

14 SEP 83

FONTAINE

14 SEP 83

KEYWORDS: CENTRAL AMERICA COMM

SUBJECT: REQUEST FOR SPECIAL AIR MISSION FOR NATIONAL BIPARTISAN COMMIS  
ON CENTRAL AMERICA 9 - 16 OCT

ACTION: FOR SIGNATURE

DUE: 26 SEP 83 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF#

LOG

NSCIFID

( S / )

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

	SEP 15 1983	Clark sgl		
Baker	SEP 15 1983	for decision		
C r/s		Baker Approved	Recm	OK, me

DISPATCH

W/ATTCH

FILE

PA

(C)



12/3

NSULs -

This is OBE -  
JAB (Saker) approved  
this & special aircraft  
was used -

KMS

National Security Council  
The White House

805

RECEIVED

System #

I

Package#

6448

83 SEP 14 P 4: 15

na

	SEQUENCE TO	HAS SEEN	DISPOSITION
Executive Secretary	1	K	
John Poindexter	2		A
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary	3		D
NSC Secretariat			
Situation Room			

I-Information    A-Action    R-Retain    D-Dispatch    N-No further Action

DISTRIBUTION

cc: VP    Meese    Baker    Deaver    Other    \_\_\_\_\_

COMMENTS

Should be seen by: \_\_\_\_\_  
(Date/Time)



VED

85 SEP 14 P 6: 14

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

*Withdrawer*

KDB 3/29/2016

*File Folder*

CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

*FOIA*

F03-002/5  
SKINNER

*Box Number*

27

485

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
174334	MEMO  OLIVER NORTH, A. SAPIA-BOSCH, AND R. FONTAINE TO W. CLARK RE BIPARTISAN COMMISSION ON CENTRAL AMERICA	1	9/14/1983	B1

---

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

~~CONFIDENTIAL~~

6448

9

THE WHITE HOUSE  
WASHINGTON

DECLASSIFIED  
White House Guidelines, August 28, 1997  
By COB NARA, Date 3/29/16

September 15, 1983

~~CONFIDENTIAL~~

ACTION

MEMORANDUM FOR JAMES A. BAKER, III

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Special Air Mission: National Bipartisan  
Commission on Central America

The National Bipartisan Commission on Central America has requested the use of a Special Air Mission aircraft for their visit to Central America, October 9 through 16, 1983. As noted in their request at Tab A, all members, counselors, security personnel, and some staff members will be travelling. The Commission staff has also requested that a flight surgeon accompany the group. Given the age and physical condition of some members, this is probably wise. The itinerary for the trip is at Tab B.

My staff has reviewed the Commission's possible alternatives to this plan, none of which appear to be as workable as the one presented. State Department concurs.

RECOMMENDATION

That you approve a Special Air Mission aircraft, with accompanying flight surgeon, for use by the National Bipartisan Commission on Central America for the period October 9 through 16, 1983.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Attachments

- Tab A - Sutton Memo to Clark dated August 26, 1983
- Tab B - Itinerary for Commission Trip

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

CHAIRMAN  
DR HENRY A. KISSINGER

COMMISSION MEMBERS  
MR NICHOLAS F. BRADY  
MAYOR HENRY G. CISNEROS  
GOV WILLIAM P. CLEMENTS JR  
DR CARLOS F. DIAZ-ALEJANDRO  
MR WILSON S. JOHNSON  
MR LANE KIRKLAND  
MR RICHARD M. SCAMMON  
DR JOHN SILBER  
JUSTICE POTTER STEWART  
AMB ROBERT S. STRAUSS  
DR WILLIAM B. WALSH  
EXECUTIVE DIRECTOR  
AMB HARRY W. SHLAUDEMANN

THE NATIONAL BIPARTISAN COMMISSION  
ON CENTRAL AMERICA

SENIOR COUNSELLORS  
REP MICHAEL D. BARNES  
SEN LLOYD BENTSEN  
REP WILLIAM S. BROOMFIELD  
SEN PETE V. DOMENICI  
SEN HENRY M. JACKSON  
REP JACK F. KEMP  
AMB JEANE KIRKPATRICK  
MR WINSTON LORD  
SEN CHARLES MCC. MATHIAS  
MR WILLIAM D. ROGERS  
REP. JAMES C. WRIGHT

10

MEMORANDUM FOR MR. WILLIAM P. CLARK  
THE WHITE HOUSE

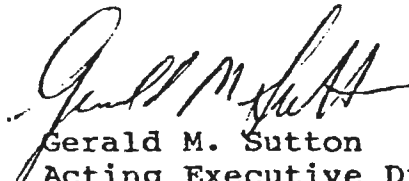
August 26, 1983

Subject: Request for Special Air Missions Aircraft

In support of the President's National Bipartisan Commission on Central America, the Commission will travel to Central America from 9 October to 15 October to hold discussions with government and non-government representatives. The countries to be visited by the Commission are Panama, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

To enable the Commission to maintain the travel schedule outlined above, the use of a Special Air Missions aircraft is requested. An estimated 40 passengers -- Commissioners, Senior Counsellors and staff -- will be traveling. The Commission requests the additional support of an accompanying flight surgeon. Questions and information regarding support for the Commission's trip can be directed to Major Edward Robarge, 632-5898.

Thank you for your ongoing support and cooperation.

  
Gerald M. Sutton  
Acting Executive Director

DRAFT ITINERARY: TRIP TO CENTRAL AMERICA

11

Sunday, October 9

- 6:00 p.m.
- 10:00 p.m.
- Leave Andrews AFB
- Arrive Panama City

Monday, October 10

- 9:00 a.m. - 6:00 p.m.
- Briefings with Embassy and SOUTHCOM and meetings with Panamanians

Tuesday, October 11

- 7:45 a.m.
- 8:15 a.m.
- 9:30 a.m. - 5:00 p.m.
- Leave Panama City
- Arrive San Jose
- Briefings and meetings

Wednesday, October 12

- 7:45 a.m.
- 8:45 a.m.
- 10:00 a.m. - 6:00 p.m.
- Leave San Jose
- Arrive El Salvador (Embassy briefing on board possible)
- Meetings with Salvadorans

Thursday, October 13

- 8:00 a.m.
- 8:30 a.m.
- 9:00 a.m. - 5:00 p.m.
- Leave San Salvador
- Arrive Guatemala
- Briefings and meetings

Friday, October 14

- 7:45 a.m.
- 8:30 a.m.
- 9:30 a.m. - 5:30 p.m.
- Leave Guatemala
- Arrive Tegucigalpa
- Briefings and meetings

Saturday, October 15

- 7:45 a.m.
- 8:45 a.m.
- 9:00 a.m. - 4:30 p.m.
- 6:00 p.m.
- 6:45 p.m.
- Leave Tegucigalpa
- Arrive Managua
- Briefings and meetings
- Leave Managua
- Arrive San Jose (overnight Hotel Cabiari)

Sunday, October 16

- 9:00 a.m.
- 3:30 p.m.
- Leave San Jose
- Arrive Andrews AFB

3/29/16 (208)

RECEIVED 26 SEP 83 11

TO CLARK

FROM NORTH

DOCDATE 22 SEP 83

12

KEYWORDS CENTRAL AMERICA

KISSINGER, HENRY A

SUBJECT: SUMMARY OF WEEKLY MTG W/ KISSINGER RE CENTRAL AMER COMMIS

ACTION: FOR DECISION

DUE:

STATUS X

FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF#

LOG

NSCIFID

( B / S )

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C OCT 0 4 1983

Clark approved

on

DISPATCH

W/ATTCH

FILE

(C)



13

NATIONAL SECURITY COUNCIL

Sept. 28, 1983

KATHLEEN:

The attached should be inserted in the original package (SYSTEM II 91118) I talked to you about on the phone yesterday.

The copy now there, can be destroyed.

Thank-you

Fawn

*9/28  
WPC approved  
KATHY -  
UPSTAIRS  
26 SEPT*

CHAIRMAN  
 DR. HENRY A. KISSINGER

COMMISSION MEMBERS:  
 MR. NICHOLAS F. BRADY  
 MAYOR HENRY G. CISNEROS  
 GOV. WILLIAM P. CLEMENTS, JR.  
 DR. CARLOS F. DIAZ-ALEJANDRO  
 MR. WILSON S. JOHNSON  
 MR. LANE KIRKLAND  
 MR. RICHARD M. SCAMMON  
 DR. JOHN SILBER  
 JUSTICE POTTER STEWART  
 AMB. ROBERT S. STRAUSS  
 DR. WILLIAM B. WALSH

EXECUTIVE DIRECTOR  
 AMB. HARRY W. SHLAUDEMANN

THE NATIONAL BIPARTISAN COMMISSION  
 ON CENTRAL AMERICA

SENIOR COUNSELLORS:  
 REP. MICHAEL D. BARNES  
 SEN. LLOYD BENTSEN  
 REP. WILLIAM S. BROOMFIELD  
 SEN. PETE V. DOMENICI  
 SEN. HENRY M. JACKSON  
 REP. JACK F. KEMP  
 AMB. JEANE KIRKPATRICK  
 MR. WINSTON LORD  
 SEN. CHARLES MCC. MATHIAS  
 MR. WILLIAM D. ROGERS  
 REP. JAMES C. WRIGHT

September 26, 1983

~~CONFIDENTIAL ATTACHMENT~~ UNCLASSIFIED! REMOVAL OF CLASSIFIED DISURE(S)  
 3/29/16 COB

TO: OFFICE OF THE  
 NATIONAL SECURITY ADVISOR

Attached please find corrected memorandum addressed to the National Security Advisor dated September 22, 1983.

~~CONFIDENTIAL ATTACHMENT~~

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

*Withdrawer*

KDB 3/29/2016

*File Folder*

CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

*FOIA*

F03-002/5  
SKINNER

*Box Number*

27

485

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
174337	MEMO  SAME AS DOC #174335 (H. KISSINGER TO NATIONAL SECURITY ADVISOR RE SEPTEMBER MEETINGS OF COMMISSION ON CENTRAL AMERICA)	2	9/22/1983	B1

---

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

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

National Security Council  
The White House

817

RECEIVED

System # II  
Package# 91118  
ka

83 SEP 23 All: 56

	SEQUENCE TO	HAS SEEN	DISPOSITION
Executive Secretary	<u>1</u>	<u>K</u>	
John Poindexter	<u>2</u>	<u>[Signature]</u>	
Bud McFarlane			
Jacque Hill	<u>3</u>	<u>✓</u>	
Judge Clark	<u>4</u>	<u>✓</u>	<u>A</u>
John Poindexter			
Executive Secretary			
NSC Secretariat	<u>5</u>		<u>R</u>
Situation Room			

I-Information **A-Action** R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other \_\_\_\_\_

COMMENTS

Should be seen by: \_\_\_\_\_  
(Date/Time)

*Judge,*  
~~Recommend Ollie go to a  
0930 this week to provide Pres  
an update.~~  
Done [Signature] [Signature] [Signature]

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

*Withdrawer*

KDB 3/29/2016

*File Folder*

CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

*FOIA*

F03-002/5  
SKINNER

*Box Number*

27

485

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
174338	MEMO  NORTH TO W. CLARK RE CENTRAL AMERICA COMMISSION: WEEKLY MEETING WITH DR. KISSINGER (W/ADDED NOTES)	3	9/22/1983	B1

---

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

21

TAB

A

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

*Withdrawer*

KDB 3/29/2016

*File Folder*

CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

*FOIA*

F03-002/5  
SKINNER

*Box Number*

27

485

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
174335	MEMO  H. KISSINGER TO NATIONAL SECURITY ADVISOR RE SEPTEMBER MEETINGS OF COMMISSION ON CENTRAL AMERICA	2	9/22/1983	B1

---

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

*Withdrawer*

KDB 3/29/2016

*File Folder*

CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (9/8/83-9/22/83)

*FOIA*

F03-002/5  
SKINNER

*Box Number*

27

485

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
174339	SCHEDULE  RE SESSION ON SOCIAL DEVELOPMENT, 9/7/83- 9/8/83	2	ND	B3

---

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.



Summary of Presentations before the  
National Bipartisan Commission on Central America

SESSION ON SOCIAL DEVELOPMENT

Day 1: September 7, 1983

The Commission met on September 7 at 10:00 a.m. to consider social development issues. In the absence of Dr. Kissinger, Mr. Brady chaired the session. Edward Marasciulo, Executive Vice President of the Pan American Development Foundation, served as lead consultant.

Edward Marasciulo: Overview

Mr. Marasciulo began with an historical overview on the failure of Central American unity and the memory left by William Walker. He noted that in the past 30 years, Central America has received over \$12 billion in foreign aid without providing substantial improvements in the quality of life. The dominant factor negating advances in development has been the population explosion, along with widespread malnutrition. Mr. Marasciulo discussed the Central American diaspora, which has resulted from political instability, population imbalances, and natural disasters. Mr. Marasciulo also suggested that the real war is the war for social development and that the key to improvements rests less with the allocation of monetary resources and more with a will to develop and adapt to an environment of change.

Mr. Marasciulo urged adoption of strategies that overcome formal and bureaucratic restraints and provide for direct distribution of assistance. He referred to the possibility of reviving the Servicio concept--joint ventures by donors and recipients to engage in direct development work, generally in the infrastructure. During questioning, Mr. Marasciulo expanded on the need to approach the population issue in terms of jobs not contraception, the importance of small project funding by multilateral banks, and the need for greater use of Spanish-speaking and Hispanic Peace Corps volunteers.

Dr. Russell Davis (Littauer School, Harvard University):  
Education

Dr. Davis described the high level of violence in the region as a major obstacle to development. To the extent

permitted by a reduction in violence, a large and sustained program to manage population growth--accompanied by health, nutrition, and basic education programs to train and employ young people--would have large payoffs. Dr. Davis suggested a three-tiered strategy for human resource development: (1) Basic education and literacy. Dr. Davis attributed Nicaraguan success in literacy campaigns particularly to their ability to mobilize. On the other hand, Nicaragua has failed to meet the need for education beyond basic literacy due to the absence of a plan to link education to the dynamics of the economy. (2) Basic training for agricultural and industrial production. Dr. Davis called for greatly increased training in off-farm employment and criticized past concentration on formal vocational training. (3) Development education. Dr. Davis called for professional, technical, and scientific training in fields necessary to individual country development needs. Dr. Davis linked this training to the jobs that could be generated by the efforts of trained professionals once violence subsides, e.g., plastic assembly plants in El Salvador.

Dr. Loy Bilderback (Cal. State Univ. at Fresno):  
Population

Dr. Bilderback noted that in spite of reduced birth rates in the region, the population continues to grow because of the high percentage of young people and decreasing mortality rates. While family planning programs are important in the long run and should be strengthened, they are politically sensitive; moreover, they will not solve the immediate problem, which involves those already born. The major population problem, which is at the core of social unrest today, is the inability of the region to provide employment for a constantly expanding workforce. Dr. Bilderback noted that the growth crisis is mainly urban and the critical need is for the creation of urban industrial jobs; even if land reform programs are a success, they will have attacked the smaller part of the problem. To address the jobs problem, Dr. Bilderback suggested: opening American markets further to Central American products, particularly manufactured goods; returning to a Central American common market; and stopping strengthening of the military at the expense of development in other areas.

Ronald Scheman (OAS Asst. Secretary for Management):  
Private Sector Role in Social Development Policy

Mr. Scheman argued that a major problem facing Central America today is that the private sector (businessmen and bankers) has not addressed the social and unemployment problems

of the poor. Because the private sector is not involved with the issues of concern to the poor, it is commonly viewed as part of the problem rather than a potential part of the solution. Mr. Scheman suggested three areas deserving private sector attention: productivity--to help create jobs in the small-enterprise, informal sector; motivation--to become involved in welfare of the poor; and communication--to demonstrate by action and personal involvement that it can help solve the problems of the poor. Mr. Scheman urged concentration on local national development foundations, the main focus of which has been to provide credit and technical advice to small enterprise.

Leveo Sanchez (Development Associates, Inc.): Reflections on U.S. Social Development Policy toward Central America

Mr. Sanchez's presentation focused on ways of promoting more rapid social progress and emphasized the need for a long-term commitment from both the U.S. and the Central American nations. The impact of government agencies has been limited by such problems as feather-bedding, graft, poor management, and budgetary and bureaucratic constraints. Mr. Sanchez recommended getting more U.S. experts into the region on a cooperative basis, for example through something like the Servicio concept. Other potentially worthwhile cooperative approaches include people-to-people and city-to-city programs, the OAS, Peace Corps, and private voluntary groups. Mr. Sanchez also urged increased use of the whole range of local institutions in implementing social programs; the church, the military, the academic community, and the business sector have all been underutilized.

Loret Ruppe (Director, Peace Corps): The Peace Corps and Social Development

Ms. Ruppe reviewed the Peace Corps' unique qualifications for contributions to Central American development on the community level and in rural areas. Its activities in Central America concentrate on two themes: improvement in standard of living and economic development. Ms. Ruppe argued that--given adequate budgetary support for expanded programs and recruiting--the Corps could undertake important new initiatives, such as a major literacy campaign, improved delivery of rural health care, and support for the President's Caribbean Basin Initiative. She urged Commission backing for such an expanded role.

Summary of Presentations before the  
National Bipartisan Commission on Central America

SESSION ON SOCIAL DEVELOPMENT  
Day 2: September 8, 1983

The Commission met on September 8 at 9:00 a.m. to continue its consideration of social development issues. William Doherty, Executive Director of the American Institute for Free Labor Development (AIFLD), and Edward Marasciulo, Executive Vice President of the Pan American Development Foundation, served as lead consultants.

Commission Business

The Commission discussed a trip to Central America considering several options, which include a single group trip, trips by working groups, or a small delegation led by Dr. Kissinger. The Commission will meet at 9:15 a.m. on September 12 to hear final recommendations. Dr. Kissinger announced that Senator Inouye will replace the late Senator Jackson as a Senior Counsellor. Dr. Kissinger relayed an invitation made by the AFL-CIO to attend a portion of its annual convention in Miami on October 2; participants will include President Luis Alberto Monge of Costa Rica and major Latin American labor leaders.

William Doherty: Labor Perspective

Mr. Doherty gave a capsule history of AFL-CIO activities in Central America, noting that the idea of a confrontation between the Soviet Union and the U.S. in the region is very real to the area's trade unionists. Doherty estimated that 70% of the region's top trade union leadership has been trained in the U.S.; the other 30% has probably been trained in Moscow. A prime goal of the free trade union movement in Central America is to ensure that the region's people have a voice in their government. Neither a return to rule by the oligarchies nor a Marxist-Leninist victory will give the people sufficient stake in their societies to bring about long-term stability.

Doherty emphasized the need to work with established regional institutions to implement AIFLD's recommendation of a 5-year, \$7.5 billion program of U.S. economic assistance. He believes the U.S. people will support such a program, as they

supported the Alliance for Progress, if they are convinced the aid is reaching those who most need it. While USAID programs are beneficial, AID must maintain a government-to-government relationship which often results in economic assistance benefitting vested interests. The AIFLD recommendation calls for "watchdog" committees in the U.S. and recipient countries--made up of representatives from the Administration, Congress, and the business, academic, labor, and church communities--to oversee the use of assistance funds.

Doherty noted that the people of Central America support the democratic way of life. Their expectations for their societies have been shaped in large part by the U.S. media and, as they have shared so much New World history with the U.S., they want to share in the benefits of a participatory democracy that will be responsive to their economic needs.

Richard Hough (AIFLD); Prof. Roy Prosterman (University of Washington); Mary Temple (The Land Council):  
Land Reform

Mr. Hough presented an overview of land reform. He described the problems of the landless, the tenant farmer, and the agricultural laborer as acute throughout Central America. Land problems contribute significantly to political instability, low agricultural productivity, and economic inequality. He explained that the modern world is governed by essentially two models: the collectivist approach of communist systems and the small family unit common in democratic systems. He called for the U.S. to embrace land reform not as a measure of last resort, but as an ongoing process for peaceful change in underdeveloped societies.

Dr. Prosterman devoted considerable attention to an explanation of the three phases of the land reform program in El Salvador. Phase I, the redistribution of land over 1,200 acres, has been completed and a system of compensation prepared. Phase II, redistribution of medium size holdings, has been deferred. Phase III, land to the tiller or small renter or sharecropper, has moved slower than expected. Prosterman noted that significant delays have developed because of titling problems and resistance by former land owners. Prosterman called for continued U.S. support for land reform and consideration of possible financial assistance to complete the program, including funds for compensation to former owners (which is now prohibited by U.S. law). The team of experts concluded that land reform is an important element in forestalling potentially explosive land issues throughout Central America.

Dr. Nevin Scrimshaw (MIT): Health and Nutrition

Dr. Scrimshaw began by discussing the involvement of the Institute of Nutrition of Central America and Panama (INCAP), and its contributions to the improvement of health and nutrition in the region. Malnutrition is a severe, often irreversible problem in Central America. Of particularly great concern is protein calorie malnutrition among pregnant mothers and weaning children. Scrimshaw noted the synergy between health and nutrition. Finding the root causes of health and nutrition problems in social injustice, Scrimshaw suggested promoting strong systems of primary health care and encouraging regional measures. He emphasized that solutions must come in a package and that individual actions may be a waste of money.

Edward Marasciulo and William Doherty:  
Lead Consultants' Recommendations

Marasciulo presented both immediate and intermediate recommendations, including: rapid expansion of Peace Corps activities; the creation of a roving ambassador to deal with regional issues; closer cooperation with the Central American Bank; and coordination with both private voluntary organizations and the private sector in Central America. Doherty reiterated his call for a "watchdog" group to monitor the use of assistance funds and urged continued U.S. support for land reform.

M. Peter McPherson (Administrator, AID):  
U.S. Government Reaction

Administrator McPherson was "reasonably optimistic" that social development progress could be made in Central America, pointing to the social revolution that took place in Costa Rica and Panama. McPherson reviewed actions taken by AID in this area and asked the Commission to view family planning programs as vital to the long-term objective of increasing incomes and the quality of life. Education and training are other areas that are important vehicles for social development, including non-formal education and literacy campaigns. Primary health care, oral rehydration efforts and malaria vaccine research contribute to social progress. A particularly difficult area is the growing urban population that is getting larger and receiving a shrinking share of social service resources. The overall context, he indicated, is to promote and expand

democracy, including the establishment of legal systems, human rights, and other variables that promote broadly based social and economic development.

Administrator McPherson emphasized the need to focus attention on delivery mechanisms--such as private voluntary organizations, indigenous private sectors, labor affiliates, and U.S. Government organizations such as the Peace Corps. U.S. assistance, he argued, can only be effective if the host governments take necessary actions in the area of policy reform, by institutionalizing appropriate technology, and mobilizing the private sector in order to ensure effective use of finite resources.

JB #0270B  
9/8/83

DECLASSIFIED

1/21/82

33

NLR 748-27345-0

BY KOB NARA DATE 8/22/12

1-74340

Summary of Presentation before the  
National Bipartisan Commission on Central America

CIA BRIEFING  
September 8, 1983 (4:50 - 6:00 p.m.)

The first topic discussed was the strategic importance of the Central American and Caribbean basin region to the U.S. in terms of the trade routes used by American imports. This was followed by an overview of the Central American insurgencies. The guerrilla forces operating in the region were compared as to sizes and abilities with the armies against which they compete. The level of economic and military aid to Nicaragua was discussed at length. The economic aid originates primarily in the West and is falling. Military aid comes almost exclusively from communist countries and has risen sharply this year. Detailed discussions of the internal situations in El Salvador, Nicaragua, and Guatemala covered democracy and the electoral scene, economics, human rights, and security issues. The stability of the regional governments was also assessed. Many of the questions posed by Commission members focused on the guerrilla war in Nicaragua.

JB #0270B  
9/8/83



CHAIRMAN  
DR. HENRY A. KISSINGER

COMMISSION MEMBERS:  
MR. NICHOLAS F. BRADY  
MAYOR HENRY G. CISNEROS  
GOV. WILLIAM P. CLEMENTS, JR.  
DR. CARLOS F. DIAZ-ALEJANDRO  
MR. WILSON S. JOHNSON  
MR. LANE KIRKLAND  
MR. RICHARD M. SCAMMON  
DR. JOHN SILBER  
JUSTICE POTTER STEWART  
AMB. ROBERT S. STRAUSS  
DR. WILLIAM B. WALSH  
EXECUTIVE DIRECTOR  
AMB. HARRY W. SHLAUDEMANN

THE NATIONAL BIPARTISAN COMMISSION  
ON CENTRAL AMERICA

SENIOR COUNSELLORS:  
REP. MICHAEL D. BARNES  
SEN. LLOYD BENTSEN  
REP. WILLIAM S. BROOMFIELD  
SEN. PETE V. DOMENICI  
SEN. HENRY M. JACKSON  
REP. JACK F. KEMP  
AMB. JEANE KIRKPATRICK  
MR. WINSTON LORD  
SEN. CHARLES MCC. MATHIAS  
MR. WILLIAM D. ROGERS  
REP. JAMES C. WRIGHT

34

SESSION ON ECONOMIC DEVELOPMENT

September 12-13, 1983

MONDAY, SEPTEMBER 12

9:15 - 10:00 Commission - Administrative Matters

10:00 - 11:30 Overview

Mr. Alan Stoga, First National Bank of Chicago  
Dr. Sidney Weintraub, University of Texas

11:30 - 12:30 Economic Development

Dr. Raul Prebisch, Economic Commission for Latin  
America

12:30 - 12:45 SANDWICH BREAK

12:45 - 2:15 Role of the Private Sector

The Americas Society:

Mr. Samuel F. Segnar, Inter-North Corp.  
Mr. Seymour Milstein, United Brands

2:15 - 2:25 BREAK

2:25 - 3:25 Role of Foreign Assistance

Mr. Lawrence Harrison, Center for International  
Affairs, Harvard University

3:30 - 4:30 IMF and Conditionality

Mr. Fred Bergsten, International Institute of  
Economics

CHAIRMAN  
DR HENRY A. KISSINGER

COMMISSION MEMBERS:  
MR NICHOLAS F. BRADY  
MAYOR HENRY G. CISNEROS  
GOV WILLIAM P. CLEMENTS, JR.  
DR CARLOS F. DIAZ-ALEJANDRO  
MR WILSON S. JOHNSON  
MR LANE KIRKLAND  
MR RICHARD M. SCAMMON  
DR JOHN SILBER  
JUSTICE POTTER STEWART  
AMB ROBERT S. STRAUSS  
DR WILLIAM B. WALSH

EXECUTIVE DIRECTOR  
AMB HARRY W. SHLAUDEMANN

THE NATIONAL BIPARTISAN COMMISSION  
ON CENTRAL AMERICA

SENIOR COUNSELLORS:  
REP MICHAEL D. BARNES  
SEN LLOYD BENTSEN  
REP WILLIAM S. BROOMFIELD  
SEN PETE V. DOMENICI  
SEN HENRY M. JACKSON  
REP JACK F. KEMP  
AMB JEANE KIRKPATRICK  
MR WINSTON LORD  
SEN CHARLES MCC. MATHIAS  
MR WILLIAM D. ROGERS  
REP JAMES C. WRIGHT

35

SESSION ON ECONOMIC DEVELOPMENT

TUESDAY, SEPTEMBER 13

10:00 - 11:00 Agricultural Development

Mr. Monteagle Yudelman, World Bank

11:00 - 12:00 Reflections on the Alliance for Progress

Mr. Arthur Schlesinger, Jr., Schweitzer Professor  
of the Humanities, City University of New York

12:00 - 12:15 SANDWICH BREAK

12:15 - 1:15 Consultants Recommendations

1:15 - 2:00 Ambassador John Negroponte  
U.S. Ambassador to Honduras

Summary of Presentations before the  
National Bipartisan Commission on Central America

SESSION ON ECONOMIC DEVELOPMENT  
Day 1: September 12, 1983

The Commission met on September 12 at 9:15 a.m. to consider economic development issues. Alan Stoga, of the First National Bank of Chicago, and Dr. Sidney Weintraub, of the University of Texas, served as lead consultants.

Commission Administrative Matters

Due to scheduling conflicts, Dr. Kissinger requested that a meeting be set for Friday, October 7. It was agreed that the Commission will travel as a group to all the Central American countries, beginning with Panama. The sessions on political development and security issues were switched on the schedule, the security session now being set for September 21 and 22 and political development now being set for September 28 and 29. Tom Korologos provided an overview of congressional actions that might bear on Commission activities and Herb Hetu gave a report on the Commission's public and press relations.

Alan Stoga and Sidney Weintraub:  
Overview

Mr. Stoga began by outlining several factors that have contributed to the economic crisis in Central America. The first set includes the impact of high oil prices, world recession, and weak commodity prices. A second set involves intra-regional tensions and political unrest. A third set reflects weak economic management, based on an attempt artificially to cushion the Central American economies from decline. Finally, the general retrenchment among banks has led to a virtual cut-off of outside capital to Central America.

Dr. Weintraub outlined a series of policy options. These options include the continuation of present trade policies as embodied in the Caribbean Basin Initiative; the establishment of a modified Alliance for Progress; the formation of a Central American consultative group similar to the World Bank's Caribbean consultative group; or the formation of a long-term agreement similar to that between the European Community and several underdeveloped countries signed at Lome.

-2-

Dr. Raul Prebisch (Economic Commission for Latin America):  
Economic Development Trends

Dr. Prebisch outlined three basic causes for the current Central American crisis: land tenure problems, inequitable distribution of national income along with a waste of capital inputs on privileged consumption, and the failure to adopt sound development policies within the Central American Common Market. He recommended that market forces be supplemented by government action in order to promote balanced and equitable growth. He also argued that the IMF often forces contractions in imports without adequate attention to the consequences of such actions. He concluded by calling on the U.S. to accept fundamental structural changes in Central America, citing the Mexican Revolution as a situation in which basic upheaval was necessary to establish a basis for growth.

Americas Society:

Samuel F. Segnar (Inter-North Corp.) and  
 Seymour Milstein (United Brands):

Role of the Private Sector

To assist the Commission, the Americas Society formed an ad hoc committee, composed of leadership of a dozen U.S. corporations operating in Central America, to explore the role of the private sector in solutions to the region's problems. Messrs. Segnar and Milstein presented the group's views, which included a consensus on six key points:

- Without massive external assistance, the economies of the region face collapse.
- Military confrontation involving U.S. troops would be too costly in political terms and would not solve the underlying economic problems.
- Short term financial transfers are needed, but are not sufficient alone.
- The situation is not hopeless, U.S. firms continue to operate throughout the region, including El Salvador and Nicaragua.
- The U.S. response must be massive, immediate, and innovative.
- The U.S. stake is so important that a solution is worth virtually any cost.

Because neither government nor private sector initiatives alone would be sufficient, Segnar and Milstein urged the creation of a structural mechanism of limited duration that would allow for quick decisions using the resources of both the

-3-

public and private sectors. They emphasized the need for an "umbrella of security" to facilitate private sector involvement. Such involvement would need to address: short-term credit facilities; venture capital; export marketing assistance; expanded OPIC-like insurance guarantees; debt rediscounting facilities; infrastructure development with immediate private sector impact; and innovative approaches to education that include private sector involvement. The Commission accepted the speakers' offer to provide a more thorough evaluation of these and other possibilities.

Lawrence E. Harrison (formerly of AID and Harvard University):  
Role of Foreign Assistance

Mr. Harrison, former Director of USAID Missions in Costa Rica and Nicaragua, characterized U.S. efforts to promote democratic political development in Central America as ineffectual. Although there has been progress in education and health, economic growth has not created higher real income for the masses. Harrison asserted that Central America's current circumstances are rooted deep in its history. The region's progress has been resistant to our efforts to promote change because most Central Americans are inculcated with values and attitudes that are anti-democratic, anti-social, and anti-work, based on Hispanic authoritarianism compounded by a harsh and exploitative colonial experience. Costa Rica differs because its settlers knew they had to work their own farms to survive. Harrison argued that the cultural and historic roots of Central America and U.S. experience with development there should shape a U.S. policy that is designed to accelerate movement away from the Hispanic world view toward a modern, pluralistic view. Harrison recommended that \$200-300 million additional fast-disbursing assistance be given to those Central American governments genuinely committed to democratic policies and social reform. Specifically, Harrison argued that priority be given to educational reform, increasing the numbers of Central Americans studying in the U.S., and reducing USAID personnel levels in Central America.

Fred Bergsten (International Institute of Economics):  
IMF and Conditionality

Mr. Bergsten asserted that, with the exception of Costa Rica, Central America does not have a debt problem; rather, the fundamental problem is related to trade. The 40% decline during the past 5 years in the region's terms of trade is

-4-

stunning, and suggests that the long-term solution to Central America's economic problems includes lower interest rates and higher commodity prices (except petroleum). Bergsten characterized IMF conditionality policy as pretty good, but it could be improved if the Fund took world conditions more closely into account--i.e., conditions should be tougher when the world economy is strong and vice versa.

Bergsten's principal recommendation was for an income stabilization fund along the lines of the Stabex program created by the EEC for the members of the Lome Convention. The fund (parallel to the IMF's Commodity Financing Facility) would compensate the Central Americans for shortfalls in export revenues. Such a program would address the principal problem at a relatively modest cost and would automatically phase out as export markets strengthened. Several Commission members agreed with Bergsten that such an initiative would gain far more congressional support than a price stabilization scheme (i.e., commodity agreements).

JB 9/14/83  
#0302B

Summary of Presentations before the  
National Bipartisan Commission on Central America

SESSION ON ECONOMIC DEVELOPMENT  
Day 2: September 13, 1983

The Commission met on September 13, 1983 at 10:00 a.m. to resume its consideration of economic development issues. Alan Stoga, of the First National Bank of Chicago, and Dr. Sidney Weintraub, of the University of Texas, served as lead consultants.

Monteagle Yudelman (World Bank):  
Agricultural Development

Mr. Yudelman compared Central American countries to others in the IBRD's middle-income category, reviewed overall agricultural production, and discussed the types of programs needed to increase production on small holdings. Yudelman stated that, as in many other middle income countries, Central American agriculture accounts for 20-30 percent of the gross domestic product, produces significant foreign exchange, and employs 30-60 percent of the population. He indicated that agriculture can be viewed as part of a dual economy: exports are produced efficiently and by relatively large holdings, while actual food production is conducted inefficiently and on a small scale.

Mr. Yudelman stressed that high population rates and lack of opportunities in rural areas are leading to an urban explosion. This problem, along with that of low agricultural yields, points up the need for a strategy to increase food production. Elements of such a strategy include: continued funding for research and providing inputs, such as fertilizer, marketing studies, infrastructure, and incentives.

Arthur Schlesinger, Jr.:  
Refelctions on the Alliance for Progress

Dr. Schlesinger spoke before the Commission on the Alliance for Progress and its goals: economic growth, structural change, and political democratization. The Alliance was successful as a stimulus for economic growth, but it accomplished far less than its founders had hoped. Excessive expectations were created by our postwar occupations of Japan and Germany and the

"national omnicompetence" of the Marshall Plan. The Alliance made a difference, but the Latin American countries did not have strong local governments dedicated to the project of national development for the general welfare. Warning against binding ourselves to governments that call for a military shield but do not care for their own dispossessed, Schlesinger asserted that the military-shield concept works only when it helps governments already committed to an agenda of democratic reform.

Dr. Schlesinger characterized unilateral U.S. military intervention in Latin America as a gross error and suggested that the U.S. follow the lead of the Contadora Group. He concluded that our best hope is for U.S. assistance to be the missing component when the domestic will is democratic, organized, and resolute.

Alan Stoga and Sidney Weintraub:  
Lead Consultants' Recommendations

Dr. Weintraub recommended that the Commission focus on institutional structures and avoid the tactics and techniques of implementation. He urged the Commission to be aware of AID's ability to respond quickly and efficiently to foreign policy objectives. Weintraub characterized himself as a great admirer of non-governmental and private voluntary organizations but argued that the Commission must involve the host governments in social and economic development activities. Without a political commitment by the host governments, no amount of funds will be effective. Weintraub recommended that the Commission review a multilateral assistance model along with other donor assistance.

Mr. Stoga also recommended that the Commission propose the establishment of a multilateral structure, composed of international institutions and the private sector, domestic and foreign, to mobilize foreign assistance in support of regional and national development programs. He suggested several possible mechanisms, including: a short-term stabilization program through balance of payments assistance, commodity earnings stabilization structures, increased exports, and regional integration. Stoga and Weintraub agreed that the cost of a development plan is a political decision.

The consultants agreed to return on October 7 to discuss in greater detail the specific objectives, assumptions, and costs of a development program.



CHAIRMAN  
DR. HENRY A. KISSINGER

COMMISSION MEMBERS:  
MR. NICHOLAS F. BRADY  
MAYOR HENRY G. CISNEROS  
GOV. WILLIAM P. CLEMENTS, JR.  
DR. CARLOS F. DIAZ-ALEJANDRO  
MR. WILSON S. JOHNSON  
MR. LANE KIRKLAND  
MR. RICHARD M. SCAMMON  
DR. JOHN SILBER  
JUSTICE POTTER STEWART  
AMB. ROBERT S. STRAUSS  
DR. WILLIAM B. WALSH  
EXECUTIVE DIRECTOR  
AMB. HARRY W. SHLAUDEMANN

## THE NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA

SENIOR COUNSELLORS:  
REP. MICHAEL D. BARNES  
SEN. LLOYD BENTSEN  
REP. WILLIAM S. BROOMFIELD  
SEN. PETE V. DOMENICI  
SEN. HENRY M. JACKSON  
REP. JACK F. KEMP  
AMB. JEANE KIRKPATRICK  
MR. WINSTON LORD  
SEN. CHARLES MCC. MATHIAS  
MR. WILLIAM D. ROGERS  
REP. JAMES C. WRIGHT

### SCHEDULE OF MEETINGS

42

<u>August 10 - 12</u>	Work plan and initial briefings.
<u>August 31 - September 1</u>	Consultations with former U.S. Government leaders.
<u>September 7 - 8</u>	Social and humanitarian issues in the region.
<u>September 12 - 13</u>	Economic development in the region.
<u>September 21 - 22</u>	Security issues.
<u>September 28 - October 1</u>	Political development. Commission discussion of long-term political and diplomatic options.
<u>October 7</u>	Additional economic topics and other speakers.
<u>October 9 - 16</u>	Travel to Central America
<u>October 21 - 22</u>	Commission discussion of U.S. interests in the area.
<u>November 2 - 3</u>	Incompleted matters.
<u>November 16 - 21</u>	Travel to Contadora countries (tentative - subject to invitation).
<u>December 2 - 3</u>	Commission discussion of elements of an integrated long-term strategy.
<u>December 9 - 10</u>	Drafting session.
<u>December 16 - 17</u>	Drafting session.

(43)

Summary of Presentation before the  
National Bipartisan Commission on Central America

Briefing by: AMBASSADOR JOHN NEGROPONTE  
(U.S. Ambassador to Honduras)  
September 13, 1983

Amb. Negroponte structured his talk around the political, economic, and security challenges facing Honduras. He stated that the institutionalization of the country's two-year-old democracy has proceeded quite well so far, and that he foresees no special problems in the near future. The Honduran economic situation, however, is extremely difficult, due in large part to the world recession, low commodity prices, and armed conflict in the region. Whereas the Honduran economy had enjoyed annual growth rates of 6% to 7% in the late 1970s, it contracted by 1% in 1982. Amb. Negroponte also credited part of the economic problem to the reluctance of foreign lenders to continue the late 1970s pattern of large loans. The Hondurans have coped with the region's security problems by supporting El Salvador in its struggle against the guerrillas, hosting the Regional Military Training Center at Puerto Castilla, and increasing their military training and readiness. Although Honduras has been unsure of the U.S. response should it be invaded by Nicaragua, its confidence was raised considerably by the recent deployment of the U.S. fleet off Nicaragua.

JB 9/13  
#0312B