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 Date: 08/04/2004

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Kim Flower to Jose Sorzano re Amb. Habib's trips (w/notations), 3p R 5/24/11 F97-066/6 #13	4/2/87	B1
2. memo (8709135)	Habib to Sec. of State re Central America, 5p R 3/17/06 F97-066/6 #14	4/1/87	B1

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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April 2, 1987

MEMORANDUM FOR JOSE SORZANO
FROM: KIM FLOWER
SUBJECT: Amb. Habib's Central America Trips

*Howard Baker.
The paragraph on
p. 2 on Congress
may interest you.
Frank C.
cc W.H. Ball*

Ambassador Habib's trip report is attached. Since I participated in drafting it, I won't duplicate the message here. I would, however, like to make a few personal comments and observations.

The Central American Envoy. Amb. Habib seems personally convinced that an acceptable negotiated settlement is possible and can eventually be achieved, perhaps within the next six months. Any negotiated settlement would, of course, mean that the Sandinistas would have to surrender their power to govern Nicaragua, or at least agree to test their right to rule in a free election. Personally, I don't believe the Commandantes will ever agree, even if faced with annihilation. Nevertheless, Habib believes the Sandinistas can be forced into accommodating democracy by the right combination of pressures and skillful diplomacy and negotiation.

A verbal negotiator by personality, Habib intends to incrementally step up his visits and presence in the region, traveling to Central America again in April and May. If the process advances sufficiently to warrant it, Habib would then begin a Kissinger-style "shuttle diplomacy," remaining more or less permanently in the region, hopping back and forth between capitals to cajole an agreement from the parties to the conflict. At some point, he anticipates, he would have to include Nicaragua on his itinerary.

As Habib shuttle diplomacy moves into high gear, the so-called negotiating track will take on much greater visibility and will become a focus of public (and Congressional) attention. Consequently, there will be increasing pressure to compromise in order to achieve agreement. To protect the President's interest and to preserve his options, I believe the NSC must continue to watch this process closely. We must assure that we don't yield to the temptation to sacrifice principle for the sake of settlement.

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BY RUS NARA DATE 5/24/11

We need to work out how to do this. Traveling with Habib is extraordinarily expensive in staff time and hence costly to other responsibilities. Moreover, according to Habib's rules, only one other person is present in his meetings with heads of government besides the U.S. Ambassador. This means that the NSC staffer on the trip participates in only a fraction of the meetings, depending upon how many State staffers are along. *

Democratic Resistance. Habib met with both the military and the political leadership of the resistance. It is entirely appropriate that Habib consult with the political leadership of the resistance, and his meeting with UNO was useful. From the meeting it was clear to me that Chamorro and Robello have a very clear understanding of the importance of the negotiating track to the overall credibility of our policy and for the prospects of securing future military assistance for the Contras. Because they are politically minded, UNO leadership does not fear Habib's efforts, although they are quite skeptical that any positive results can be obtained.

On the other hand, the FDN has a very different view, and Habib's meeting with the military commanders was a bit strained and uncomfortable. Because they have the most to lose, including their lives, the FDN is fearful of the negotiating track. They see the Administration losing power as the Reagan presidency wanes, resulting in the weakening of the U.S. commitment to the cause. Their apprehension is that the U.S. Congress will ultimately abandon them just as it did ARVN.

In other words, FDN leaders are inclined to see the negotiating track as the instrument of their eventual betrayal. While I believe it was advisable for Habib to meet with the FDN in order for them to have first-hand exposure to this aspect of our policy, I do not recommend future meetings. Habib's message about negotiation is essentially demoralizing to those who are actually fighting the war. To risk the ultimate sacrifice, soldiers must believe in their cause, including the possibility of a military victory.

Congressional Meddling. All four Central American Presidents strongly urged repeated expressions of Congressional support for U.S. policy. It is obvious that the constant stream of CODELs is having a profoundly subversive impact on the credibility of our foreign policy. The Administration's ambassadors and emissaries say one thing, only to be contradicted by voices from the Congress. To illustrate the point: Duarte told Habib that he believed Arias devised his peace plan strictly

out of fear that the Reagar Administration has lost control of foreign policy and that the U.S. would ultimately walk away from Central America, leaving an unarmed Costa Rica to face Nicaragua alone. Therefore, now was the time to make an accommodation with the Sandinistas. Similarly, Azcona interprets Congressman Obey's reallocation of funds in the supplemental as punishment for the Administration's friends (El Salvador, Honduras) and reward for the democratic Congress' allies (Costa Rica, Guatemala). Moreover, according to both Duarte and Azcona, the Congressional stampede to bless Arias' proposals make it very difficult for them to offer even constructive criticism without appearing to be against a peaceful settlement.

It seems to me imperative that we effectively counter this widespread perception that it is really the Congress that calls the shots on Central America policy. Because a truly bipartisan foreign policy is not a realistic short-term prospect, one way to help offset this trend would be for Congressional supporters of our policy to become at least as equally outspoken in favor of our policies as are those who are opposed.

Esquipulas Summit. At this point it is impossible to predict the outcome of Esquipulas. All five Central American countries have their own unique set of national interests. Moreover, there are the different personalities and approaches of the five Presidents. The probability of agreement seems remote. Still, pressures to appear peacemongering will be great. A worst-case scenario is conceivable: that Duarte and Azcona could end up opposed to Arias, Cerezo and Ortega, with the U.S. being cast as the nefarious influence. The likelihood of this result, however, is somewhat less now than before the trip, mostly because Habib was insistently persuasive that the Central American Presidents consult with each other. Such consultations have now begun in earnest; and I would characterize this development as the principal accomplishment of Habib's mission.

A wild card in the deal is the meeting of Central American Presidents at Tulane University in mid-June. All but Ortega have confirmed their intention to participate. Less than ten days before Esquipulas, who knows what could happen in New Orleans, especially if Ortega decides to attend.

Strategy. Because Esquipulas will almost certainly have an indeterminate result, U.S. policy should aim at achieving harmonious positions among the core four democracies and at assuring that the tail gets pinned on Nicaragua for obstructionism and intransigence.

PENDING REVIEW IN ACCORDANCE WITH E.O. 13233

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FOIA

F97-066/6

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ID	Doc Type	Document Description	No of Pages	Doc Date
2	MEMO	HABIB TO SECRETARY OF STATE RE STATUS OF THE DIPLOMATIC TRACK IN CENTRAL AMERICA (F97-066/6 #14)	5	4/1/1987

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INFORMATION MEMORANDUM

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S/S

April 1, 1987

TO: The Secretary

FROM: ECA - Philip C. Habib

SUBJECT: Status of the Diplomatic Track in Central America

I visited the four Central American democracies and the four Contadora countries March 22-31 to continue my consultations on the negotiating process. I met with the presidents of all but Mexico as well as with the political and military leadership of the Nicaraguan democratic resistance. I assessed their attitudes toward the Arias proposals and the upcoming Esquipulas meeting, and I emphasized that our goal was democracy in Nicaragua.

Esquipulas, now scheduled for June 25-26, is the center of attention. I was disturbed to find that the four democracies had done nothing since the February summit in San Jose to coordinate their positions in preparation for Esquipulas. I have succeeded in energizing the four to try to reach a harmonized position and they are beginning consultations with each other.

Presidents Duarte and Azcona have no commitment to the Arias proposals and are pessimistic about a useful outcome at Esquipulas. They are unhappy with the manner in which Arias has handled himself and particularly his failure to respond to their suggestions during the San Jose summit. Duarte is concerned about how the proposals would affect his own position vis-a-vis his guerrillas and his military. He regards himself as too weak because of his internal difficulties to take the initiative in correcting the proposals, but he made clear that he would be firm in his views at Esquipulas. Azcona is also unimpressed with the proposals but has done little or no work to improve them. Their views of the flaws of the Arias proposals are similar to our own, and they will not accept an agreement harmful to our interests.

Arias seeks to enhance his stature as a regional leader and peacemaker, and he intends that his proposals be the agenda at

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BY LOT, NARA, DATE 3/17/06

Esquipulas. He told me he is ready to consult with the other democracies and understands now the danger that the Sandinistas could use his initiative to divide the democracies unless they achieve unity. Shortly after my meeting, Costa Rica called a technical-level meeting of the three. Still, Arias is stubborn and we will have to wait and see how willing he is to accept modifications of the crucial elements of his proposals that deal with political issues. He has clearly sought to attract the Nicaraguans to his proposals (for example, by not specifying that they must negotiate with the resistance), and may be prepared to go even further, although I do not believe he will sacrifice his essential demands for a political opening and promotion of democratic processes.

Cerezo sees Esquipulas as an opportunity for enhancing his own role as regional leader and bridge between the other three democracies and Nicaragua. He plans to gather comments from his democratic colleagues and prepare a Guatemalan draft which all four could accept and which would, in his words, "push the Sandinistas against the wall." I met with him immediately following his trip to Managua. He said that Nicaraguan President Ortega was concerned about the economic crisis there and was feeling military pressure. I sensed that Cerezo was holding back somewhat on the proposals that might be discussed at Esquipulas.

Views of the Resistance

The resistance political leadership understands both the problems with the Arias proposals and the opportunity they present. They are flexible in their approach to negotiations and are presenting their comments in writing to Arias and the other democratic presidents. I encouraged them to increase their contacts with the democracies in the coming months.

The military leadership does not believe it possible to negotiate a workable agreement with the Sandinistas, and as a consequence, are skeptical about the diplomatic track. They fear that the Sandinistas may be offered and accept an agreement which does not protect resistance interests and that they will be isolated and abandoned if continued funding is not approved this fall. I emphasized the importance of military pressure in obtaining an agreement achieving our common objective of democracy in Nicaragua. They listened, but remained unconvinced of the viability of a negotiated agreement, preferring to believe that they can defeat the Sandinistas militarily. It will be necessary to make a special effort to consult closely with them.

Relationship to Contadora

The relationship between the Arias proposals (or any successor agreed upon by the four democracies) and Contadora

remains to be developed. Honduras and El Salvador see in Contadora an advantage over the Arias proposals in that it is more comprehensive; for example, its security and verification provisions are far more developed. At the same time, they recognize that the Arias proposals are superior in dealing with the need for political change in Nicaragua. Guatemala also expects a tie-in to Contadora, but sees the Arias proposals -- or Cerezo's own substitute -- as an important new element. Arias feels that the initiative should essentially stand alone, although he accepts the need for some ties to Contadora. The four Contadora countries expect that any Esquipulas agreement will tie in to Contadora in some way, but are prepared to suspend judgment until they see what happens at Esquipulas.

In discussing the possible value of Contadora, I emphasized that the Arias proposals contain essential elements not found in Contadora -- notably, a clear focus on the importance of democratization in Nicaragua and a schedule of specific, coordinated commitments designed to lead to that result.

Principal Issues at Esquipulas

With respect to the political elements of the Arias proposals, the most difficult issue at Esquipulas will be the role of the resistance in the internal dialogue. The Arias proposals are obscure on this point now, which may be one of their attractions for the Sandinistas. Azcona and Duarte say they will insist on such a role, however. We have suggested ways in which this problem might be addressed, but have no assurance an answer has been found. Difficulties may also arise on sequencing, if Arias should prove as unready to change the timing of the political steps in his proposals as he is to change their substance. This could result in tabling of more than one draft by the democracies. There is also the question of the Nicaraguan constitution, which the Arias proposals appear to accept; this means that national elections would not take place until 1990. The democracies could challenge this concept, making clear that it is an issue that should be settled through the dialogue.

On the military side, the issue which will loom largest is that of Nicaraguan force levels. Contadora has achieved no agreement on this point, which is crucial to Honduras and, to a lesser extent, El Salvador. Our own readings and Cerezo's readout of his talks with Ortega suggest Nicaragua is prepared to reach agreement on the other issues of advisers, maneuvers and subversion (whether it would keep the agreement is a separate question). Although El Salvador and Honduras oppose deferring this issue for later resolution in a comprehensive Contadora agreement, we will need to consider carefully the risk that insisting on this point would weaken our goal that any Esquipulas failure clearly be blamed on Nicaraguan rejection of democratization.

It is doubtful that Esquipulas can handle adequately the issue of verification of political and military commitments.

Possible Outcomes at Esquipulas

The Esquipulas meeting itself can develop in several different ways. Ideally, it would result in agreement among the five on a specific set of actions meeting our essential policy goals of a political opening and democratization while dealing with military and security issues in a manner we would find acceptable. If the Sandinistas are intransigent on democratization, then we would aim to achieve a 4-1 split isolating Nicaragua on this issue.

Less attractive results are also possible. Although the prospect for division among the democracies is not as great as before my trip, the possibility cannot be discounted that a combination of failure to coordinate and astute Nicaraguan actions will result in Nicaragua (and perhaps Guatemala) signing on to inadequate Arias proposals rejected by El Salvador and Honduras. Such an impasse would inevitably be blamed on the United States and would be a serious setback for our policy and hopes of receiving further assistance for the resistance. More likely is an indefinite protraction of an "Esquipulas process" such as has occurred with the Contadora process; I emphasized to all parties that this type of stalling must not be allowed. Such an outcome would probably undermine efforts to obtain renewed funding for the resistance.

Next Steps

I frankly doubt Esquipulas will produce an agreement. If it does, an agreement reached at a two-day meeting would likely be a bad one. We should therefore concentrate on ensuring the four democracies take a unified position at the meeting. This would offer the best prospect for success, and if Esquipulas fails, would highlight Nicaragua as the obstacle to peace and democracy.

Despite the unlikelihood that Esquipulas will result in an agreement, however, it is essential that we continue to act on the premise that it is possible to induce the Sandinistas to enter into a political settlement acceptable to us. We cannot appear to be aiming to produce a proposal the Sandinistas will reject. We must be willing to respond to promising developments by carrying the diplomatic track forward, particularly if some favorable elements result from the proposals on the table at Esquipulas. Congress has not asked that we abandon our goals, including democratization, but only that we pursue negotiations in good faith. In my view, this policy makes sense in any event, and any other policy will severely damage our credibility both internationally and domestically.

In working toward a realistic agreed proposal by the democracies, we will be relying principally on Duarte and Azcona. Following this trip, I am fully confident that this "axis" will adamantly resist dangerous or ill-considered ideas to which Arias and Cerezo may be subject despite their democratic commitment. I must reiterate in this connection my concern at the effect on both Duarte and Azcona of the cuts in assistance to them proposed by Congressman Obey. We must fight those cuts, and we must get them reversed.

Everywhere I encountered nervous disappointment with the apparent absence of bipartisan support for our policies in Congress. Apparently, the constant stream of CODELs has severely damaged our credibility. We must work to get much greater expressions of Congressional support for staying the course.

I intend to stay in close contact with the democracies. I anticipate returning to the region in late April and again in May or early June in order to keep our finger on developments and to understand and influence how preparations for Esquipulas develop. In addition, our Ambassadors, who have been with me in all my meetings, are fully clued in and can be counted on to support our efforts on a daily basis.

- cc: D - Mr. Whitehead
- P - Mr. Armacost
- ARA - Mr. Abrams
- DOD - Mr. Weinberger
- NSC - Mr. Carlucci
- CIA - Mr. Gates