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Commission (10/20/1983)

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# WITHDRAWAL SHEET

## Ronald Reagan Library

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

**Withdrawer**

KDB 3/30/2016

**File Folder** CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (10/20/83)

**FOIA**

F03-002/5

**Box Number** 27

SKINNER

487

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
174415	MEMO	OLIVER NORTH TO R. MCFARLANE RE NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA OCTOBER REPORT	1	11/1/1983	B1
174416	MEMO	H. KISSINGER TO NATIONAL SECURITY ADVISOR RE RECENT COMMISSION MEETINGS	5	10/20/1983	B1
174417	SCHEDULE	RE SESSION ON SECURITY, SEPT. 21-22, 1983	2	ND	B3
174418	REPORT	RE SESSION ON SECURITY ISSUES, 9/22/83	3	ND	B3

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

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NSC/S PROFILE

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3/30/16 CDR

ID 8307894

RECEIVED 04 NOV 83 09

TO MCFARLANE

FROM NORTH

DOCDATE 01 NOV 83

KISSINGER, HENRY A

20 OCT 83

KEYWORDS CENTRAL AMERICA COMM

COLOMBIA

MEXICO

VENEZUELA

SUBJECT NATL BIPARTISAN COMMIS ON CENTRAL AMERICA / OCT RPT / REQUEST SPECIAL  
AIR MISSION AIRCRAFT - SAM FOR 12 - 15 DEC TRIP

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ACTION FOR SIGNATURE DUE 07 NOV 83 STATUS X FILES  
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FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

MENGES

FONTAINE

RAYMOND

COMMENTS

REF# LOG NSCIFID ( HW )

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Poindexter	X 11/3	For sig		
	- 11/15	Poindexter signed		
	C 11/16	Baker approved		Kimitt X
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DISPATCH ed Baker 11/15

W/ATTCH FILE (PA) (C)

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11/28  
- No folder  
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854

National Security Council  
The White House

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System # I  
Package # 7894  
CT

83 NOV 3 All: 34

	SEQUENCE TO	HAS SEEN	DISPOSITION
Executive Secretary	<u>1</u>	<u>K</u>	
John Poindexter	<u>2</u>	<u>X</u>	
Wilma Hall	<u>3</u>	<u>WPH</u>	
Bud McFarlane	<u>4</u>	<u>W</u>	<u>AI</u>
John Poindexter			
Executive Secretary			
NSC Secretariat	<u>2A</u>		<u>D</u>
Situation Room			
Executive Secretary			

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

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

COMMENTS                      Should be seen by: \_\_\_\_\_  
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Process Tab I and hold for JAB III return.  
Put copy back in package and return  
to Bud for info. J  
11/28 RCM  
has seen

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83 NOV 3 P 6: 27

2

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Nov. 15, 1983

NATIONAL SECURITY COUNCIL

TO: Florence  
FM: Fawn

This is the official request from the Commission for the SAM. If you could, please attach to Ollie's request for same. (Package 7894, November 1, 1983) THANKS--

~~CONFIDENTIAL~~

7894

4

THE WHITE HOUSE  
WASHINGTON

November 15, 1983

CONFIDENTIAL

DECLASSIFIED

White House  
By ICAB Date August 28, 1997  
10.5. Date 3/3/86

MEMORANDUM FOR JAMES A. BAKER, III

FROM: ROBERT C. MCFARLANE

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

The National Bipartisan Commission on Central America (NBCCA) has requested the use of a Special Air Mission (SAM) aircraft for their second visit to the region during the period of December 12-15. As in the previous trip, all members, counselors, security personnel, and some staff members will be travelling. The Commission staff has again requested that a flight surgeon accompany the group.

The itinerary for this trip will take the Commission to the Contadora countries: Venezuela and Mexico. Colombia is currently not on the itinerary due to security problems. Panama was visited on the first trip.

State Department concurs.

RECOMMENDATION

That you approve a SAM aircraft, with accompanying flight surgeon, for use by the NBCCA for the period of December 12 through December 15, 1983.

Approve JAB/III

Disapprove \_\_\_\_\_

11/15/83

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Declassify on: OADR

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174415	MEMO  OLIVER NORTH TO R. MCFARLANE RE NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA OCTOBER REPORT	1	11/1/1983	B1

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REP. JAMES C. WRIGHT

MEMORANDUM FOR MR. ROBERT C. MCFARLANE  
THE WHITE HOUSE

November 10, 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 Mexico and Venezuela from December 12 to December 15 to hold discussions with government and non-government representatives.

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 at 632-5898.

Thank you for your ongoing support and cooperation.



Harry W. Shlaudeman

cc: S/S  
S/S-EX  
M  
ARA/EX

Drafted:NBCCA:EJRobarge  
W0800B 11/7/83

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Drafted:NBCCA:EJRobarge  
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174416	MEMO  H. KISSINGER TO NATIONAL SECURITY ADVISOR RE RECENT COMMISSION MEETINGS	5	10/20/1983	B1

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174417	SCHEDULE  RE SESSION ON SECURITY, SEPT. 21-22, 1983	2	ND	B3

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15

SESSION ON POLITICAL DEVELOPMENT

SEPTEMBER 28 - 29, 1983  
(Tentative Agenda)

WEDNESDAY, SEPTEMBER 28

10:00 - 10:30 Commission discussion of Central America trip  
10:30 - 12:00 President Nixon  
12:00 - 1:10 Overview by Lead Consultants  
Amb. Viron P. Vaky, Georgetown University  
Dr. Howard Wiarda, American Enterprise  
Institute  
1:10 - 2:30 LUNCH BREAK (No lunch will be served)  
2:30 - 3:20 Political Systems  
Dr. Roland Ebel, Tulane University  
3:20 - 4:10 Civil-Military Relations  
Dr. Ronald McDonald, Syracuse University  
4:10 - 4:15 BREAK  
4:15 - 5:45 U.S. Policies Toward Nicaragua and El  
Salvador  
Dr. William LeoGrande, American University

THURSDAY, SEPTEMBER 29

- 9:30 - 10:30      Democratic and Humanitarian Diplomacy  
Dr. Tom Farer, Woodrow Wilson Center
- 10:30 - 11:30      The Relevance of Democracy  
Dr. Allen Weinstein, The Democracy Program
- 11:30 - 11:40      BREAK
- 11:40 - 12:30      Consultants' Wrap-up and Recommendations
- 12:30 - 12:45      SANDWICH BREAK
- 12:45 - 1:45      Human Rights  
Mr. Aryeh Neier and associates, Americas Watch
- 1:45 - 2:45      Human Rights  
Mr. Elliott Abrams, Assistant Secretary of State for Human Rights and Humanitarian Affairs
- 2:45 - 2:55      BREAK
- 2:55 - 3:55      U.S. Policies Toward Nicaragua and El Salvador  
Mr. Bruce McCalm, Freedom House
- 3:55 - 4:30      Human Rights  
Mr. Mark Benenson, Attorney, New York City

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SESSION ON DIPLOMATIC OPTIONS AND POLITICAL NEGOTIATIONS

SEPTEMBER 30  
(Revised Agenda)

FRIDAY, SEPTEMBER 30

10:00 - 11:00	Ambassador Richard Stone
11:00 - 12:10	<u>Overview by Lead Consultants</u> Dr. Mark Falcoff, American Enterprise Institute Dr. Robert Hunter, Georgetown University
12:10 - 1:00	<u>LUNCH BREAK</u> (No lunch will be served)
1:00 - 2:00	<u>Negotiating Possibilities</u> Dr. Robert Pastor, University of Maryland
2:00 - 3:00	<u>Global Perspective</u> Mr. William Hyland, Carnegie Endowment
3:00 - 3:10	<u>BREAK</u>
3:10 - 4:10	Ambassador Deane Hinton

4:10 - 4:50

The Cuban Role

Dr. Irving Louis Horowitz,  
Rutgers University

4:50 - 5:30

The Europeans and Central America

Dr. Eusebio Mujal-Leon, Georgetown  
University

0373B:GMS/JB:bjr  
09/28/83:11:45a.m.



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SESSION ON ADDITIONAL ECONOMIC TOPICS

19

FRIDAY, OCTOBER 7, 1983

10:00 - 11:00 Carlos Manuel Castillo M., President,  
Central Bank of Costa Rica

11:00 - 12:00 Gert Rosenthal, United Nations Economic  
Commission for Latin America (unofficial  
appearance)

12:00 - 12:40 Marc Leland, Assistant Secretary of  
the Treasury

12:45 Depart for Inter-American Development Bank

1:00 - 2:15 LUNCHEON at IDB  
(Hosted by IDB President Antonio Ortiz-Mena)

2:15 Return to State Department

2:30 - 3:30 Peter McPherson, AID Administrator

3:30 - 4:30 Consultants' Wrap-Up:  
Alan Stoga  
Sidney Weintraub

10/06/83 5:00 pm  
W0474B/bjr

Summary Minutes of the  
National Bipartisan Commission on Central America

20

SESSION ON SECURITY ISSUES

Day 1: September 21, 1983

The Commission met at 9:30 on September 21 to consider security issues. Dr. Margaret Daly Hayes, of the Senate Foreign Relations Committee, and Dr. Gregory Treverton, of Harvard University, served as lead consultants.

Dr. Fred Ikle (Under Secretary of Defense);  
Mr. Nestor Sanchez (Deputy Assistant Secretary for  
International Security Affairs):  
Department of Defense Briefing

Dr. Ikle's presentation focused on the potential threat Nicaragua poses to its neighbors if unchecked and on the importance of ultimate Salvadoran success on the military front. Dr. Ikle defined minimum success as reducing the insurgency problem to a level comparable to that in Colombia, thus freeing significant resources for social and economic development. Mr. Sanchez discussed terms of coexistence with the Sandinista government, as set out by President Reagan and the Contadora Group. He described the terms as including democratic reform and freedom, economic development, security guarantees, and dialog and negotiation. The Contadora Group has similarly proposed withdrawal of all foreign forces, political integration of opposition groups, negotiations, and a verifiable end to arms shipments in the region. Dr. Kissinger requested that DOD provide position papers on the Department's perceptions of various problems in Central America and their recommended solutions.

Dr. Harold Brown (former Secretary of Defense; now at Johns  
Hopkins University)

Dr. Brown emphasized the importance of defining our security interests, distinguishing between unacceptable and uncomfortable situations, and assessing what we can do about them at what cost. Marxist-Leninist control of Cuba has not been unacceptable, and the same might be true of a

Marxist-Leninist state in Central America. Panama and Mexico are more important, and their fall to Marxist-Leninists could well be unacceptable, as would aggression against neighbors, depending on the form of aggression. Soviet bases would be clearly unacceptable.

Dr. Brown argued for seeking a political solution in El Salvador. He also argued that we should not allow the government of El Salvador to be defeated simply because we do not approve of all its actions and policies. Nevertheless, if the government does not have indigenous support, it cannot win. In this, our security aid and human rights policies work together. Dr. Brown closed by asking the Commission to consider carefully whether covert action is useful, noting that it has not worked in 25 years.

Dr. Margaret Hayes and Dr. Gregory Treverton:  
Consultants' Overview

Dr. Hayes argued that Central American issues should be approached within the context of the wider Caribbean Basin framework. The goal of the U.S. is to maintain stability at relatively low cost. Dr. Hayes recommended policies directed at building stable political institutions, greater policy definition of a scale of tolerance for change in the region, and improved intelligence capabilities and assessments. She concluded that in order to achieve a more stable environment, the U.S. may be committed to a significant short-term effort to rebuild security in the region.

Dr. Treverton defined a "broad" and "narrow" approach to security in the region. The "narrow" concentrated on the threat posed by hostile regimes near the U.S. A "broad" approach looked at U.S. global commitments and weighed the costs to other strategic commitments such as the Middle East and Europe. Dr. Treverton's remarks prompted discussion of steps necessary to deal with Soviet strategy in the region and the stakes required to force a Soviet withdrawal.

Dr. Edward Luttwak (Center for Strategic International Studies)

Dr. Luttwak offered a conceptual approach to the current situation in El Salvador. He argued that the insurgency is not only the result of socio-economic conditions, but of political actions resulting from the support of Nicaragua, Cuba, and the Soviet Union. He predicted that Nicaragua would continue to

serve as a base for the export of subversion for the foreseeable future and suggested that serious consideration be given to ending the threat posed by Nicaragua. He discussed the role of the U.S. armed forces, and recommended the selection of a senior-level official with functional responsibility for devising effective tactics and strategy for El Salvador.

Dr. Jiri Valenta (Woodrow Wilson Center)

Dr. Valenta, noting that the international dimension of the crisis is often ignored, focused on the Soviet factor in Central American security. In analyzing Soviet objectives and strategy, Dr. Valenta noted that the Soviets distinguish four kinds of regimes: (1) revolutionary client states, such as Grenada and Nicaragua, which they support fully with various types of aid; (2) progressive capitalist states, such as Mexico and Panama, which they perceive as independent and anti-American; (3) bourgeois liberal states, such as Costa Rica and Venezuela, where the Soviets use peaceful tactics to gain influence; and (4) reactionary states, such as El Salvador, where the Soviets attempt to promote violent revolution. To counter Cuban/Soviet activities, the U.S. should establish a clear level of tolerance for the types of behavior we will accept in the Caribbean Basin. We should also reinforce our presence in the region, militarily, economically, and politically. To garner support for our policy, the Administration should undertake a campaign to educate the U.S. public about our interests in the Caribbean Basin.

Dr. Richard Millett (Air War College)

Dr. Millett gave a brief overview of the military establishments in each of the Central American countries, noting particular problems in each country. The military will not go out of Central American politics; indeed, it dominates the structure. The challenge is to convince the military that it does not serve the military's long-term interests to ally itself with anachronistic, feudal elements of the right. Dr. Millett argued that talking too loudly about Soviet/Cuban blame for instability in the region conveys the impression of absolving the extreme right of its responsibility for the underlying causes of discontent. At the same time, talking too publicly about human rights abuses convinces the military we seek its destruction. Dr. Millett was critical of human rights certification procedures on this ground.

Regarding Nicaragua, Dr. Millett noted that the best one can eventually hope for there is a communist country, not unlike Yugoslavia, that does not attempt to subvert its neighbors. Achieving this goal will take up to ten years. In the meantime, the U.S. would have to give assiduous attention to the Central American situation, thwarting subversive efforts by Nicaragua and shoring up the security and political-economic structures of its neighbors. He did not know if the U.S. is capable of such a prolonged effort or if even this approach would work. On the other hand, any new government in Nicaragua installed as a result of military action would be perceived as a creation of the U.S.; guerrilla activity in the countryside would continue indefinitely and could not be stabilized without U.S. force.

Dr. Margaret Hayes and Dr. Gregory Treverton:  
Consultants' Wrap-Up

Dr. Hayes argued that we are not at the critical point where "surgical" removal of a government is necessary. Change will call for the investment of economic and military resources, as well as an effort to build on common values. Dr. Hayes urged the Commission to keep in mind that Congress objects to a negative program, i.e., overthrowing governments or bolstering governments whose objectives we do not share. But a positive policy for Central America is possible.

Dr. Treverton suggested three themes: First, that Central America is not Viet Nam; there are many viable options. Second, Dr. Treverton expressed skepticism that the U.S. can manage the sophisticated policies necessary to succeed with these options. Third, is the question of what to do about the Sandinistas. Dr. Treverton queried whether it is possible to separate support for the Contras in terms of our purposes from support for them in terms of their purposes and left the question of what would be the aftermath of a fall of the Sandinistas.

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Summary Minutes of the  
National Bipartisan Commission on Central America

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SESSION ON POLITICAL DEVELOPMENT  
Day 1: September 28, 1983

The Commission met on September 28, at 10:00 a.m. to hear a presentation by President Nixon and to consider political development issues. Lead consultants were Ambassador Viron P. Vaky, Georgetown University, and Dr. Howard Wiarda, American Enterprise Institute.

President Nixon:

Former President Nixon called for a combination of long-term military and economic support for Central America. He maintained that the work of the Commission was vital in defining U.S. interests and security needs in the region. He emphasized the need for sustained economic support for the region. He characterized our past policies as designed more to talk about communism, than to talk about the problems as the communist did. He suggested a bold plan for the region that would raise the national sights. He felt that the US should continue to maintain overt pressure on Nicaragua and was skeptical that such action could be converted into overt activity.

Dr. Howard Wiarda (American Enterprise Institute) and  
Amb. Viron P. Vaky (Georgetown University):  
Lead Consultants' Overview

Dr. Wiarda articulated the realities facing Central America and the United States and posed a model and policy options. Dr. Wiarda stated that the U.S. is currently using the wrong models of development to frame its approach to Central America. The U.S. has the idea that through aid it can create a working reproduction of its own political and social institutions. The U.S. must realize that all the good components which, by unique and fortuitous circumstances, went together in U.S. development--democratic political institutionalization, economic development and social improvements--do not and will not exist in conjunction in Central America and will not lead to the creation of a viable middle-class, pluralist society. Instead, in Central America one finds that foreign aid and socio-economic development raises expectations beyond the means of the institutions or political systems to meet them.

Ambassador Vaky outlined the relationship of internal political structures and how that relationship influences political change or institutional development. He pointed out that in Central America political development involves an intrinsic dilemma, the issue becomes not simply one of reform but power, how to allocate decision making authority and deciding who is allowed to participate. The problem for the ruling elites is that to avert revolution and the complete loss of position and power, they must willingly make immediate sacrifices of considerable amounts of those same commodities. The Ambassador also delineated the difficult position of the U.S. in regard to encouraging or demanding domestic reform in other countries. If it steps in too early it can become too involved and risk being manipulated by the client state. Alternately, to wait until the situation has deteriorated is perhaps to wait too long, and to have given the Soviets and Cuba a means of entry, thus limiting the potential for successful U.S. intervention.

Dr. Roland Ebel (Tulane University):  
Political Systems

Dr. Ebel discussed political systems in Central America. He explained that traditionally national politics has equaled urban politics of the capital city. Consequently, these countries have possessed dual societies: urban and rural, with the countryside providing a flow of resources into the city. The cities developed a class structure, which through the Alliance for Progress era included a middle class and lower middle class. These countries gave the surface impression of instability due to repeated coups, but in reality the social structure was fairly stable. Dr. Ebel then delineated how this system began to break down in the 1970's, when economic growth had led more displaced peasants to the cities than the cities could absorb. The oil crisis and the drop in world commodity prices exacerbated this problem. It was at this point that the disaffected urban classes began to link up with and recognize common cause with the rural population, thus creating a classic revolutionary conjunction of forces. Nicaragua's revolution stands as a model of this phenomenon. Dr. Ebel stated that by the mid-1970's the decline of the city-state was inevitable and proceeded to suggest policy options for the U.S. as these Central American countries attempt to transform themselves into nation states; he maintained the key to the U.S.' success would be its ability to balance off these long-term nation building processes with immediate U.S. security needs.



Dr. Ronald H. McDonald, (Syracuse University):  
Civil-Military Relations

Dr. McDonald outlined the nature of civil-military relations in Central America, focusing on the particular case of the Salvadoran military. His presentation centered on the politicization of the military and its identify as a separate social class. He delineated the uneven institutional growth between the civilian society and the military. He explained that the military has no ties to the upper classes and does not want ties to the lower. Thus the military has developed its own class system. The officers lead a life of upward mobility due to the possibilities for acquiring wealth illegally, while the conscripts are considered an inferior class. Dr. MacDonal stated that if the conscripts were ever to align with the guerrillas it would mean the certain fall of El Salvador. Dr. McDonald believes that the military cannot be reformed enough or soon enough to save El Salvador from the now inevitable triumph of the guerrillas; he proposed that U.S. policy should be to build the best possible relations with the guerrillas so as not to force them to extremes and in order to retain some moderating influence over them. When asked how he would have the U.S. deal with the Sandinistas, MacDonal replied that he would use trade as "creative diplomacy" and ask for verifiable guarantees that they would stop exporting revolution.

Dr. William LeoGrande (American University):  
U.S. Policies Toward Nicaragua and El Salvador

Dr. LeoGrande traced the history of the Salvadoran military's involvement in national politics, beginning with their crushing of the 1932 peasant uprising. He detailed the present political situation in El Salvador, describing the key groups and individuals in the government and opposition. His short-term prognosis for the country was a military stalement and a continuing erosion of support for the government due to the right's obstruction of social and economic reforms. He recommended that the U.S. support negotiations between the government and the FDR/FLMN as the best hope for long-term stability in the country.

In discussing Nicaragua, Dr. LeoGrande outlined the history of the Somoza regime and the revolution of 1979. He gave his assessment of the Sandinista government and prospects for successful U.S. relations with it. He recommended that the U.S. learn to co-exist with the Sandinistas peacefully in the international realm and drop demands for internal changes.

Summary Minutes of the  
National Bipartisan Commission on Central America

SESSION ON POLITICAL DEVELOPMENT  
Day 2: September 29, 1983

Dr. Tom Farer (Woodrow Wilson Center):  
Democratic and Humanitarian Diplomacy

Dr. Farer said that our political goal in Central America is to ensure that the region does not come under Soviet domination. He suggested the Finlandization of Central America as a simple way to achieve that aim. The President should declare that it would be unacceptable to the U.S. for any country in the Caribbean Basin to have a military relationship with an extra hemispheric power. We could enforce such a policy, but it would not be necessary to do so. The declaration itself would be a deterrent, backed up by the political, diplomatic, economic and military power of the US.

Dr. Farer said revolution is inevitable in Latin America. Our second aim, the achievement of major social reform and authentic democratic regimes in Central America, can be fostered by skillful diplomacy, using the threat of leftist terrorism to induce the right to limit its human rights excesses. We can link the provision of economic aid and investment to the adoption of more enlightened social and political policies.

Dr. Allen Weinstein (Project Democracy):  
The Relevance of Democracy

Dr. Weinstein explained the nature of Project Democracy. He challenged some of the fundamental theses of the Plaza-Linowitz Report on the appropriateness of exporting democracy. He argued that there is much the US can do. He also stated that the press and the American public underestimate both the desire and the resiliency of democratic forces throughout the region. He compared the current situation in Central America to our own civil war, in which one side chose to maintain free elections and won and another abandoned democracy and lost. Dr. Weinstein suggested that the U.S. should be talking to and working with the Christian Democratic parties and trade unions in Central America. He stated that although these groups have not been receiving attention in the U.S. press, they are people we could work with.

Mr. Robert L. Bernstein (Chairman of Helsinki Watch);  
Mr. Orville Schell (Chairman of Americas Watch), and  
Mr. Aryeh Neier (Vice Chairman of Americas Watch):  
Human Rights

Mr. Bernstein argued that a policy which appears to accept human rights abuses in any country, regardless of whether it is totalitarian or authoritarian, is contrary to American beliefs and interests. Mr. Schell urged that the USG adopt policies that identify the US with human rights in Central America; he refrained, however, from specific policy recommendations. Mr. Neier provided details on the human rights situation in Central America, noting that more than 37,000 non-combatants have been killed in El Salvador by government and paramilitary forces since October 1979. The level of killing is high also in Guatemala, although reporting is difficult. There is hope for Honduras, which is democratic, but some killing occurs. In Nicaragua, there is no freedom of expression and the level of killing is about that in Honduras. Mr. Neier and Mr. Schell said that one of the major causes of the failure of US policy in Central America has been its neglect, in the eyes of the American public, of human rights. The commission should include and consider the poor human rights situation in its report.

Mr. Elliott Abrams (Assistant Secretary of State for Human Rights and Humanitarian Affairs):  
Human Rights

Mr. Abrams said that human rights considerations and the promotion of democracy in El Salvador are crucial to the success of our policy there. Any advances that may be achieved militarily will be meaningless if they are not supported by democratic structures. Our policy of using threats to induce the Government of El Salvador to follow our advice is no longer effective. We should develop incentives that would induce them to follow appropriate policies. This is entirely feasible.

Several measures can be taken to improve democratic systems and the observance of human rights in El Salvador. The most important is restructuring the various branches of the armed forces, which would increase supervision and result in greater efficiency. The human rights situation in El Salvador has improved. The Salvadoran Peace Commission, the Amnesty Law, and the Human Rights Commission would have been unthinkable three years ago. Salvadoran soldiers trained by the US Army have a good human rights record. There is in El Salvador an element of good will on which we can build by further efforts.

Mr. Bruce McColm (Freedom House):  
U.S. Policies Toward Nicaragua and El Salvador)

Mr. McColm reviewed the current political situation in Central America. He suggested a significant military component to US assistance in attempting to achieve US foreign policy objectives. He believes that the Sandinistas are creating a Marxist-Leninist society and that co-existence with Nicaragua is not possible. He also stated that El Salvador's insurgency is a "problem" that is soluble.

Mr. Mark Benenson (Attorney):  
Human Rights

Mr. Benenson described the development of human rights concern in the US, the danger to human rights from the Soviet Union, the necessity of dealing with contemptible, repressive governments to advance other foreign policy interests, and the danger of automatically expecting revolutionary successor regimes to end the abuses of the old regimes. He pointed out that the inability of the USG to force the Salvadoran Government to punish the murderers of US citizens indicates lack of US leverage on human rights. He called for US support for judicial reform, including a witness protection program, and for continuation of the land reform program in order to give more Salvadorans a stake in the system. Benenson also recommended that any Contras supported by the USG be led by Nicaraguans with no ties to the Somoza regime.

Summary Minutes of the  
National Bipartisan Commission on Central America

SESSION ON DIPLOMATIC OPTIONS AND POLITICAL NEGOTIATIONS  
September 30, 1983

The Commission met on September 30 at 10:00 a.m. to consider diplomatic options and political negotiations. Dr. Mark Falcoff, American Enterprise Institute, and Dr. Robert Hunter, Georgetown University, served as lead consultants.

Ambassador Richard B. Stone (Special Envoy for Central America):  
Diplomatic Problems and Options for Central America

Ambassador Stone opened his remarks by saying that four to five months ago there seemed to be a general impression that the Reagan Administration was not interested in a political solution to problems in Central America. He remarked that, as the President has stated, the Administration is following a balanced policy of political, military, economic, and diplomatic action. The United States backs the diplomatic effort undertaken by the Contadora Group. His task in that regard is to consult closely with the leaders of the Contadora and Central American nations on the Contadora process, and to make U.S. views known without attempting to impose solutions on them. Stone then reviewed his efforts to facilitate dialogue in El Salvador between the Government Peace Commission and the FMLN/FDR. He said that both he and the Peace Commission have held two meetings with the FMLN/FDR, with the additional facilitation of President Monge of Costa Rica and President Betancur of Columbia. The US supports the Peace Commission in offering to discuss participation in elections, but will not agree with the FMLN/FDR's insistence on participating in a restructured government before elections. Likewise, the Administration believes that internal dialogue in Nicaragua should similarly be supported, leading to a pluralistic system. He concluded that his vigorous diplomatic missions have been largely successful because the military and other pressures the Administration has applied have won concessions from adversaries and reassured friends in the region. He emphasized that this policy is having success, but warned that time and patience are required.

Dr. Mark Falcoff (American Enterprise Institute) and  
Dr. Robert Hunter (Georgetown University):  
Lead Consultants' Overview

Dr. Falcoff began by stating that in dealing with Central America we need political and diplomatic solutions to reflect the new realities of the situation. He then reviewed previous and still-existing instruments for diplomacy and negotiations, in particular the Inter-American Treaty of Reciprocal Assistance, the OAS and the 1963 Central American Security Treaty which established the Central American Defense Council. He stated that most of these vehicles are now antiquated. Dr. Falcoff then reviewed the current peace proposals for the region. He noted that all the proposals have the common theme of needing to end intervention, the acquisition of offensive armaments and shift away from political conflict toward social and economic development. Dr. Falcoff did not hold any great hope for the success of the Contadora process, describing it as a plane that has only gotten off the ground because there was a consensus for takeoff, but which will fall apart as soon as it tries to land because there isn't a consensus for landing.

Dr. Hunter examined the premises of US policy in Central America and discussed the roles of the Soviet Union, Cuba and Western Europe. A military solution is possible, he stated, but the US must be willing to pay the price. He reviewed options for the resolution of major issues involving the Soviets, Cubans, and European allies. Dr. Hunter's model for dealing with the Soviet Union contained three categories of approaches: those which raise the risks to the Soviets, which he said the U.S. historically has found hard to make credible and which often require allied support which the U.S. often has difficulty obtaining; those which lower the benefits for the Soviets, which requires U.S. domestic bipartisan support, a lower rhetorical profile on the Soviet Union and multilateral opposition to the Soviets in Latin America; those which involve bargaining with the Soviets, which he did not recommend for the Latin American situation. Dr. Falcoff proposed that the "lowering benefits approach" was the best course of action for the United States to follow, adding that we should work to develop a strategy for Central America which will lessen opportunities for the Soviet Union.

Dr. Robert Pastor (University of Maryland):  
Negotiating Possibilities

Dr. Pastor described the current crisis in Central America as resulting from classic revolutionary ingredients engendered by three transitions: the transition from narrow-based political systems to ones with broader political participation; the transition to greater autonomy on the part of the Central American countries; and the transition to positions of international influence of the Contadora Four and other regional powers. In these circumstances, the most immediate threat in Central America comes from the Right, which resists change and thus creates the conditions on which the Left feeds.

To resolve the Central American crisis, Dr. Pastor suggests beginning in El Salvador, where the US should use its leverage to pressure the military to accept a negotiated solution that he believes must include restructuring of the Armed Forces and some of the armed guerrilla groups. He envisions negotiations with the presence of various international powers, including some of the Contadora Four, who would "sponsor" the GOES and the Left. To some extent, this same scenario could be replicated in Nicaragua. In both cases, the goal would be to strengthen political moderates against the extremes who now call the shots. Overall, Dr. Pastor argued that the democracy program should be advanced, noting that there is strong indigenous support for democracy in Central America, which the US has failed to support in the past. Our policy should be one of unconditional support for democratic regimes, and conditional support for all others.

Mr. William Hyland (Carnegie Endowment):  
Global Perspective

Mr. Hyland reviewed the change in US-USSR relations from mid-1975 to 1983, indicating that the current relationship will most likely remain frozen. Hyland stated that the Soviets place Nicaragua and El Salvador in different categories: Nicaragua possesses a revolutionary government which is moving toward a Marxist-Leninist regime, while the outcome in El Salvador is much less certain. If necessary, the Soviets would abandon Salvador while salvaging a relationship with Nicaragua. However, Nicaragua is unlikely to become the client state Cuba has. Hyland does not feel that the US should discuss Central America with the Soviets because to do so would be to give the Soviets' involvement in the region legitimacy.

Ambassador Deane Hinton:  
El Salvador

Ambassador Hinton stated that negotiations in El Salvador will not get far so long as the left demands that they be taken into the government. However, the FDR loses as soon as negotiations are successful, since they will lose whatever influence they have to the FMLN. Hinton argued that an enormous aid program is needed for El Salvador. However, that program would be put at risk if the right overthrows a democratic government. Emphasizing the importance of maintaining as much leverage as possible over the military, Hinton argued that, without military assistance, the extreme right would immediately institute extreme repression, and would ultimately lose. The result would be a leftist police state.

With regard to Nicaragua, Hinton said that all power there is in the hands of Leninists. The choice is either to hope that things fall apart before police power is fully theirs or to actively complicate matters for them. We must keep up the pressure for negotiations and we must insist on free elections in Nicaragua with international observers.

Irving Louis Horowitz (Rutgers University):  
The Cuban Role

Horowitz was skeptical of the long-term compatibility between US and Cuban interests. He stated that Cuba has entered a major phase in its post-revolutionary development aimed at strengthening its position in the Caribbean and Central America. He viewed Cubans as the "Gurkas of the Soviet Empire" and noted that they lack essential policy independence. He concluded that as long as the US is unwilling to abrogate its security interests in the area, continued tension between Cuba and the US is inevitable.

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Summary Minutes of the  
National Bipartisan Commission on Central America

SESSION ON ADDITIONAL ECONOMIC TOPICS

October 7, 1983

The Commission met at 10:00 on October 7 to consider additional economic topics. Messrs. Alan Stoga, Vice President, First National Bank of Chicago and Sidney Weintraub, Dean Rusk Professor, Lyndon B. Johnson School of Public Affairs, University of Texas served as lead consultants.

Mr. Carlos Manuel Castillo (President, Central Bank of Costa Rica)

Economic Development in Central America

Mr. Castillo, an agricultural economist, has served with the UN Economic Commission for Latin America and in two previous Costa Rican administrations. In Castillo's view, a primary task of the NBCCA is development of a conceptual framework for economic progress in Central America. This framework would encompass the needs of the region to foster development of dynamic and prosperous societies, eliminate poverty and unemployment, raise the standard of living to North American levels, and strengthen democracy. Castillo estimates external financing requirements from all sources to the five Central American countries must total \$12 billion by 1990 to maintain per capita incomes at their present level. \$20-23 billion will be required to raise per capita incomes to 1980 levels by 1990. Castillo urges that efforts begin as soon as possible to accomplish needed structural adjustment of the Central American economies. If pre-investment studies and consultation begin in 1984, public and private investment flows will pick up rapidly after 1985. Concomitant internal changes include rehabilitation and modernization of the indigenous resource base to create conditions to achieve a maximum ratio of output to savings, e.g., technical training for more efficient public sector management, agricultural extension and research, etc. Castillo believes assistance flows to Central American governments will remain predominately bilateral in the short-term, but should become increasingly multilateral and regional over time. The large Latin American countries and OECD members also should contribute. The essential factor for success of these efforts will be sustained U.S. leadership over the long haul. In response to questions, Castillo opined that Soviet intervention is responsible for the destabilization of

Central America and urged the U.S. to find a way to stop that intervention. He said that Nicaragua is now an occupied state, and that the Cubans and Eastern Europeans now there are unlikely to leave even if asked by the Sandinistas.

Mr. Gert Rosenthal (Director, Mexico Office, UN Economic Commission for Latin America)  
Economic Situation

Mr. Rosenthal, speaking unofficially, identified two main issues in considering Central America's difficult economic condition after 30 years of rapid growth: stabilizing the polarized region and economic adaptation to foster renewed growth. After summarizing reasons for and effects of the reversal of growth, Mr. Rosenthal discussed the reasons for political instability and their relationship to Central America's economic experiences. Practical cooperation between Central American states, still alive despite of political differences, encouraged Mr. Rosenthal to believe that the states can resolve their differences and restore an environment for progress.

Mr. Marc Leland (Assistant Secretary of the Treasury for International Affairs)  
Latin America Debt Problems

Mr. Leland said that Treasury, in its work on the debt crisis, needs devote little attention to Central America, which only has a total of about \$15 billion (5% of Latin debt). He summarized recent debt-related activity in the sub-region, but emphasized that Brazil, Mexico and a few others occupy center stage. Mr. Leland outlined USG policy toward the debt crisis in general, which revolves around adjustment managed by the IMF, commercial bank efforts, multilateral aid, bridge loans and, essential in the end, global recovery. He said that political stability was the sine qua non for improvement in the Central American situation, as many adjustment tools used in other debtor countries are infeasible in an atmosphere of such deep instability. In any case, he added, the tools available are limited since certain forms of leverage (commercial bank activity) are not present.

Mr. M. Peter McPherson (Administrator - Agency for  
International Development

AID Administrator Peter McPherson presented his agency's strategy for economic and social recovery in Central America. Financial instability, underemployment, inequality of opportunities and rapid population growth have contributed to the region's unrest. AID's strategy for addressing these problems would require \$5.7 billion dollars over five years and \$2 billion more over the subsequent five years. The strategy seeks to achieve financial stability for these countries by providing a per capita GNP and employment growth of 3.5 percent annually by 1989. Programs would facilitate universal access to primary education, reduced infant mortality and greater acceptance of family planning. While the U.S. must maintain control of our assistance programs we should work with other donors and multilateral development organizations as well as an advisory, "wise-men" group of prominent Central or Latin Americans.

Action on the social as well as the economic front is required by each recipient country's government if the program is to work.

Messrs. Alan Stoga, Vice President, First National Bank of Chicago, and Sidney Weintraub, Dean Rusk Professor, Lyndon B. Johnson School of Public Affairs, University of Texas  
Consultant's Wrap-up

Mr. Stoga presented and discussed his paper entitled "A Financial Assistance Program for Central America". He said that total external financing requirements for achieving either 6.5 percent growth by 1988 or of returning to 1980 levels of per capita income by 1988 would be about \$12 billion and \$17 billion, respectively. The U.S. share would likely be \$5-10 billion. Given our current assistance levels to Central America of about \$600 annually, achievement of the more modest, 6.5 percent growth target implies a doubling, more or less, of U.S. effort.

Messrs. Stoga and Weintraub commented that a key assumption underlying their estimates, as well as those by AID, is a reasonable degree of political stability. Mr. Weintraub said that AID's estimates were pretty good but he suggested that AID revise their estimates in order to factor in differing sets of assumptions.

Conditionality and the appropriate role for a group of "wise men" were discussed. Messrs. Weintraub and Stoga said that considerable conditionality would be appropriate; it was noted that Nicaragua would probably exclude itself because of the conditions.

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