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# WITHDRAWAL SHEET

## Ronald Reagan Library

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

**Withdrawer**

KDB 4/4/2016

**File Folder** CENTRAL AMERICAN COMMISSION - KISSINGER  
BIPARTISAN COMMISSION (2/15/84-3/1/84) (1)

**FOIA**

F03-002/5

**Box Number** 27

SKINNER

499

ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions
174708 MEMO	OLIVER NORTH TO R. MCFARLANE RE CENTRAL AMERICA: LEGISLATIVE PLANNING	2	2/15/1984	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]

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4/12/16 EDO

TO MCFARLANE

FROM NORTH

DOC DATE 15 FEB 84

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KEYWORDS. CENTRAL AMERICA  
NICARAGUA

CONGRESSIONAL  
HONDURAS

KISSINGER, HENRY A

SUBJECT. LEGISLATIVE PLANNING RE CENTRAL AMERICA

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ACTION. FOR DECISION DUE: STATUS X FILES SII

FOR ACTION  
MCFARLANE

FOR CONCURRENCE

FOR INFO

COMMENTS

REF# LOG NSCIFID NSDD0124 ( B *18* )

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ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

*C* FEB 17 1984 *Mcfarlane approved all* *out*

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

994 ✓

National Security Council  
The White House

84 FEB 16 P 7: 52

System # II  
Package # 50187

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bill Martin	_____	_____	_____
Bob Kimmitt	1	✓	_____
John Poindexter	2	✓	_____
Wilma Hall	3	_____	_____
Bud McFarlane	4	✓	A
Bob Kimmitt	_____	_____	_____
NSC Secretariat	_____	_____	_____
Situation Room	_____	_____	_____

I = Information	A = Action	R = Retain	D = Dispatch	N = No further Action
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cc: VP Meese Baker Deaver Other \_\_\_\_\_

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TAB

A

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A BILL

To establish a long-term framework to build democracy, restore peace, and improve living conditions in Central America, to authorize assistance for the fiscal years 1984 through 1989, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 1. This Act may be cited as the "Central America Democracy, Peace and Development Initiative Act of 1984".

TITLE I - STATEMENT OF POLICY

SEC. 101. The Congress finds that the building of democracy, the restoration of peace, and the improvement of living conditions in Central America are important to the interests of the United States and the community of American States. The Congress further finds that the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

The achievement of democracy, human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that

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the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of both economic and military assistance. This policy should be designed to support actively democracy, political reform and human rights; to promote equitable economic growth and development; to foster dialogue and negotiations to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisors; and to provide a security shield against violence and intimidation. It is the purpose of this Act to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

## TITLE II - ECONOMIC AND HUMAN DEVELOPMENT

### FINDINGS

SEC. 201. (a) The Congress finds that lagging economic growth and widespread poverty continue to plague most of the nations of Central America, and that inadequate and declining opportunities for economic betterment seriously undermine the peace and security of the region. Although the causes of the economic decline are several, the Congress believes that equitable economic growth can be achieved based on the following principles, which shall guide the furnishing of assistance under this title:



(1) development and implementation by the countries of Central America of appropriate, growth-oriented, economic policies that foster increased production, investment, trade, and regional cooperation;

(2) increased participation and promotion of the private sector, including cooperatives, in development;

(3) creation and improvement of private and public sector institutions in order to expand the access of the people of the region to the knowledge and tools for development;

(4) recognition that the problems of hunger and malnutrition, health deficiencies, infant and child mortality, population growth, illiteracy and skill deficiencies, underemployment and unemployment, and financial instability are each related to the other, and each must be addressed if equitable economic growth is to occur.

(b) Agricultural Development. Increased development of the region's agricultural sectors will be required in order to expand employment opportunities, diversify and expand agricultural production, and increase incomes in areas which contain the majority of the region's poor. To achieve these purposes, assistance is required for agricultural development activities in Central America. Such activities may include: the provision of credit to make possible the purchase of land

and necessary farm equipment and other inputs by small farmers; the distribution of land through comprehensive agrarian reform programs; the expansion of research and extension services; the promulgation of more production-oriented agricultural pricing policies; agricultural export promotion activities; and the expansion of roads, storage facilities, rural electrification, and other rural infrastructure.

(c) Education. Improvement in the availability and quality of educational opportunities is necessary if the people of the region are to acquire the technical skills and information needed to increase productivity, solve health problems; and integrate the poor into the development process. In order to achieve these purposes, assistance is required for education activities in Central America. Such activities may include: expanded programs of secondary level technical and vocational education; primary education programs; training of professionals in public administration; scholarship programs; and university strengthening programs in Central America.

(d) Health and Population. Universal access to primary health care, reduction of infant mortality, and population growth rates are important aspects of economic development in the Central America region. In this context, assistance is required for health and population activities in Central America. Such activities may include: expansion of programs of oral rehydration and immunization; control of vector-borne

diseases; training of primary health care workers, nurses, dental assistants and personnel in allied health skills; and family planning programs, consistent with section 104(f) of the Foreign Assistance Act of 1961.

(e) Housing. With urbanization throughout Central America rapidly transforming the character of the region, national and local governments must be able to meet the social and economic strains attendant to such significant movements of people into urban areas. This trend has far outpaced the growth of shelter and the ability of governments to provide such basic services as water, sanitation, electricity and public transport. In order to meet these requirements, assistance or the provision of guarantees is required for infrastructure and housing activities in Central America. Such activities may include: construction of urban housing and infrastructure, support for housing banks and other financial associations, and extension of housing guarantees.

(f) Economic Stabilization. Reduced revenues due to a combination of price declines for exports and oil price increases (compounded by inadequate availability of indigenous energy resources), increased spending as a result of rapid expansion of governmental programs and public-sector enterprises, spiraling interest rates, and severe external debt problems are several factors which have had serious detrimental effects on the economic and political stability of the region.

*Domestic*

In order to assist the countries of the region to undertake the economic adjustments necessitated by these conditions, assistance is required for economic stabilization programs in Central America.

(g) Humanitarian Relief. Assistance is required to provide humanitarian relief and rehabilitation assistance for refugees and displaced persons in Central America.

(h) Investment Insurance. Additional investment is critical to improved economic conditions in Central America. The Overseas Private Investment Corporation, therefore, consistent with its statutory mandate should make every effort to support projects in the region.

#### DEVELOPMENT ASSISTANCE

SEC. 202. (a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for Central American countries --

(1) \$10,000,000 for the fiscal year 1984 and \$69,800,000 for the fiscal year 1985 to carry out the provisions of section 103 of the Foreign Assistance Act of 1961;

(2) \$5,000,000 for the fiscal year 1984 and \$15,000,000 for the fiscal year 1985 to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961;

(3) \$18,000,000 for the fiscal year 1984 and \$40,000,000 for the fiscal year 1985 to carry out the provisions of section 104(c) of the Foreign Assistance Act of 1961;

(4) \$10,000,000 for the fiscal year 1984 and \$64,000,000 for the fiscal year 1985 to carry out the provisions of section 105 of the Foreign Assistance Act of 1961;

(5) \$30,000,000 for the fiscal year 1984 and \$84,000,000 for the fiscal year 1985 to carry out the provisions of section 106 of the Foreign Assistance Act of 1961;

(6) \$10,000,000 for the fiscal year 1985 for purposes of the fund established by section 223 of the Foreign Assistance Act of 1961: Provided, That funds made available for such purposes shall be available for expenditure in discharge of guaranties extended prior to enactment of this Act;

(7) \$2,489,000 for the fiscal year 1984 and \$6,016,000 for the fiscal year 1985 to carry out the provisions of section 667 of the Foreign Assistance Act of 1961.

(b) Amounts appropriated pursuant to this section are authorized to remain available until expended.

## ECONOMIC SUPPORT FUND

SEC. 203. (a) In addition to amounts otherwise available for such purposes, \$290,500,000 is authorized to be appropriated to the President for the fiscal year 1984 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 for Central American countries.

(b) In addition to amounts otherwise available for such purposes, \$640,600,000 are authorized to be appropriated to the President for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 for Central American countries.

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.

## PEACE CORPS

SEC. 204. (a) In addition to amounts otherwise available for such purposes, \$2,000,000 are authorized to be appropriated for the fiscal year 1984 to carry out the purposes of the Peace Corps Act for Central American countries.

(b) In addition to amounts otherwise available for such purposes, \$18,200,000 are authorized to be appropriated for the fiscal year 1985 to carry out the purposes of the Peace Corps Act for Central American countries.

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.

UNITED STATES INFORMATION AGENCY

SEC. 205. (a) In addition to amounts otherwise available for such purposes, \$7,000,000 are authorized to be appropriated for the fiscal year 1984 to carry out for Central American countries international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 2 of 1977, and other purposes authorized by law.

(b) In addition to amounts otherwise available for such purposes, \$36,400,000 are authorized to be appropriated for the fiscal year 1985 to carry out for Central American countries international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 2 of 1977, and other purposes authorized by law.

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.

MIGRATION AND REFUGEE ASSISTANCE

SEC. 206. (a) In addition to amounts otherwise available for such purposes, \$15,000,000 are authorized to be appropriated for the fiscal year 1985 for the Department of State to carry out for Central American countries the authorities, functions, duties, and responsibilities in the

conduct of the foreign affairs of the United States and other purposes authorized by law for "Migration and Refugee Assistance".

(b) Amounts appropriated pursuant to this section are authorized to remain available until expended.

HOUSING GUARANTY PROGRAM

SEC. 207. In addition to amounts otherwise authorized for such purposes, \$40,000,000 of loan principal are authorized to be guaranteed under sections 221 and 222 of the Foreign Assistance Act of 1961 for Central American countries for the fiscal year 1985.

ADMINISTRATION OF JUSTICE

SEC. 208. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by inserting after section 116 the following new section:

"Sec. 117. Administration of Justice - (a)

Notwithstanding section 660 of this Act, the President may furnish assistance to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in Central American countries and the countries of the Caribbean. Assistance under this section may include: support for specialized professional training, scholarships, and exchanges for continuing legal education; programs to enhance judicial, prosecutorial, investigative and



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enforcement capabilities and to provide protection for participants in judicial cases; strengthening professional organizations, to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform; increasing the availability of legal materials and publications; seminars, conferences, training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and human rights; and revision and modernization of legal codes and procedures.

"(b) Not more than \$20,000,000 of the funds made available to carry out this chapter and chapter 4 of part II for any fiscal year shall be available to carry out this section, in addition to amounts otherwise available for such purposes."

#### TRADE CREDIT INSURANCE PROGRAM

SEC. 209. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 224. Trade Credit Insurance Program - (a) Of the funds authorized to be appropriated for chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be made available such sums as may be necessary for payments by the Agency for International

Development to discharge guarantees of liabilities incurred by the Export-Import Bank of the United States under guarantees and insurance approved under the Export-Import Bank Act of 1945 (i) covering risks of loss or non-payment under short-term trade credits for the purpose of financing goods and services for the use of the private sector in Central American countries and (ii) which do not in the judgment of the Board of Directors of the Export-Import Bank of the United States offer reasonable assurance of repayment as required under Section 2(b)(1)(B) of the Export-Import Bank Act of 1945. Such short-term credits shall be repayable within a period not to exceed one year. Amounts appropriated under the authority of this section shall not be used to discharge guarantees of liabilities incurred by the Export-Import Bank of the United States under guarantees and insurance approved under the Export-Import Bank Act of 1945 after September 30, 1989.

"(b) Commitments to guarantee or insure under subsection (a) of this section are authorized only to the extent and in the amounts provided in appropriations acts, not to exceed \$300,000,000 in the fiscal year 1985.

"(c) Recoveries, after deduction for expenses related thereto, accruing under guarantees and insurance authorized under subsection (a) of this section shall be deposited in the Treasury as Miscellaneous Receipts."

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LAND REFORM PROGRAMS

SEC. 210. Section 620(g) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence at the end thereof:

"This prohibition shall not apply to monetary assistance made available for use by a government or political subdivision or agency of such government to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States."

CENTRAL AMERICAN DEVELOPMENT ORGANIZATION

SEC. 211. (a) The Congress finds that participation by Central American countries in an effective forum for dialogue on, and the continuous review and advancement of, Central America's political, economic, and social development would foster cooperation between the United States and Central American countries in furthering the purposes of this Act.

(b) It is the sense of Congress that --

(1) the President enter into negotiations with those countries receiving assistance authorized by this Act in order to establish a Central American Development Organization, and

(2) the establishment of the Central American Development Organization be based upon the following principles:

(A) Participation in the organization be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, progress on human rights, building democracy, and encouraging equitable economic growth through policy reforms;

(B) The organization be structured to include representatives from both the public and private sectors, including representatives from the labor and business communities;

(C) The organization meet periodically to carry out the functions described in paragraphs 4 and 5 of this subsection and should be supported by a limited professional secretariat.

(D) The organization make recommendations affecting Central American countries on such matters as:

(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of human rights;

(ii) mobilization of resources and external assistance needs; and

(iii) reform of economic policies and structures.

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(E) The organization have the capacity for monitoring country performance on the recommendations issued in accordance with paragraph 4 of this subsection and for evaluating progress towards meeting such country objectives.

(F) For each fiscal year after that in which the President has completed negotiations and agreed to participate in such organization, the disbursement of 25 per centum of the economic funds authorized by title II of this Act and allocated by the United States directly for each Central American country be deferred until the United States and the organization have both approved disbursement.

(G) The President encourage other donors similarly to designate a percentage of their direct economic assistance for Central American countries for joint approval with this organization.

(c) The President is authorized to participate in the Central American Development Organization. The Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, or his designee, shall be the chairman of the Central American Development Organization. The Administrator shall carry out his functions in that capacity under the continuous supervision and general direction of the Secretary of State to the end that United States

participation in the Central American Development Organization is fully integrated with the foreign policy of the United States.

ECONOMIC ASSISTANCE

SEC. 212. (a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President, for the purpose of furnishing non-military assistance for Central American countries, \$1,200,000,000 for each of the fiscal years 1986 through 1989, to remain available until expended. The President is authorized to transfer funds authorized by this section for obligation in accordance with the authorities of part I of the Foreign Assistance Act of 1961 (including chapter 4 of part II of such Act), the Peace Corps Act, the Migration and Refugee Assistance Act of 1962, the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, the National Endowment for Democracy Act, and the State Department Basic Authorities Act of 1956, as amended.

(b) In addition to amounts otherwise authorized for such purposes, \$40,000,000 of loan principal are authorized to be guaranteed under sections 221 and 222 of the Foreign Assistance Act of 1961 for Central American countries for each of the fiscal years 1986 through 1989.

(c) In addition to amounts otherwise authorized for such purposes, \$200,000,000 of loan principal are authorized to be guaranteed or insured for Central American countries for the fiscal year 1986 under section 224 of the Foreign Assistance Act of 1961.

TITLE III - MILITARY ASSISTANCE, SALES AND RELATED PROGRAMS  
FINDINGS

SEC. 301. The Congress finds that the restoration of peace in Central America is essential to economic and humanitarian progress in that region. The Congress believes that restoring peace and stability will require a combination of social and political reforms, economic advances, diplomatic efforts and measures to enhance security, based upon the following principles:

(1) military measures are needed to shield economic and social programs and are an essential adjunct to a diplomatic solution to conflict in the region;

(2) military measures will only aid in restoring peace if they are complemented by political, economic and social programs and reforms;

(3) assistance for military purposes should be furnished predictably, in amounts and over a period of time adequate to carry out a humane and effective anti-guerrilla strategy;

(4) assistance for military purposes should be employed actively to foster human rights objectives, particularly the goals of free elections, freedom of association, the establishment of the rule of law and an effective judicial system, and vigorous action against those guilty of crimes and the prosecution of past offenders;

(5) a diplomatic solution must be found that will stop the killing in the region and nourish freedom and progress.

#### MILITARY ASSISTANCE

SEC. 302. (a) In addition to amounts otherwise available for such purposes, \$259,050,000 is authorized to be appropriated to the President for the fiscal year 1984 to carry out for Central American countries the provisions of chapter 2 of part II of the Foreign Assistance Act of 1961.

(b) In addition to amounts otherwise available for such purposes, \$222,000,000 are authorized to be appropriated to the President to carry out for the fiscal year 1985 the provisions of chapter 2 of part II of the Foreign Assistance Act of 1961 for Central American countries.

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.



MILITARY EDUCATION AND TRAINING

SEC. 303. (a) In addition to amounts otherwise available for such purposes, \$3,900,000 are authorized to be appropriated to the President for the fiscal year 1985 to carry out for Central American countries the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961.

(b) Amounts appropriated pursuant to this section are authorized to remain available until expended.

FOREIGN MILITARY SALES FINANCING

SEC. 304. (a) In addition to amounts otherwise available for such purposes, \$30,000,000 are authorized to be appropriated for the fiscal year 1985 to carry out for Central American countries the purposes of section 23 of the Arms Export Control Act.

(b) Amounts appropriated pursuant to this section are authorized to remain available until expended.

REPORTING REQUIREMENT

SEC. 305. (a) Not later than July 31, 1984, and no later than the end of each six month period thereafter, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a detailed report fully describing the policies of the Government of El Salvador for achieving political development, economic development and conditions of security. The report shall also include the President's detailed assessment of the

strengths and weaknesses of such policies in meeting the objectives, described in section 101, which United States policy is designed to support, including the specific goals of human rights, free elections, freedom of association, dialogue and negotiations to achieve peace, the establishment of the rule of law and an effective judicial system, the curtailment of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders. This report shall also review comprehensively the factors contributing to the political, economic and security situation in that country, including such factors as human rights, land reform, the economy of the country, refugees and displaced persons, the military situation and guerrilla activity.

(b) The President shall ensure that assistance authorized by title III of this Act is provided to the Government of El Salvador in a manner which fosters progress of that government towards the objectives of political development, economic development and security. To this end, the President in every appropriate instance shall impose conditions on the furnishing to the Government of El Salvador of assistance authorized by title III of this Act in order to achieve these objectives, including the goals identified in subsection (a) of this section.

TITLE IV - MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 401. For the purposes of this Act, including amendments to the Foreign Assistance Act of 1961 made by this Act, the term "Central American countries" shall be deemed to include Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and regional programs which benefit such countries.

TRANSFER AUTHORITY

SEC. 402. Whenever the President determines it to be necessary for the purposes of this Act, in each of the fiscal years 1984 and 1985 not more than a total of \$50,000,000 from funds made available for provisions authorized by this Act may be transferred to, and consolidated with, funds made available for provisions authorized by Title II of this Act.

COORDINATION

SEC. 403. Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of programs undertaken to carry out the purposes of this Act.

0031A

2/11/84

1:00PM

TAB

B

CENTRAL AMERICA LEGISLATIVE STRATEGY

I. STRUCTURE TO ENSURE A COORDINATED APPROACH

1. SIG

- Chaired by Deputy Secretary Dam.
- Participation by DOD, AID, OMB, White House Legs., NSC, USUN, and T, H, ARA, and S/LPD (State).
- To approve basic strategy and action plan assignments.
- To give general direction to the legislative effort.

2. Inter-Agency Working Group

- Chaired by Bob Turner, Principal DAS, State.
- Participation by same agencies and offices as the SIG, at DAS level.
- Jim Michel, ARA, to take lead on all substantive issues, under direction of SIG chairman.
- Amb. Reich, S/LPD, to direct public effort.
- WG to hold weekly meetings.
- To exchange information; reach agreement on policies and actions; receive assignments for action.
- To submit brief reports to SIG for concurrence and identifying any unresolved issues for decision.

II. PHASES OF THE STRATEGY

1. Timetable for planned Congressional consideration of the legislation attached.
2. First Phase: mid-February to mid-March:
  - Focus on Members of the HFAC, the HAC Subcommittee on Foreign Operations, and key Members of the SFRC.

- Full briefings for 30 key bipartisan leaders & Committee chairmen.
- Briefings of other Members and key staff members in groups (caucuses, study groups, Coleman House Republican Task Force, etc.)
- 3. Second Phase: mid-March to mid-April:
  - Focus on swing Members of the full House; all Members of the SFRC; and the Budget Committees.
  - Continue regular contact with the 30 key leaders.
  - Full update briefings for all House supporters in groups.
- 4. Third Phase: mid-April to mid-May:
  - Focus on the full Senate (Authorization Bill).
  - Begin focus on the full House Appropriations Committee, and Senate Appropriations Subcommittee on Foreign Operations.
- 5. Fourth Phase: mid-May through June:
  - Focus on full House and Senate Appropriations Committees.

II. ACTION PLAN: KEY ELEMENTS

- 1. Assignment of individual contacts to the 30 key leaders on a continuing basis.
- 2. Focus on all other members in phases.
- 3. Use of joint interagency teams for briefing members in groups, and some of the individual targets on key committees. Teams to include representatives of State, AID and DOD, for example, tailored to interests of groups or members.
- 4. An important role for Ambassador Kirkpatrick, as well as our Ambassadors in Central America.
- 5. Assignment of individual contacts to members of key committees (HFAC members, for example, in Phase I) on an ad hoc basis.

- To include: Under Secretary Schneider, Amb. Motley, ARA and H DAS's, Amb. Reich, Amb. Middendorf, and Counselor Derwinski (State); also Ambs. Pickering, Quainton and Negropte on TDY; Amb. Stone, as available.
- DOD and AID officials
- 6. Coordination with outside interest groups (AFL-CIO, Council of the Americas, C/CCA, etc).
  - Suggested point of contact: S/LPD, Otto Reich
- 7. -- Participation of White House and NSC - as recommended by SIG or WG (later phases).
- 8. Use of Bipartisan Commission Members

ARA-274



TIMETABLE FOR CONGRESSIONAL CONSIDERATION OF  
CENTRAL AMERICA INITIATIVE

February 10-20:

- Congress in recess.

February 21-29:

- Authorization Bill: Hearings and mark-up in HFAC Subcommittee on Western Hemisphere Affairs. Motley/McPherson to testify February 21. Public witnesses February 22-23).
- Secretary to testify before SFRC (February 22) and Senate Budget Committee (February 21) on foreign aid requests.

March 1-9:

- Authorization Bill: Mark-up in full HFAC. (firm)
- Will probably be combined with full FY-85 foreign aid request and FY-84 Supplemental requests in one bill.

March 13-15:

- House and Senate Budget Committees to begin consideration and mark-up of FY-85 Budget Resolution.

March 21-23:

- Authorization: House Leadership target time-frame for floor consideration and vote.
- HAC Foreign Operations to begin hearings on Central America Appropriations requests. Mark-up likely in April.

March 27:

- Authorization: SFRC to begin mark-up.

April 12:

- Authorization: Senate Leadership target date for completion of Committee mark-up.

- Target date for completion on Committee work on Budget Resolutions.

April 13-23:

- Easter Recess

April 23-30:

- Authorization: Senate Leadership target date for floor consideration and vote.
- Floor consideration of Budget Resolutions.

May

- Full House Appropriations Committee to mark-up FY-84 supplemental and FY-85 foreign aid requests.
- Senate Appropriations Committee action likely in same timeframe.

A BILL

To establish a long-term framework to build democracy, restore peace, and improve living conditions in Central America, to authorize assistance for the fiscal years 1984 through 1989, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 1. This Act may be cited as the "Central America Democracy, Peace and Development Initiative Act of 1984".

TITLE I - STATEMENT OF POLICY

SEC. 101. The Congress finds that the building of democracy, the restoration of peace, and the improvement of living conditions in Central America are important to the interests of the United States and the community of American States. The Congress further finds that the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

The achievement of democracy, human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that

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the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of both economic and military assistance. This policy should be designed to support actively democracy, political reform and human rights; to promote equitable economic growth and development; to foster dialogue and negotiations to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisors; and to provide a security shield against violence and intimidation. It is the purpose of this Act to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

## TITLE II - ECONOMIC AND HUMAN DEVELOPMENT

### FINDINGS

SEC. 201. (a) The Congress finds that lagging economic growth and widespread poverty continue to plague most of the nations of Central America, and that inadequate and declining opportunities for economic betterment seriously undermine the peace and security of the region. Although the causes of the economic decline are several, the Congress believes that equitable economic growth can be achieved based on the following principles, which shall guide the furnishing of assistance under this title:

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(1) development and implementation by the countries of Central America of appropriate, growth-oriented, economic policies that foster increased production, investment, trade, and regional cooperation;

(2) increased participation and promotion of the private sector, including cooperatives, in development;

(3) creation and improvement of private and public sector institutions in order to expand the access of the people of the region to the knowledge and tools for development;

(4) recognition that the problems of hunger and malnutrition, health deficiencies, infant and child mortality, population growth, illiteracy and skill deficiencies, underemployment and unemployment, and financial instability are each related to the other, and each must be addressed if equitable economic growth is to occur.

(b) Agricultural Development. Increased development of the region's agricultural sectors will be required in order to expand employment opportunities, diversify and expand agricultural production, and increase incomes in areas which contain the majority of the region's poor. To achieve these purposes, assistance is required for agricultural development activities in Central America. Such activities may include: the provision of credit to make possible the purchase of land

and necessary farm equipment and other inputs by small farmers; the distribution of land through comprehensive agrarian reform programs; the expansion of research and extension services; the promulgation of more production-oriented agricultural pricing policies; agricultural export promotion activities; and the expansion of roads, storage facilities, rural electrification, and other rural infrastructure.

(c) Education. Improvement in the availability and quality of educational opportunities is necessary if the people of the region are to acquire the technical skills and information needed to increase productivity, solve health problems, and integrate the poor into the development process. In order to achieve these purposes, assistance is required for education activities in Central America. Such activities may include: expanded programs of secondary level technical and vocational education; primary education programs; training of professionals in public administration; scholarship programs; and university strengthening programs in Central America.

(d) Health and Population. Universal access to primary health care, reduction of infant mortality, and population growth rates are important aspects of economic development in the Central America region. In this context, assistance is required for health and population activities in Central America. Such activities may include: expansion of programs of oral rehydration and immunization; control of vector-borne

diseases; training of primary health care workers, nurses, dental assistants and personnel in allied health skills; and family planning programs, consistent with section 104(f) of the Foreign Assistance Act of 1961.

(e) Housing. With urbanization throughout Central America rapidly transforming the character of the region, national and local governments must be able to meet the social and economic strains attendant to such significant movements of people into urban areas. This trend has far outpaced the growth of shelter and the ability of governments to provide such basic services as water, sanitation, electricity and public transport. In order to meet these requirements, assistance or the provision of guarantees is required for infrastructure and housing activities in Central America. Such activities may include: construction of urban housing and infrastructure, support for housing banks and other financial associations, and extension of housing guarantees.

(f) Economic Stabilization. Reduced revenues due to a combination of price declines for exports and oil price increases (compounded by inadequate availability of indigenous energy resources), increased spending as a result of rapid expansion of governmental programs and public-sector enterprises, spiraling interest rates, and severe external debt problems are several factors which have had serious detrimental effects on the economic and political stability of the region.

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In order to assist the countries of the region to undertake the economic adjustments necessitated by these conditions, assistance is required for economic stabilization programs in Central America.

(g) Humanitarian Relief. Assistance is required to provide humanitarian relief and rehabilitation assistance for refugees and displaced persons in Central America.

(h) Investment Insurance. Additional investment is critical to improved economic conditions in Central America. The Overseas Private Investment Corporation, therefore, consistent with its statutory mandate should make every effort to support projects in the region.

#### DEVELOPMENT ASSISTANCE

SEC. 202. (a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for Central American countries --

(1) \$10,000,000 for the fiscal year 1984 and \$69,800,000 for the fiscal year 1985 to carry out the provisions of section 103 of the Foreign Assistance Act of 1961;

(2) \$5,000,000 for the fiscal year 1984 and \$15,000,000 for the fiscal year 1985 to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961;



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(3) \$18,000,000 for the fiscal year 1984 and \$40,000,000 for the fiscal year 1985 to carry out the provisions of section 104(c) of the Foreign Assistance Act of 1961;

(4) \$10,000,000 for the fiscal year 1984 and \$64,000,000 for the fiscal year 1985 to carry out the provisions of section 105 of the Foreign Assistance Act of 1961;

(5) \$30,000,000 for the fiscal year 1984 and \$84,000,000 for the fiscal year 1985 to carry out the provisions of section 106 of the Foreign Assistance Act of 1961;

(6) \$10,000,000 for the fiscal year 1985 for purposes of the fund established by section 223 of the Foreign Assistance Act of 1961: Provided, That funds made available for such purposes shall be available for expenditure in discharge of guaranties extended prior to enactment of this Act;

(7) \$2,489,000 for the fiscal year 1984 and \$6,016,000 for the fiscal year 1985 to carry out the provisions of section 667 of the Foreign Assistance Act of 1961.

(b) Amounts appropriated pursuant to this section are authorized to remain available until expended.

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ECONOMIC SUPPORT FUND

SEC. 203. (a) In addition to amounts otherwise available for such purposes, \$290,500,000 is authorized to be appropriated to the President for the fiscal year 1984 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 for Central American countries.

(b) In addition to amounts otherwise available for such purposes, \$640,600,000 are authorized to be appropriated to the President for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 for Central American countries.

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.

PEACE CORPS

SEC. 204. (a) In addition to amounts otherwise available for such purposes, \$2,000,000 are authorized to be appropriated for the fiscal year 1984 to carry out the purposes of the Peace Corps Act for Central American countries.

(b) In addition to amounts otherwise available for such purposes, \$18,200,000 are authorized to be appropriated for the fiscal year 1985 to carry out the purposes of the Peace Corps Act for Central American countries.

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.

UNITED STATES INFORMATION AGENCY

SEC. 205. (a) In addition to amounts otherwise available for such purposes, \$7,000,000 are authorized to be appropriated for the fiscal year 1984 to carry out for Central American countries international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 2 of 1977, and other purposes authorized by law.

(b) In addition to amounts otherwise available for such purposes, \$36,400,000 are authorized to be appropriated for the fiscal year 1985 to carry out for Central American countries international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 2 of 1977, and other purposes authorized by law.

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.

MIGRATION AND REFUGEE ASSISTANCE

SEC. 206. (a) In addition to amounts otherwise available for such purposes, \$15,000,000 are authorized to be appropriated for the fiscal year 1985 for the Department of State to carry out for Central American countries the authorities, functions, duties, and responsibilities in the

conduct of the foreign affairs of the United States and other purposes authorized by law for "Migration and Refugee Assistance".

(b) Amounts appropriated pursuant to this section are authorized to remain available until expended.

HOUSING GUARANTY PROGRAM

SEC. 207. In addition to amounts otherwise authorized for such purposes, \$40,000,000 of loan principal are authorized to be guaranteed under sections 221 and 222 of the Foreign Assistance Act of 1961 for Central American countries for the fiscal year 1985.

ADMINISTRATION OF JUSTICE

SEC. 208. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by inserting after section 116 the following new section:

"Sec. 117. Administration of Justice - (a)

Notwithstanding section 660 of this Act, the President may furnish assistance to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in Central American countries and the countries of the Caribbean. Assistance under this section may include: support for specialized professional training, scholarships, and exchanges for continuing legal education; programs to enhance judicial, prosecutorial, investigative and