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Information Sheet on the Report of the National Bipartisan Commission on Central America

OUTLINE

The report, which is dedicated to Sen. Henry Jackson, consists of the following chapters: Morton - FYI Distributed 10/11 @ Press conference

- 1. Introduction and basic themes.
- 2. -Places crisis in larger hemispheric context.
- 3. -Provides historical perspective.
- 4. -Examines prospects for economic and political development; presents recommendations.
- 5. -Discusses social issues -- health and education particularly -- and makes recommendations.
- 6. Explores security issues and recommends U.S. action.
- 7. Looks at diplomatic aspects and offers recommendations on pursuing negotiated settlements.

8. - Conclusion.

-- On security and diplomatic issues, the report deals with El Salvador, Honduras, Nicaragua, Guatemala and Costa Rica. Panama and Belize are included for discussion of development programs.

MAJOR THEMES

-- The crisis in Central America is acute. Its roots are indigenous -- in poverty, injustice and closed political systems. But world economic recession and Cuban-Soviet-Nicaraguan intervention brought it to a head.

-- The crisis will not wait. It must be addressed at once and simultaneously in all its aspects. Ultimate resolutions depend on economic progress, social and political reform. But insurgencies must be checked if lasting progress is to be made on these fronts.

-- Indigenous reform, even indigenous revolution, is no threat to the U.S. But the intrusion of outside powers exploiting local grievances for political and strategic advantage is a serious threat. Objective of U.S. policy should be to reduce Central American conflicts to Central American dimensions.

-- United States has fundamental interests at stake: Soviet-Cuban success and resulting collapse of Central America would compel substantial increase in our security burden or redeployment of forces to detriment of vital interests elsewhere.

-- As a nation we have deep and historic interest in promotion and preservation of democracy. Report concludes that pluralistic societies are what Central Americans want and are essential to lasting solutions. In this case our strategic interests and our ideals coincide.

-- Central Americans desperately need our help and we have a moral obligation to provide it. The U.S. and other nations can make a difference. But in the end solutions will depend on the efforts of Central Americans themselves.

-- Although there is urgent need for action, no quick solutions can be expected. U.S. must make a long-term commitment and stick to a coherent policy.

-- That policy can and should be bipartisan. Commission found wide consensus on principles and objectives.

POLITICAL AND ECONOMIC DEVELOPMENT

-- Central American economies grew substantially during the 60's and early 70's. But income distribution was highly inequitable, except in Costa Rica and Panama.

-- Trend toward more pluralistic political systems in El Salvador, Guatemala and Nicaragua reversed in early 70's.

-- World recession and rising political violence had catastrophic effect on region's economies in late 70's, early 80's. All have declined dramatically. El Salvador's gross domestic product is off 25% since 1978.

-- Even with successful stabilization programs and restored political stability, per capita wealth in 1990 would only be three-guarters of what it was in 1980.

-- There must be substantial increase in outside assistance.

-- Commission believes economic development cannot be separated from political and social reform. Objective must be parallel development of pluralistic societies and strong economies with far more equitable distribution of wealth. -- We propose a program of U.S. assistance designed to promote economic growth, democratization and greater social equity.

--We encourage the greatest possible involvement of the US private sector in the stabilization effort. Recommend the formation of an emergency action committee of private sector personalities to provide advice on new private-public initiatives to spur growth and employment.

Recommendations: An Emergency Stabilization Program

--Leaders of U.S. and Central America should meet to initiate a comprehensive approach to economic development of the region and reinvigoration of the Central American Common Market.

-- A \$400 million supplemental in FY84 over and above the \$477 million now in the budget for the seven countries. There is urgent need to stabilize economies now going downhill very fast.

-- Focus this assistance on labor-intensive infrastructure projects and housing. Unemployment is a critical problem -- politically and economically.

-- Establish a program to provide U.S. Government guarantees for short-term trade credits. External credit has dried up. Without it economies cannot be reactivated.

-- Provide an emergency loan to the Central American Common Market to permit the reactivation of this vital organization. Lack of resources in the Market to settle trade accounts among the countries has stalled it.

-- U.S Government should take an active role in the efforts to resolve the external debt problems of Central America and should encourage the countries that have not done so to seek multilateral rescheduling.

-- Also encourage commercial banks to renegotiate at the lowest possible interest rates.

Recommendations: Medium and Long-Term

-- Commission estimates \$24 billion in net external exchange inflows needed to 1990 to foster a growth rate of 3 percent per capita, returning these countries to pre-recession levels of per capita wealth. About half -- \$12 billion -- is expected to come from international institutions, other donor countries and loans and investments from private sector sources. -- U.S. Government will have to provide as much as \$12 billion if these financing needs are to be met.

-- We propose in this context a program of \$8 billion over next five fiscal years (FY85-89) in USG assistance. This would be divided very roughly into about \$6 billion in appropriated funds and about \$2 billion in contingent liabilities covering guarantees, insurance and the like.

--Compared with current projections for FY85 - 89, these contributions would constitute an increase of about \$ 2.8 billion in appropriated funds and \$.7 billion in contingent liabilities over the five year period.

--Urge that Congress authorize multi-year funding of this program. Commission believes firm, long-term commitment is essential.

-- To give form and structure to the development effort suggest establishment of the Central American Development Organization (CADO). Perhaps 1/4 of U.S. aid could be channelled through CADO.

-- CADO would consist of the United States and those countries of the seven willing to commit themselves to internal democracy and reform. Continued membership would depend on demonstrated progress toward those goals. Adherence to regional security pact also required.

-- Nicaragua could participate by meeting these conditions.

-- CADO's principal body would be a Development Council with tripartite, ILO-style representation. Would assess program and progress toward economic growth, democratization, reform and preservation of human rights.

-- Other democracies would be invited to join.

Additional Recommendations

-- Expanded assistance from the US Government for democratic institutions and leadership training -- neighborhood groups, cooperatives, binational centers and visitor programs for leaders of labor unions, local governments and other organizations.

--Require a firm commitment by the Central Americans to economic policies, including reforms in tax systems, to encourage private enterprise and individual initiative, to create favorable investment climates, to curb corruption where it exists, and to spur balanced trade. -- Urge extension of duty-free trade to Central America by other major trading nations.

--Review non-tariff barriers to imports from Central America with a view toward using whatever flexibility that exists within the framework of multilateral agreements, to favor Central American products.

-- Establishment of the Central American Development Corporation -- a privately owned venture-capital company which could initially be financed by a loan from the US Government.

-- Recommend that the United States join the Central American Bank for Economic Integration.

-- Technical and financial support for export promotion and a US Government review of non-tariff barriers to Central American imports.

-- Expanded availability of insurance guarantees for new investments from the U.S. Government's Overseas Private Investment Corporation.

-- Increased focus in assistance programs on small business and accelerated agricultural development -- particularly in production of food for domestic consumption.

HEALTH AND EDUCATION

-- Democracy and prosperity in the region require accelerated human development. Hunger, disease and illiteracy sap a people's vitality and impede the growth of viable democratic institutions.

--Literacy rates are unacceptably low in several counties (e.g., Guatemala 45%, El Salvador 63%, Honduras 60%) handicapping education efforts seriously.

--Widespread malnutrition also handicaps education by sending physically and mentally underdeveloped children to school.

-- Goals should include a reduction of malnutrition, elimination of illiteracy, expanded education, health, and housing opportunities.

-- Initial efforts must be to increase food assistance to Central America through the PL 480 programs.

-- Commission calls for formation, under direction of the Peace Corps, of a Literacy Corps and a Central American Teachers Corps.

-- To meet needs in higher education, U.S. government scholarships should be raised to approximately 10,000 over 4-6 years, a level comparable to Cuban and Soviet Union efforts.

-- Educational reform can also be encouraged in the areas of technical and vocational education, through the expansion of the International Executive Service Corps, and through closer cooperation with Central American universities to improve the quality of education.

-- Judicial systems in Central America can be strengthened by providing resources for training judges, judicial staff, and public prosecutors.

-- Continuation and expansion of existing programs for disease control and eradication, as well as immunization and oral rehydration.

-- Training of primary health workers, especially nurses, should be expanded and the means developed to integrate private and public financing of health services.

-- Assistance programs should target the area's severe housing shortage.

-- Training of public administrators required to improve public service.

-- US Government should provide more resources to meet critical problem of refugees and displaced persons -- more than one million of them need help.

SECURITY ISSUES

-- In El Salvador there are two separate conflicts: (1) between those seeking democratic reform and those seeking to retain their privileges; (2) between Marxist-Leninist guerrillas and those who oppose Marxism-Leninism.

-- In discussing the latter we identify three general propositions about such guerrilla movements:

(1) They depend on external support. Without it they are unlikely to succeed.

(2) They develop their own momentum which reform alone cannot stop.

(3)Victorious, they create totalitarian regimes, even though they have enlisted support of democratic elements in order to project democratic, reformist image.

-- External support comes from Soviet Union, Cuba and now Nicaragua. Cuba has developed into a leading military power through Soviet assistance. Since Sandinista victory, Soviets have come around to support Cuban strategy of armed road to power in Central America.

-- There are serious strategic implications for the United States in Soviet-Cuban support for armed insurgency in the region.

-- Triumph of hostile forces there could require us to devote large resources to defend our southern approaches.

--This could mean either substantially increased defense burden for the United States, or a redeployment of forces to the detriment of our interests elsewhere.

-- Threat to our shipping lanes in the Caribbean.

-- Increased violence and dislocation in the area from which we could not isolate ourselves.

-- Erosion of our power to influence events worldwide as we are perceived as unable to influence events close to home.

El Salvador

-- The war is stalemated, a condition to the ultimate advantage of the guerrillas.

-- U.S. military assistance is inadequate to permit modern, humane and successful counter-insurgency.

-- Commission recommends that U.S. provide significantly increased levels of military assistance for greater mobility, more training, higher force levels and more equipment.

-- Assistance is to be conditioned through legislation on terminating death squads, progress toward democracy and establishment of the rule of law.

-- In Guatemala, such assistance should only be provided if the same terms are met.

--Increased military assistance also needed for Honduras to build a credible deterrent and to meet renewed efforts at insurgency. -- Commission concludes that U.S. security interests are importantly engaged in Central America. Larger program of military assistance needed, as well as expanded support for economic growth and social reform.

-- Success will depend on an end to massive violations of human rights and the neutralization of external support for the insurgencies.

THE SEARCH FOR PEACE

-- A sucessful U.S. political strategy in Central America requires resources to promote economic growth, vigorous efforts to advance democracy and reform; other inducements and penalties.

-- General strategic objective of U.S. diplomacy in Central America should be to reduce the civil wars, national conflicts and military preparations to Central American dimension.

-- Specifically, we should seek to stop the war and killing in El Salvador. Create conditions under which Nicaragua becomes a peaceful and democratic member of the Central American community. And open the way for democratic development in all countries.

-- Commission calls for negotiations in El Salvador between guerrillas and the government to be elected in March to establish conditions for later legislative and municipal elections in which all could participate: electoral commission with FMLN-FDR representation, cease-fire and end to all violence; international observation of elections.

-- Adequate economic and military assistance from U.S. can help to achieve such a settlement.

-- Commission believes military stalemate works against rather than for a political settlement based on the popular will.

-- In Nicaragua, consolidation of a Marxist-Leninist regime would create a permanent security threat. Nicaragua's mainland location makes it a crucial steppingstone to promote armed insurgency in Central America. Cuban personnel (2,000 military advisers and 6,000 civilian officials), several hundred Soviet, East European, Libyan and PLO advisers, extensive arms deliveries (13,000 tons in 1983) add an external dimension to the threat posed by Nicaragua to its neighbors. -- What gives the current situation its special urgency is the external threat posed by the Sandinista regime in Nicaragua, supported by Cuban military strength, backed by Soviet weapons, guidance and diplomacy, and integrated into the Cuban network of intelligence and subversion.

-- Central American leaders believe pluralistic political orders are essential to long-term security.

-- An alternative would be an attempt at containment. But that would threaten militarization of the isthmus -- the creation of garrison states. Democracy would wither. And the U.S. could find itself as surrogate policeman.

-- Commission proposes comprehensive regional settlement based on:

(1) Respect for sovereignty and non-intervention.

(2) Verifiable commitments to non-aggression and an end to all attempts at subversion -- covert or overt.

(3) Limitations on arms and sizes of armed forces. Prohibition of foreign forces, bases and advisers.

(4) No military forces, bases or advisers of non-Central American countries would be permitted.

(5) Commitment to internal pluralism and free elections in all countries.

(6) Provision for verification of all agreements.

(7) Establishment of an inter-government council to meet regularly to review compliance.

(8) Adherence to the overall agreement would be required for membership in the Central American Development Organization.

-- U.S. would support the agreement and provide assistance; and would commit itself to respect results of elections within countries as long as principles of pluralism at home and restraint abroad observed.

-- Commission's proposal based on and amplifies 21 points of the Contadora Group.

-- Commission fully endorses Contadora efforts.

-- Finally, majority of Commission opposes dismantling existing incentives and pressures for the regime in Managua to negotiate seriously. -- As for Cuba, Commission sees little possibility of separating it from Soviet Union. But U.S. should be prepared to negotiate seriously if Cuba were to show itself prepared for genuine coexistence, dropping support for insurgency in Central America and revolutionary violence elsewhere in the world.

-- As for Soviet Union, establishment of Soviet military base in Nicaragua is not the major concern. Before that could have happened the crisis would have reached proportions not containable in Central American dimensions.

-- There is little promise in negotiating with the Soviet Union over Central America. Soviets would seek cast such negotiations in terms of sphere of influence, an unacceptable concept for the U.S.

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January 4, 1983

Mr. Morton C. Blackwell Special Assistant to the President for Public Liaison The White House Washington DC

Dear Mr. Blackwell:

Thank you for your letter of November 21. I have written to Bill Middendorf (whom I already know) and to Jacqueline Tillman.

Bill Buckley asked me yesterday to write the cover story for National Review on the Kissinger Commission report. I will get an immediate copy of the report.

I will then be flying down to Guatemala , and thence to Honduras, to meet with the FDN and various others. The following weekend I will be in Washington from Friday 20 through Monday 23.

Would it be possible to see the President for a few minutes to get a quote or an impression for inclusion in the article for National Review?

Best wishes.

Very sincerely

John Hutchinson Professor of Industrial Relations

lefter om talle todag stursdy, Will marke down Frudy 20th at 2 pm.

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GRADUATE SCHOOL OF MANAGEMENT LOS ANGELES, CALIFORNIA 90024

Mr. Morton C. Blackwell Special Assistant to the President The White House Washington D.C.

We met office 1/20/84

SANTA BARBARA · SANTA CRUZ

Dear Mr. Blackwell:

In confirmation.

I will leave for Guatemala City on Friday 13. The following morning I will take a private plane to Honduras to meet with the FDN. I don't yet know if we will have time to go to the camp on the Nicaraguan border as we did last time. I will be seeing the Guatemalan Foreign Minister on Monday morning.

On the morning of Friday 20 I will be having a meeting with State and Labor representatives on Central America and migratory labor in the office of the Under Secretary of Labor.

I will be at your office at 2 p.m. that afternoon. As I mentioned to you, I will be writing the cover story on the Kissinger Commission for National Review, and another piece for the Journal of Contemporary Studies. It would be marvellous if I could have a direct quote from the President for my own use. If I were to suggest something it would be along the lines that: "It is a political fact of life that we cannot render all the help we would like to render to Central America unless there is a real and discernible elevation in the quality of due process of law in the countries involved. On the other hand, we have no desire whatsoever to intervene with arbitrary conditions of our own. By far the greatest contribution Central America could make to our joint efforts would be to act as a region in the promulgation and supervising of their own standards in the matters of good administration and fair elections and due process of law". As you might have noticed in my article in the New York Times, Edgar Chamorro of the FDN signed a similar statement (which I had drafted) when I met him in Tequcigalpa in September. There is no reason at all why something like that should not be an informal but clearly understood condition of our timely help. It might also help the President get around the certification issue.

I am not sure if I sent you a copy of my letter to Henry Kissinger of September 16, sent after I had breakfast with him in San Francisco on my way to Central America. On page 6 you will note a proposal for a Central American Council along lines which would bypass the problem of certification. I repeated the principle in necessarily less detail in the New York Times article. I got the impression from Chamorro and others that it would be wholly reasonable to expect some such development in reciprocity for generous aid. I might have more to work on when I get back next week.

Best wishes. Thank you for your courtesy. I look forward to seeing you.

John Wel

John Hutchinson Professor of Industrial Relations

The New York Times

TUESDAY, OCTOBER 25, 1983

LOS ANGELES — Last week, the House voted once more to end military aid to the only force that offers any serious hope of establishing a constitutional, non-Communist and democratic government in Nicaragua — the anti-Sandinista fighters of the Nicaraguan Democratic Force, known as the F.D.N.

In private meetings with Central Americans this summer, I heard again and again that Nicaragua is the key to the region and that if the Sandinistas endure, the isthmus will fall to the revolutionary left.

The Sandinista regime is not compatible with peace and independence in the region. It should be replaced before it consolidates and imperializes beyond repeal. Otherwise, Soviet proxies will soon reach the Mexican-United States border, and the great refugee migration will begin.

The F.D.N. has some 10,000 men and women under arms in northern and central Nicaragua and it recently agreed to unity talks with Alfonso Robelo Callejas and Edén Pastora Gómez, leaders of the 3,000-member counterrevolutionary force fighting in southern Nicaragua. Yet the F.D.N. suffers from two disabilities — meager military equipment and a reputation, fostered by the Sandinistas, for sympathy with the former dictator, Anastasio Somoza Debayle.

The reputation seems undeserved. None of the seven members of the directorate has a pro-Somoza record. Its newly elected president, Adolfo Calero Portocarrero, was jailed by General Somoza. Its military director, Enrique Bermúdez Varela, was a diplomatic military attaché under the Somoza regime. But the vast majority of the group's soldiers are young peasants, innocent of any

John Hutchinson is professor of industrial relations at the Graduate School of Management at the University of California.

Help Sandinista Foes

By John Hutchinson

Somozan connections. The service of a few Somozan officers and non-commissioned officers should be no more disqualifying than George Washington's colonelcy in the British colonial militia, and less so than his use of Indian scalpers in his raids against the French in the border wars. (Mr. Robelo and Mr. Pastora were originally Sandinistas.)

F.D.N. leaders feei that the United States treats them as a convenient nuisance against the Sandinistas rather than an alternative government. The meager weaponry of the rebel soldiers and their doctors' crude surgical techniques indicate that the support they receive from the Central Intelligence Agency is distinctive only in its parsimony. C.I.A. funds are provided on a short-term basis with no general strategy in mind. The rebels are short of virtually all weapons and have none of the helicopters they need to effectively interdict the flow of arms into El Salvador. Yet the group has doubled its recruitment in a year and has almost destroyed the Sandinistas' oil supplies.

The rebel group would be willing to commit itself to international supervision of its constitutional procedures once it came to power in Managua. I presented to its spokesman, Edgar Chamorro Coronel, a proposal for a regional council for the promulgation and overseeing of standards in elections, administration and jurisprudence. "We are a constitutional movement," he said in a signed response. "Central America must become a constitutional system of states. We will gladly enter into any regional organization designed to guarantee administrative honesty and fair elections and judicial due process."

If the Sandinistas refuse to put their credentials to the test of promised free elections; if they persist in a military aggrandizement far beyond the requirements of self-defense; if they live according to their doctrine of contagious revolution - then its intended victims and the United States will be entitled to join with the counterrevolutionaries to bring about a non-imperial Nicaragua as a precondition of a prosperous and constitutional Central America. Henry A. Kissinger will have to persuade his commission that the steps to Central America's salvation are military and constitutional as well as economic that linkage is the lifeline.

But if the pessimists are right, and they are many, the commission will unite on money while dividing on politics and arms. The President and Congress will choose to hedge or back down before the Central American imperative. And the Soviet Union will acquire the power to cut the hemisphere in half.

What then at the border? The population of Mexico alone will double in a generation to some 150 million. Perhaps 20 percent of the Vietnamese have tried to flee their Communist emancipators by sea. How many millions of Mexicans will decamp to the United States by the easy land route? And what — with the spread of Communism and the retrieval of former Mexican territory on at least some of these refugees' minds — will be the consequences?

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GRADUATE SCHOOL OF MANAGEMENT LOS ANGELES, CALIFORNIA 90024

Dr. Henry Kissinger 1800 K Street NW, Suite 400 Washington DC 20006

Dear Dr. Kissinger:

Thank you for your time and courtesy yesterday. I greatly enjoyed our talk.

In summary:

I. United States policy toward Central America should be based on some five considerations:

A. The Strategic Stake

The official U.S. pronouncements on the subject are now quite voluminous, but not especially enlightening on Russian intentions and activities in the Caribbean Basin.

The McColm article from <u>Strategic Review</u> I gave you yesterday - Paul Seabury brought it to my attention is the most solid account I have read. It does not deal with the strategic response, but I thought its warning about being hostage to our own backyard and thereby probably truant to NATO was felicitous.

The current and prospective traffic through the Canal and the Basin might be discussed more vehemently with some of our allies, not least Australia. (Please see the attached article of mine on Prime Minister Bob Hawke, an old friend with whom I have had some recent correspondence, and who I think might be a strong friend in various fine endeavors. He is a man of exceptional advocacy and constituency, and a man for the long odds in virtuous battle. I have enclosed another article on Poland, where he has had some influence. A coupling of causes might help).

B. The Mexican Border

You will encounter in Central America a learned but most morbid view of the prospects at the long border if there is a territorial collapse to the Far Left.

The view is that if El Salvador goes then the rest will follow at some speed, with Mexico falling apart most swiftly of all - partly because everybody will have concluded by then that the United States is not capable of defending even its own interests, partly because of the old facts of Mexican corruption and income maldistribution and the steady infiltration of the public services by the revolutionaries.

That would then be followed, it is predicted, by a pouring of immigrants over the border in the multiples of millions, in numbers not assimilable and therefore not compatible with the cohesion of the American domestic community, especially if admixed with well-cultivated memories of 1848.

It is almost impossible in my recent experience to get academic specialists on Central America to give serious attention to such a prospect. The university research centers in the Pacific Southwest for their part seem to engage mainly in a scholarship of excuse or resignation. I know of no weighty study of the implications for our domestic tranquillity of such a tide of immigrants. I notice that Senator Charles Percy has talked of a possible 25 million. One hears that perhaps 15 percent of the Vietnamese population has tried to escape the homeland by sea. How many Mexicans will come by land?(*)

The easy conclusion is that tidal immigration would be followed by a border war. A Central American corrective is that the Mexican factor in American trade and politics would by then be so powerful that the United States would negotiate a Vichy peace with a Marxist Central America, perhaps terminal to NATO.

These are not my views, which are less doleful, merely forseeing a border war of sorts. The others are scholarly views which you will hear during your coming visit, if I can get you the right names and you can escape your intellectual sentries. (I called Guatemala last night with suitable obscurities, and a list of names is already being prepared).

(*) The Mexican population will double in a generation to some 150 million.

I appreciate that your Commission will not deal formally with immigration policy, but Mexican-American officers of the United States Border Patrol, with whom I spoke in Yuma not long ago, already describe the flow of immigrants as an "invasion". That was before the devaluation of the peso; the rate of illegal immigrants has quadrupled since then. I don't see how the consequences of a Marxist peninsular can be regarded as anything but the gravest of threats to the national interest. That view is shared by many members of the Mexican-American community already in the United States, who would expect both their prosperity and their patriotism to be inundated in the flood.

C. A Modesty of Expectations

Most of the current prescriptions for Central America are fast-order salvation, resting on the assumption that centuries of difference can be compressed at high speed on the order of foreign transients.

The prescriptions seldom bear much relationship to reformative capacity; the results can be polar to expectations. For example, the Carter Administration effectively simposed land reform, and the nationalization of banking and foreign trade, on El Salvador. You will hear chapter and verse in Central America to the effect that the principal results of the induced reforms have been a decline in farming productivity due to a reduction of holdings, and an escalation of corruption in the civilian and military bureaucracies because of the centralization of the licensing power. Some reform is obviously needed, but it should be kept under close guard.

You will hear, in fact, that the level of apprehension in Central America is now so high that the three governments directly concerned - El Salvador, Guatemala and Honduras - are more than ready to seek concerted elevation. The program and the pace should be negotiated with some sensitivity, with due regard for sovereignty and bad habits, or at least old ones. They should not be prescribed from the pulpit. We should be content with steady progress at the margin.

D. The Vichy Instinct in America

The chief apprehensions of the Central Americans I have been speaking to center around the behavior of the Congress of the United States, on what seems to them a propensity to please the declared enemies of the United States, a propensity which is seen to reach its earthly fulfilment in the editorial pages of the <u>New York Times</u> and the <u>Washington Post</u>. There is an enormous fear that the Congress will do to Central America what it did to South Vietnam and cut its arteries.

I gather that the charge upon your Commission is to fashion a policy on which a majority of Americans, and not least the senior Congressmen, might agree. One of the problems is the absence of organized information in the United States about policy change and practice in Central America, a matter which I will make a suggestion about below. Meantime it would be well if an effort were made here, on crucial Op-Ed pages and elsewhere, to attack the propitiatory instinct which seems to have taken on a herpesian quality in American politics since 1974.

E. The Preservation of the Constitutional Option in Central America

It is all a waste of time if by tardiness or haughtiness or parsimony we deprive the Central Americans of the ability to keep open the door to higher forms of civil life. Constitutional government in full flower is not early on the agenda in Central America, but there is unprecedented awareness and movement in that direction, not to speak of need. Marxism has become a high and durable skill in tyranny, terminal to the faintest prospects for free government. It is too expensive for mankind, by all standards and accounting of record. A non-prevalanc of Marxism, however flawed the interim, is a preconditic of constitutionalism. We must keep the option open in Central America, at almost any cost or unpleasant choice.

II. United States policy toward Central America must therefore fall into two rough categories: the harsher short-run choices, and the more spacious ideas for the longer haul.

A. Nicaragua

It is the center stage. Unless it departs as presently defined there will be no peace. I assume that Under Secretary of Defense Fred Ikle speaks with authority when he implies that Nicaragua should be transformed, by persuasion or force as may be a sovereign necessity.

EvenAunder present restraints we are arming the <u>Contras</u> (they dislike the name, and should be called the <u>Constitutionalists</u>). They probably have larger ambitions not presently debated, and should not by any action of ours be disabled. The aim of the United States should minimally be to change the odds of the game in Nicaragua, and preferably to change the game itself. So much is trite, but we do not seem to have properly encouraged the methodology for quick and decisive change. I will know more about that soon.

B. El Salvador

I share your respect for Edward Luttwak, and suspect I occupy the same philosophical corner, but I am apprehensive about his suggestion that we should send money instead of advisers to El Salvador.

Given the recent improvement of the Salvadoran ground forces, particularly in sustained searches by small units, I do not understand the proposition in the first place. In any event there would be no assurance, in sending money instead of men, that:

- a. there would be sufficient indigeneous Salvadoran competence to prevent a reversion to a nine-to-fiv Army of dubious commitment, or
- b. the money would not speedily find it way to far-off vaults, with the depositors in hot pursuit for a change.

I would have thought that we should send in many more advisers, especially those trained in special forces work, so that enemy routes and sources could be more effectively interdicted. I am surprised in general at the limited scope of special forces activity in both El Salvador and Nicaragua. Public institutions in developing or turbulent countries tend to be highly vulnerable to men trained in more exacting surroundings.

C. Economic Aid

The lesson of El Salvador seems to be that in future subventions we should insist on the disciplines of the market place rather than those of the civil and military bureacracies.

D. Institutional Remedies

For the longer and happier run we should seek to establish minimal institutions which, instead of adding to the existing bureaucracies and heavy rhetoric will act as catalysts for improvement in internal conduct and thus international credentials.

There are committee by the battalion in and on Central America. Some of them are a salutary if marginal whip to the conscience, but few of them seem to make any difference to internal conduct or external bona fides. None of them seems to have formal responsibility for either.

The functions should be married. I would propose the formation of a CENTRAL AMERICAN COUNCIL, composed of a majority of official and a minority of private appointees from Costa Rica, El Salvado: Guatemala and Honduras, to act as a devisor and proctor of internal rules on administrative probity, electoral conduct and judicial due process. The COUNCIL would then establish a presence in Washington and perhaps elsewhere in the United States for the purpose of enlarging the constituency in this country for timely and enduring aid. The point about an official COUNCIL is that is could be held accountable; its lay members, and the natural United States interest, would be a counter to charade. There is no such body in existence.

2.

1.

My son John wishes me to convey to you his view that your Commission will fail if it does not enlist the young of Central America in peaceful pursuits for the general welfare. About half the population of the Caribbean is under 18.

We cannot hope to train the general population, but we have nothing in place which begins to compare with the scholarship program of the Soviet Union for young leaders from the developing countries.

We should match and indeed far outstrip their financing of the education and training of young leaders, not for political or bureaucratic careers but for productive management in commerce and industry and agriculture. For that purpose we should set up a CENTRAL AMERICAN ACADEMY, with campuses in the United States and participating countries, for the Central American leaders of the future. A parallel effort might be made through the AFL-CIO American Institute for Free Labor Development (AIFLD), which has done great wor with limited funds to develop free trade unionism throughout Latin America. I believe there is a current Administration proposal to give the AIFLD some \$2,000,000. I would multiply that several times and broaden the Institute's jurisdiction and curriculum.

III. I hope that Considerations I-V will offer some foundation for agreement among the Commission. The mood might be different on the suggestions about Nicaragua and Guatemala, and I have not attempted to discuss the more popular issues of poverty and the distribution of income and property, which I assume will be dealt with at length elsewhere. What I have tried to suggest is a pattern of dispositions and priorities which should be considered if the Commission, and the United States, hope to change the present melancholy prospects for Central America and the security of the United States to the south.

Forgive the hasty note, but as you know I am leaving for Guatemala tomorrow. I will fly up to the Honduran-Nicaraguan border on Sunday for a couple of days with the rebels, mainly to find out what sort of alternative Nicaragua they have in mind.

I will be back in Guatemala City on the 21st. The new President has been asked if he will see me, and if he does I will try to suggest an initiative on the part of Guatemala in the matter of a Central American Council - in the nature of things Guatemala could make the most helpful move of all. I will give my paper on "American Politics and Central America" at Francisco Marroquin University on the 22nd and, as you asked, will send you a copy, although there will be more policy speculation in later pieces.

Francisco Marroquin will publish the paper in its own scholarly journal. I would then like to write something for <u>National Review</u> on what I think is the really hard one, <u>namely what we should do about Nicaragua</u>. Following that I thought I would try something longer and more leaden on the general policy range for one of the academic journals. The editor of the Journal of Contemporary Studies says he would like to run something, although I would prefer to try Commentary if only because of the audience.

I will send you copies of all of these, and indeed if I may will ask for your comments before publication. I will also begin work on the testimony you said you would like me to give before the Commission - I have already been offered an invitation to testify in the Congress but would prefer to pause on that - and as soon as I get back I will get in touch with your secretary about meeting you in Washington, as you suggested, before you leave yourself for Central America.

The name you asked for in Guatemala, my principal contact and host there, is:

> Dr. Armando de le Torre Director Escuela Superior de Ciencias Sociales Universidad Francisco Marroquin 6a. Av. 0-28, Zona 10 Guatemala City Home: 680016

He is preparing a list of names for you, and will be expecting to hear from you. Ray Cline tells me that Roger Fontaine has some reservations about him, although he does not say on what grounds. He seems to me to have clear and well-considered views on the options, and is also a very brave man. He has incidentally already met with Ambassador Stone.

Again my thanks for your hospitality. I look forward to seeing you again. Let me help if I can.

Very sincerely,

John Hutchinson Professor of Industrial Relations

cc: William F. Buckley Jr.

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INSIDE: Ten Years, and a Million Men POLAND, RUSSIA, and the West

JOHN HUTCHINSON

Ten Years, and a Million Men: Poland, Russian and the West

The situation in Europe is uncertain; which is to say, fluid. Now is the time for a bold American diplomatic initiative—coupled with sanctions against the Polish. A special report by one of the few Westerners, and the only foreign academician, invited to address the founding of Congress of Solidarity last September.

JOHN HUTCHINSON

Ten Years, and a Million Men: POLAND,

LAST SEPTEMBER 28 I went to the office of the Polish Lairline LOT in Gdansk to buy my ticket back to London after the Solidarity Congress. I had just been to the local PEVEX, the dollar shop, and bought a bar of otherwise unobtainable chocolate.

In the ticket office I stood in line with a young Polish mother and her five-year-old daughter. I broke off two squares of chocolate, still joined together, and offered them to the small girl. She shook her head. Then her mother said it was all right, so she took the two squares of chocolate and -with a touch of hauteur-broke them apart and solemnly handed one back to me, as if to say that two pieces of chocolate were too many for a responsible Polish child to accept in 1981.

One skirts the maudlin to make a point, which is that, for a foreign visitor, the great fact about the Polish experience in 1981 was its *intensity*. The awareness of adversity and dignity of behavior I thought I saw in the child was a mirror of the experience she shared with her elders. There seemed to be nobody it did not affect, no corner it did not reach, no action it did not inform, no face it did not illuminate.

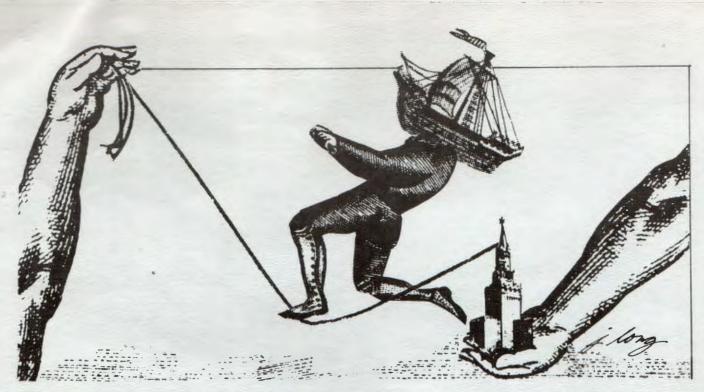
No organization was more properly named than Solidarity. At its founding Congress in Gdansk I felt entitled as a labor historian to say to the delegates that there was nothing nothing at all—in the history of trade-unionism to compare with what Solidarity had done for a people at the end of its patience with servility. What I wish I had made plainer was that, in a lifetime spent much in the company of tradeunionists, I had never seen such perfection of *representativeness*, on a scale which reached to the boundaries of the nation. In the Polish motion picture *Man of Iron* there is an affecting line about the shipyard strike in Gdansk which, in August of 1980, gave birth to Solidarity. "Today," it says, "the shipyard is Poland." Now, in considering what the world might do for Polish freedom, we should begin with the proposition that Solidarity was Poland on its feet. That, in my view, could become the most important fact in European history since 1945.

It is easy for a Westerner to romanticize about such things at a safe distance or with a respected passport; but we all were. I think, in the presence of a historic grace and fortitude.

I am an honorary member of a branch of Solidarity located in a heavily Stalinist area of socialist Poland. Early in 1981, before the headiest of Solidarity's jousting with authority. I had supper with a group of workers and listened to the sallies they directed at the Russian microphones they believed were behind the pictures of Red labor heroes on the walls; their comments, I soon discovered through a happily embarrassed lady interpreter, were not of an ecclesiastical nature. Later I walked through a plant in the same region and spent some time in scholarly appreciation of openly displayed cartoons of Stalin and Brezhnev and their Polish apologists which would have brought virgin blushes to the editor of *Hustler* magazine.

The ribaldry was costly. The worker responsible for the

Mr. Hutchinson, a professor of industrial relations at the Graduate School of Management at UCLA, is at present a Visiting Member at the London School of Economics.



posting of the cartoons, according to a list 1 saw early in March, has been sentenced to six and a half years in jail. That was one of the lighter penalties. I stayed overnight with the president of a Solidarity branch, who, after breakfast, drew aside the kitchen window curtain to point out the car of the political police which had been there all night and which followed us every day; the point was that, two months before, my host had been told by the secret police that when conditions returned to normal he would be shot. Yet he did not seem to care, and he led me down to the sidewalk where he took a close and disrespectful look at the lurking gumshoes. He is still alive, but some of his brethren are not.

In another city we visited the courtyard of a Solidarity building where still-illegal political materials were being unloaded and sorted for distribution by young activists with all the furtiveness of an American Labor Day parade, while at the Congress in Gdansk some of the delegates painted huge anti-government slogans on the ground, sometimes asking the watching police to move out of the way. There seemed to be no end to the happy defiance, no limit to the gall of citizens breaking free, no thought—least of all in Gdansk, where the probing military patrols had already begun—of the price that might have to be paid.

The examples were legion but with a central message. What Solidarity brought to every waking hour was the spectacle of the joy—the joy—of citizens in the exercise of freedom, even as the threats began to multiply in the autumn, even when it had become a game to tail the military scoutcars cruising the back streets, even during the Congress, when December was now the bruited month for confrontation.

I have been to many trade-union conventions, but never to anything like the founding Congress of Solidarity in Gdansk. In the Mass for the delegates every morning in the hall, in the passionate singing of the national anthem before the formal business began, in the carnest and often scholarly debate on the floor and long into the night in the hostels up the road on the means for the salvation of Poland, there was a feeling of sacrament and patriotism and high tradeunion purpose, a sense that in giving birth to Solidarity the workers of Poland had founded a trinity of their faith and their nation and their organization. That week, surely, the convention hall was Poland. It must have been like that in Philadelphia, in 1787.

That enormous mood of self-respect and public commitment should inform everything the world might say or do about Poland, because it is the stuff of nationhood, and of insurrection with nationhood denied. We must not presume to urge the Poles into dangers we will not share; but it seems to me most doubtful that the Polish exaltation during the short and happy open life of Solidarity can be contained -not even by the harshest means of the generals and Stalinists of Polish socialism, nor even by the Red Army, least of all if the Russians cross the Polish border in unison with their even more reviled East German cronies. For there is a companion to the recent intensity of joy, and it is an intensity of hatred-most obvious and least controllable among the Polish young-for what is now quite likely the most unrepresentative system of government on earth, kept in residence like a jaded whore by a pair of Red imperial pimps.

The resistance is organizing. A week after the military coup on December 13 an underground Solidarity leaflet was advising workers to talk dumb with the police, to work slowly and leave the dirty jobs to commissars and finks, to stick religiously to the most idiotic orders, to demand all instructions in writing so as to drive the bosses crazy, and to take as much compassionate leave as possible.

On January 13 a meeting was held of the most senior Solidarity officials at large, who formed the All-Polish Resistance Committee of the Independent Self-Governing Trade Union Solidarity, demanding an end to the official state of war, the restoration of Solidarity to freedom and legality, the release of all prisoners, and negotiations between the Polish government on the one hand and Lech Walesa and the Solidarity Presidium on the other. A cell structure has been formed, based on groups of four, and unsurprisingly is not much reported. Recruits are warned of a "difficult road, which has to be endured alone and in concealment, in the name of one's own dignity and that of humanity."

The resistance has mostly been passive. Messages smuggled out tell of defiant speech and patriotic songs by imprisoned Solidarity leaders subjected to gross intimidation and humiliation on concentration-camp diets in crowded and unheated cells amid the aromas of impeded sanitation. When classes resumed in March at Warsaw University there was a new course entitled "Introduction to Martial Law" given by an army officer; most of the students ate or talked or knitted during the first lecture, and when the instructor asked for questions only one student responded: "When," he asked, "can we go outside for a smoke?" Shortly afterward a leading member of the Warsaw faculty risked his tenure and his freedom by telling a British reporter that student sentiment, whatever its complexities before December 13, had turned into a universal hatred for the Polish government.

Now there is talk of violence in summer weather. One does not know what weight to give to that; but it did not take long last year in the unmicrophoned cafés and corridors of Poland to be told what forms the modern technology of dissent might allow a nation's protest to take. If you remember that most Polish soldiers are conscripts from

If we do not soon produce a formula for Polish freedom wed to European peace, we had better reckon on the possibility that the Polish question, now as in 1939, will tear Europe apart

Solidarity homes; that most of the recent repressive measures have been administered by the political police and not the army; and that almost everything an insurrectionist needs is purchasable and portable—then we can set few limits to the weaponry and methods of dislocation.

What should we do? The time for successful intercession might be short. If we do not soon produce a formula for Folish freedom wed to European peace, we had better reckon on the possibility that the Polish question, now as in 1939, will tear the European system apart.

There are three sets of problems: the incompetence of the Polish economy; the Russian exercise of a property right over Eastern Europe; and the international interest in a security system which will restore the sovereignty of nations, protect them all against a German militarist revival, and diminish the risk of nuclear war. There is a tendency, in the United States, to engage in big shoulder pronouncements about European wars; there is a tendency in Western Europe, in eerie echoes of Munich, to ignore the fact of Soviet empire and to talk about pipelines and trade and solvent banks. They are, in combination with a distaste for Polish volatility, a triple futility.

When they ask me if I am a socialist, said the old Polish scholar, I say yes. When they ask me what is socialism, I say I don't know. The Russians destroyed socialism, and imposed on us a perverted system which is bleeding us to death. We have to change it by privatizing what we can and putting the price system to work. I know there are limits, but unless we open up the system we are going to starve.

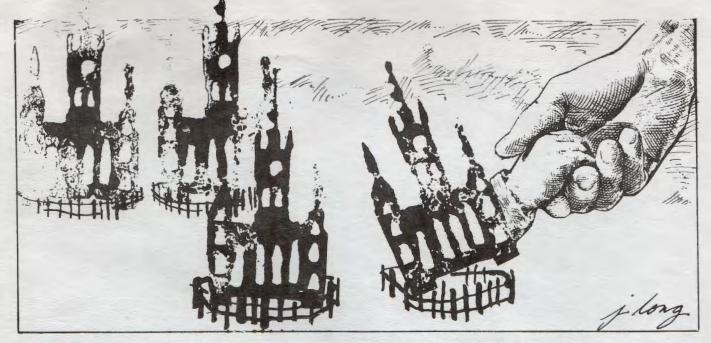
Poland is approaching catastrophe. It owes the West some 27 billion wasted dollars. Its industry operates at between 30 and 40 per cent of capacity with production falling. Prices have recently doubled. Despite some recent increases in basic food supplies, standing in line is a major national occupation. Some observers predict an early fall of 50 per cent in Western imports, of 20 per cent in national income and 25 per cent in real wages, and a slide into real impoverishment. The economy is of course in state hands outside of the smaller farms, and, through a Russian-imposed licensing system for parts and supplies, is hogtied to the Eastern European economic bloc. It is a hostage economy, probably beyond redemption without Western help. Hunger might yet prompt the insurrection.

By last September the economic advisors to Solidarity had prepared a program for economic recovery which I tried to summarize in the *Times* of London, December 29.

There are several versions of the program, elements of which the Polish government seemed ready to discuss, but the general principles are simple: the retention of basic industry in public hands, although freed by shopfloor elections from Nomenklatur, the system whereby the Communist Party appoints the principal industrial managers; the privatization of light industry and the service trades; a massive transfer of resources from state farms to private farms except in large-scale wheat production: and the graduated introduction of price competition throughout the economy. The Solidarity advisors believed there was enough unused private saving in Poland to finance the proposed privatization, and suggested the establishment of a Western-financed and Western-supervised development fund of some \$4 or \$5 billion to buy essential parts and materials from the hardcurrency areas to restart the economy from approved foundations. I suggested in the Times that the fund be provided if an agreed program were adopted ad if, among other reforms, there was a Trade Union Bill of Rights and Solidarity participation in the regeneration of the country. The proposal was forwarded in letter form to General Jaruzelski but brought no evident response anywhere, perhaps because alone it was irrelevant.

It is interesting, the British diplomat said, to discuss the various ideas for aid cuts and travel restrictions and grain embargoes and even loan defaults; but the real issue is the Red Army.

The status quo in Europe hinges on three measures: the Yalta Agreement of 1945, the Brezhnev Doctrine, and what might be described (or mislabeled) as the Sonnenfeldt Concession. The Yalta Agreement, which has no treaty force, subsumed the primacy of Russian interests in Eastern Europe but promised free elections there; the Soviet Union enforced the first and forbade the second. What is called the Brezhnev Doctrine but is in fact updated Stalinism affirms the right of Russia to intervene in its partner states to preserve their socialism; it has been applied directly in



East Germany and Hungary and Czechoslovakia, and indirectly—or not so overtly—in Poland. Helmut Sonnenfeldt, Henry Kissinger's deputy in 1976, has been both proclaimed and disputed as the carrier of the notion that Eastern Europe should be regarded as a Russian "sphere of interest" and thus subject to special dominion; in any event American policy on the matter awaits a modern clarification. None of the three principles is compatible with Polish freedom or even European peace.

How can they be voided? I have spent much of 1982 talking with Western political and military specialists on European and especially Polish affairs. There is near-uniformity in what they say, at least to an audience of one: that the prospect for Poland is explosive and might be lethal to European peace; that the present system of European security is dying and should be replaced; that the emerging generations of Europe and America will accept neither NATO nor the Warsaw Pact nor the division of Germany nor the divine right of Russia over Eastern Europe nor the nuclear cloud as the natural or permanent order of things; that a revision of the treaty map of Europe is necessary if peace is not to be at the price of further Soviet hegemony; that only American leadership can point the way; but that few will care in time to question the old order or prescribe the new, even as Poland smolders.

There are two strategic requirements: to deter the Red Army in the short run, and to make its imperial employment both impractical and unnecessary in the long. The solution to the first must be primarily economic, to the second mainly military. It is largely a matter of Western banks and Eastern tanks.

If Poland takes fire in some fine weather, nothing is likely to stop the intervention of the Red Army except the certainty of a crippling blow to the economies of the Eastern bloc.

The West is deeply divided on sanctions. In December the United States suspended the issuance of export licenses for a number of technical goods and postponed negotiations on grain and maritime matters. Britain has followed suit in lower key. France and Germany, on the other hand, have affirmed with other nations their intent to proceed with the natural-gas pipeline from the Soviet Union to Western Europe (it might in time supply one-third of France's needs in natural gas), while the EEC has contented itself with restrictions on a few exports, notably grand pianos and caviar. In the event of European hostilities, no doubt, we must brace ourselves for a ban on the Bolshoi Ballet.

The pipeline itself seems about as safe a bet as the Western loans. It will run from the Soviet Union through Czechoslovakia (not by the shorter route through Poland) just south of the Polish border along the Tatra mountains into Germany and Austria and France. It will bring huge revenues to the Soviet Union, perhaps paying for its entire import of grain; but it will also be vulnerable in a time of rising European tempers over sovereignty and security, certain to excite the talents of patriotic saboteurs. It might better be left, as a matter of banking prudence and general Western bargaining policy, until it can fit into a grander and safer European design.

There is another matter, however, on which the United States need not wait on Western unity: a declaration of loan default. Eastern Europe owes the West some \$80 billion, rising to perhaps \$140 billion by 1985 on present forecasts. Much of that money was carelessly lent to hopeless socialist enterprises by Western banks now anxious to get their money back; the Western banking system, as the London Economist has pointed out, was in some sense the creator of Solidarity-and its executioner. As on sanctions, there is no Western unanimity on default except that most of the West would have to follow an American lead. An American declaration of default would bring about what The Economist calls "a containable ripple of bankruptcies" in the West, but far more serious consequences for the East, at least in the longer run. It would eventually effect, The Economist says, the "economic amputation of Russia's empire. . . . Every Russian rifle will end up turned on its own peoples, every Russian tank will cost one thousand fertilized acres of grainfield to make, and any Russian adventure abroad will eventually stretch its resources beyond what is possible." Whatever the debate on degree, the cost to the Soviet Union would be disastrous. The United States should therefore declare its readiness to amputate, should the Soviet Union invade Poland or further mutilate its sovereignty. Every Solidarity source I know would support such action. If certain, it might deter.

But that would avoid only occupation, and only for Poland. The system—Soviet hegemony and the Warsaw Pact would remain. The further and more fundamental issue is an alternative system of European security which would liberate the vassal states, satisfy the reasonable security demands of both East and West, and help to lift the shadow of the bomb.

The Soviet justification or excuse for its property right over Poland is that Russian security against German mil-

Remove all foreign tanks, both American and Russian, from Central Europe, and we might remove the single greatest obstacle to European peace and freedom

itarism requires Russian access through Poland to the western border of East Germany. The organic danger is that the Germans might not always tolerate moral quarantine by partition to satisfy Russian interests. The more immediate danger is that it is precisely the presence of overwhelming numbers of Russian tanks on the internal German border that provides the greatest provocation to the nuclear exchange that is fast becoming a revolutionary apprehension in both Western and Eastern Europe. Remove all foreign tanks, both American and Russian, from Central Europe, and we might remove the single greatest obstacle to European peace and freedom.

The notion seems to have a quiet currency in Western Europe. "One has to acknowledge," I was told on March 23 by Colonel Jonathan Alford of the International Institute for Strategic Studies in London, "the difficulty of gaining agreement to pull back the tanks. That, after all, is what the Mutual Balanced Force Reduction talks in Vienna have been striving unsuccessfully to achieve for seven years. Moreover, tanks removed to the USSR remain a potential threat to Western Europe. Nevertheless, the removal of large numbers of tanks from Central Europe would, at a stroke, remove the most potent and threatening offensive element from the deployed military forces of both sides and serve dramatically to reduce the tensions in Central Europe."

What then? The purpose of "detanking" would be to reduce the propensity to annihilate; the problem is to eliminate it, in the context of a liberated Central Europe.

The cupboards of Europe are jammed with old proposals for European disarmament or denuclearization. The present debates on nuclear arms control have a somnolence about them, since nobody seems to believe that nuclear proliferation is the chief problem, but rather the absence of a conventional stand-off. "If you want nuclear peace," General Sir John Hackett, a former deputy commander of NATO and another distinguished soldier-scholar, told me on March 26, "you must prepare for non-nuclear war . . . [for] an adequate level of conventional defense." What lacks in the van is a sense of alternative direction, a perception of redistributed protections, a map for free Europe.

The United States should declare for a Europe of the sovereign states of 1939, give or take a shifted boundary or two; for munificent aid to a Poland prepared to unite its people in free and productive labor; for neither lending to nor trafficking with an Eastern Europe in Russian chains; for the clearing of all foreign tanks from Central Europe to the French and Soviet borders; for an East-West military arrangement with headquarters in a unified Berlin, and with a country-by-country joint distribution of contingents prohibitive of the domination of Central Europe by any state or sectional alliance; and for free elections in Eastern Europe.

It is easy to count the problems, but what might count most of all is clarity of purpose. With that, old problems might be seen in a changing light. It is not certain that France would agree to act as host to the main body of American troops on the mainland; but de Gaulle is dead, and President Mitterrand has shown conspicuous interest in a revised French role in Western defense. All the world's old will mutter apprehensions about German reunification; but better talk of that, under continental auspices, than the noise of moving tanks and cruising missiles. It is most unlikely that the Soviet Union will agree ab initio with any of the above proposals, but it has made similar suggestions of its own in the past; it will have the task of confuting some of its own arguments, and in any case of dealing with the logic of secure disengagement and the impatience of satrapies exhausted by the Soviet imperial embrace, especially if the dollars stop.

What is crucial, in a now mercurial Europe, is to declare a destination. What is certain is that old ways are eroding, and with them old protections against the armies of the East. What is likely is that the questioning of old assumptions will disturb both friends and enemies; but what is possible, at least, is that the by-products of the debate will exceed all expectations. The unimagined stations on the way might be just as secure or acceptable as the pictured haven. What is important is to begin.

But if we do not? The Poles wait for signs of hope from the West; the May Day demonstrations give us warning of their sorrows. The emissaries abroad from Solidarity all fear for their country as it sinks into imprisoned poverty. The cost of our neglect of their concerns might put all Europe to the torch.

I asked the colonel what the Polish army should do if overcome by the Warsaw Pact divisions. It should selfliquidate, he said, and take its weapons home.

In the courtyard in Cracow, where the effervescent young were sorting out the illegal pamphlets and posters for distribution, where the spirit of Solidarity seemed most alive of all, with one's emotions so hard to control at the sight of it, I asked the man from Solidarity what it would cost the Russians to invade.

Ten years, he said, and a million men.

Niech Bog Blogoslawi Polske i Solidarnosc. God bless Poland and Solidarity. THE FIRST NATIONAL CONGRESS OF SOLIDARITY DELEGATES

> DARGERSS DOSS 9

History Littered With Bones of Labour Movement

In a letter to <u>The Times</u> John Hutchinson, Professor of Industrial Relaticns at the Graduate School of Management, University of California, Los Angeles, USA and Visiting Professor at the London School of Economics, nominated Lech Wałęsa for the Wobel Peace Prize. Professor Hutchinson told <u>Congress Post</u> that there were reservations concerning Wałęsa because "he is too controversial and bis records are not complete yet". Should these reservations, which Professor Hutchinson considers unfair, make Wałęsa's candidacy impossible, it is Solidarity as a whole that deserves the nomination. Below is Professor Hutchinson's address to the Congress, delivered on Saturday, Sept. 28.

I would give anything to have my father here today. He was a co coal miner and a free trade union leader in England who, in the national general strike of 1926, defied the efforts of the authorities to break him and the efforts of the employers to bribw him, staying faithful to the men he had honour to represent during the long six months the miners were out of work.

He would have been honoured to stand with you today because he would have believed, as I believe, that the coming of Solidarity is the greatest event in all trade union history. There is nothing, nothing in the history of free labour which stands level with what you have done for yourselves and for your beloved Poland. You have carried the lamp and the word for labour and for freedom as have none before you, and have thereby lighted the way for the workers of the world for all the years that men are likely to count.

GDANSK · · 28 SEPTEMBER 1981

Let me add one note of fraternal caution. History is littered with the bones of labour movements who have raised their eyes to the mountains but who have forgotten that they must gather their harvests in the valleys.

So i will respectfully suggest, as a former union official in both Britain and United States, that as you labour for the salvation of your country you take care to build - plant by plant and mine by mine and industry by industry - the productive grass-roots organization that will serve and protect your members in their daily needs and aspirations at their place of work. That is how, in the end you will keep your members loyalty. That is how, in the end, you will keep your nation free.

I have the honour to bring you the greetings of leaders of the Polish community overseas. They have asked me to tell you that with all their hears they stand with you and pray with you every day of their lives. And so do I. And so do I.

Let me end with a benediction traditional in the coal fields of Britain and North America, traditional in the chapels of working men and women wherever free Christians and free trade unionists are found:

The Lord blees thes and keep thes The Lord make His face shine upon thes, and be gracious unto thes The Lord lift up His countsnance upon thes And give thes peace.

John Hutchinson, Address to the opening session of the founding Congress of Solidarity, Gdansk, September 26, 1981. (In Solidarity *Congress Post* of that date.)

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(COVER: LECH WALESA AND JOHN HUTCHINSON AT SOLIDARITY CONGRESS AFTER ADDRESS)

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Information Sheet on the Report of the National Bipartisan Commission on Central America

OUTLINE

The report, which is dedicated to Sen. Henry Jackson, consists of the following chapters:

- 1. Introduction and basic themes.
- 2. Places crisis in larger hemispheric context.
- 3. Provides historical perspective.
- 4. Examines prospects for economic and political development; presents recommendations.
- 5. Discusses social issues -- health and education particularly -- and makes recommendations.
- 6. Explores security issues and recommends U.S. action.
- 7. Looks at diplomatic aspects and offers recommendations on pursuing negotiated settlements.
- 8. Conclusion.

-- On security and diplomatic issues, the report deals with El Salvador, Honduras, Nicaragua, Guatemala and Costa Rica. Panama and Belize are included for discussion of development programs.

MAJOR THEMES

-- The crisis in Central America is acute. Its roots are indigenous -- in poverty, injustice and closed political systems. But world economic recession and Cuban-Soviet-Nicaraguan intervention brought it to a head.

-- The crisis will not wait. It must be addressed at once and simultaneously in all its aspects. Ultimate resolutions depend on economic progress, social and political reform. But insurgencies must be checked if lasting progress is to be made on these fronts.

-- Indigenous reform, even indigenous revolution, is no threat to the U.S. But the intrusion of outside powers exploiting local grievances for political and strategic advantage is a serious threat. Objective of U.S. policy should be to reduce Central American conflicts to Central American dimensions.

-- United States has fundamental interests at stake: Soviet-Cuban success and resulting collapse of Central America would compel substantial increase in our security burden or redeployment of forces to detriment of vital interests elsewhere.

-- As a nation we have deep and historic interest in promotion and preservation of democracy. Report concludes that pluralistic societies are what Central Americans want and are essential to lasting solutions. In this case our strategic interests and our ideals coincide.

-- Central Americans desperately need our help and we have a moral obligation to provide it. The U.S. and other nations can make a difference. But in the end solutions will depend on the efforts of Central Americans themselves.

-- Although there is urgent need for action, no quick solutions can be expected. U.S. must make a long-term commitment and stick to a coherent policy.

-- That policy can and should be bipartisan. Commission found wide consensus on principles and objectives.

POLITICAL AND ECONOMIC DEVELOPMENT

-- Central American economies grew substantially during the 60's and early 70's. But income distribution was highly inequitable, except in Costa Rica and Panama.

-- Trend toward more pluralistic political systems in El Salvador, Guatemala and Nicaragua reversed in early 70's.

-- World recession and rising political violence had catastrophic effect on region's economies in late 70's, early 80's. All have declined dramatically. El Salvador's gross domestic product is off 25% since 1978.

-- Even with successful stabilization programs and restored political stability, per capita wealth in 1990 would only be three-quarters of what it was in 1980.

-- There must be substantial increase in outside assistance.

-- Commission believes economic development cannot be separated from political and social reform. Objective must be parallel development of pluralistic societies and strong economies with far more equitable distribution of wealth. 812

-- We propose a program of U.S. assistance designed to promote economic growth, democratization and greater social equity.

--We encourage the greatest possible involvement of the US private sector in the stabilization effort. Recommend the formation of an emergency action committee of private sector personalities to provide advice on new private-public initiatives to spur growth and employment.

Recommendations: An Emergency Stabilization Program

--Leaders of U.S. and Central America should meet to initiate a comprehensive approach to economic development of the region and reinvigoration of the Central American Common Market.

-- A \$400 million supplemental in FY84 over and above the \$477 million now in the budget for the seven countries. There is urgent need to stabilize economies now going downhill very fast.

-- Focus this assistance on labor-intensive infrastructure projects and housing. Unemployment is a critical problem -- politically and economically.

-- Establish a program to provide U.S. Government guarantees for short-term trade credits. External credit has dried up. Without it economies cannot be reactivated.

-- Provide an emergency loan to the Central American Common Market to permit the reactivation of this vital organization. Lack of resources in the Market to settle trade accounts among the countries has stalled it.

-- U.S Government should take an active role in the efforts to resolve the external debt problems of Central America and should encourage the countries that have not done so to seek multilateral rescheduling.

-- Also encourage commercial banks to renegotiate at the lowest possible interest rates.

Recommendations: Medium and Long-Term

-- Commission estimates \$24 billion in net external exchange inflows needed to 1990 to foster a growth rate of 3 percent per capita, returning these countries to pre-recession levels of per capita wealth. About half -- \$12 billion -- is expected to come from international institutions, other donor countries and loans and investments from private sector sources. ·**

-- U.S. Government will have to provide as much as \$12 billion if these financing needs are to be met.

-- We propose in this context a program of \$8 billion over next five fiscal years (FY85-89) in USG assistance. This would be divided very roughly into about \$6 billion in appropriated funds and about \$2 billion in contingent liabilities covering guarantees, insurance and the like.

--Compared with current projections for FY85 - 89, these contributions would constitute an increase of about \$ 2.8 billion in appropriated funds and \$.7 billion in contingent liabilities over the five year period.

--Urge that Congress authorize multi-year funding of this program. Commission believes firm, long-term commitment is essential.

-- To give form and structure to the development effort suggest establishment of the Central American Development Organization (CADO). Perhaps 1/4 of U.S. aid could be channelled through CADO.

-- CADO would consist of the United States and those countries of the seven willing to commit themselves to internal democracy and reform. Continued membership would depend on demonstrated progress toward those goals. Adherence to regional security pact also required.

-- Nicaraqua could participate by meeting these conditions.

-- CADO's principal body would be aDevelopment Council with tripartite, ILO-style representation. Would assess program and progress toward economic growth, democratization, reform and preservation of human rights.

-- Other democracies would be invited to join.

Additional Recommendations

-- Expanded assistance from the US Government for democratic institutions and leadership training -- neighborhood groups, cooperatives, binational centers and visitor programs for leaders of labor unions, local governments and other organizations.

--Require a firm commitment by the Central Americans to economic policies, including reforms in tax systems, to encourage private enterprise and individual initiative, to create favorable investment climates, to curb corruption where it exists, and to spur balanced trade. ----

-- Urge extension of duty-free trade to Central America by other major trading nations.

--Review non-tariff barriers to imports from Central America with a view toward using whatever flexibility that exists within the framework of multilateral agreements, to favor Central American products.

-- Establishment of the Central American Development Corporation -- a privately owned venture-capital company which could initially be financed by a loan from the US Government.

-- Recommend that the United States join the Central American Bank for Economic Integration.

-- Technical and financial support for export promotion and a US Government review of non-tariff barriers to Central American imports.

-- Expanded availability of insurance guarantees for new investments from the U.S. Government's Overseas Private Investment Corporation.

-- Increased focus in assistance programs on small business and accelerated agricultural development -- particularly in production of food for domestic consumption.

HEALTH AND EDUCATION

-- Democracy and prosperity in the region require accelerated human development. Hunger, disease and illiteracy sap a people's vitality and impede the growth of viable democratic institutions.

--Literacy rates are unacceptably low in several counties (e.g., Guatemala 45%, El Salvador 63%, Honduras 60%) handicapping education efforts seriously.

--Widespread malnutrition also handicaps education by sending physically and mentally underdeveloped children to school.

-- Goals should include a reduction of malnutrition, elimination of illiteracy, expanded education, health, and housing opportunities.

-- Initial efforts must be to increase food assistance to Central America through the PL 480 programs.

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-- Commission calls for formation, under direction of the Peace Corps, of a Literacy Corps and a Central American Teachers Corps.

-- To meet needs in higher education, U.S. government scholarships should be raised to approximately 10,000 over 4-6 years, a level comparable to Cuban and Soviet Union efforts.

-- Educational reform can also be encouraged in the areas of technical and vocational education, through the expansion of the International Executive Service Corps, and through closer cooperation with Central American universities to improve the quality of education.

-- Judicial systems in Central America can be strengthened by providing resources for training judges, judicial staff, and public prosecutors.

-- Continuation and expansion of existing programs for disease control and eradication, as well as immunization and oral rehydration.

-- Training of primary health workers, especially nurses, should be expanded and the means developed to integrate private and public financing of health services.

-- Assistance programs should target the area's severe housing shortage.

-- Training of public administrators required to improve public service.

-- US Government should provide more resources to meet critical problem of refugees and displaced persons -- more than one million of them need help.

SECURITY ISSUES

-- In El Salvador there are two separate conflicts: (1) between those seeking democratic reform and those seeking to retain their privileges; (2) between Marxist-Leninist guerrillas and those who oppose Marxism-Leninism.

-- In discussing the latter we identify three general propositions about such guerrilla movements:

(1) They depend on external support. Without it they are unlikely to succeed.

(2) They develop their own momentum which reform alone cannot stop.

(3)Victorious, they create totalitarian regimes, even though they have enlisted support of democratic elements in order to project democratic, reformist image. -- External support comes from Soviet Union, Cuba and now Nicaragua. Cuba has developed into a leading military power through Soviet assistance. Since Sandinista victory, Soviets have come around to support Cuban strategy of armed road to power in Central America.

-- There are serious strategic implications for the United States in Soviet-Cuban support for armed insurgency in the region.

-- Triumph of hostile forces there could require us to devote large resources to defend our southern approaches.

--This could mean either substantially increased defense burden for the United States, or a redeployment of forces to the detriment of our interests elsewhere.

-- Threat to our shipping lanes in the Caribbean.

-- Increased violence and dislocation in the area from which we could not isolate ourselves.

-- Erosion of our power to influence events worldwide as we are perceived as unable to influence events close to home.

El Salvador

-- The war is stalemated, a condition to the ultimate advantage of the guerrillas.

-- U.S. military assistance is inadequate to permit modern, humane and successful counter-insurgency.

-- Commission recommends that U.S. provide significantly increased levels of military assistance for greater mobility, more training, higher force levels and more equipment.

-- Assistance is to be conditioned through Legislation on terminating death squads, progress toward democracy and establishment of the rule of law.

-- In Guatemala, such assistance should only be provided if the same terms are met.

--Increased military assistance also needed for Honduras to build a credible deterrent and to meet renewed efforts at insurgency. -- Commission concludes that U.S. security interests are importantly engaged in Central America. Larger program of military assistance needed, as well as expanded support for economic growth and social reform.

-- Success will depend on an end to massive violations of human rights and the neutralization of external support for the insurgencies.

THE SEARCH FOR PEACE

-- A sucessful U.S. political strategy in Central America requires resources to promote economic growth, vigorous efforts to advance democracy and reform; other inducements and penalties.

-- General strategic objective of U.S. diplimacy in Central America should be to reduce the civil wars, national conflicts and military preparations to Central American dimension.

-- Specifically, we should seek to stop the war and killing in El Salvador. Create conditions under which Nicaragua becomes a peaceful and democratic member of the Central American community. And open the way for democratic development in all countries.

-- Commission calls for negotiations in El Salvador between guerrillas and the government to be elected in March to establish conditions for later legislative and municipal elections in which all could participate: electoral commission with FMLN-FDR representation, cease-fire and end to all violence; international observation of elections.

-- Adequate economic and military assistance from U.S. can help to achieve such a settlement.

-- Commission believes military stalemate works against rather than for a political settlement based on the popular will.

-- In Nicaragua, consolidation of a Marxist-Leninist regime would create a permanent security threat. Nicaragua's mainland location makes it a crucial steppingstone to promote armed insurgency in Central America. Cuban personnel (2,000 military advisers and 6,000 civilian officials), several hundred Soviet, East European, Libyan and PLO advisers, extensive arms deliveries (13,000 tons in 1983) add an external dimension to the threat posed by Nicaragua to its neighbors. ----

-- What gives the current situation its special urgency is the external threat posed by the Sandinista regime in Nicaragua, supported by Cuban military strength, backed by Soviet weapons, guidance and diplomacy, and integrated into the Cuban network of intelligence and subversion.

-- Central American leaders believe pluralistic political orders are essential to long-term security.

-- An alternative would be an attempt at containment. But that would threaten militarization of the isthmus -- the creation of garrison states. Democracy would wither. And the U.S. could find itself as surrogate policeman.

-- Commission proposes comprehensive regional settlement based on:

(1) Respect for sovereignty and non-intervention.

(2) Verifiable commitments to non-aggression and an end to all attempts at subversion -- covert or overt.

(3) Limitations on arms and sizes of armed forces. Prohibition of foreign forces, bases and advisers.

(4) No military forces, bases or advisers of non-Central American countries would be permitted.

(5) Commitment to internal pluralism and free elections in all countries.

(6) Provision for verification of all agreements.

(7) Establishment of an inter-government council to meet regularly to review compliance.

(8) Adherence to the overall agreement would be required for membership in the Central American Development Organization.

-- U.S. would support the agreement and provide assistance; and would commit itself to respect results of elections within counries as long as principles of pluralism at home and restraint abroad observed.

-- Commission's proposal based on and amplifies 21 points of the Contadora Group.

-- Commission fully endorses Contadora efforts.

-- Finally, majority of Commission opposes dismantling existing incentives and pressures for the regime in Managua to negotiate seriously.

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-- As for Cuba, Commission sees little possibility of separating it from Soviet Union. But U.S. should be prepared to negotiate seriously if Cuba were to show itself prepared for genuine coexistence, dropping support for insurgency in Central America and revolutionary violence elsewhere in the world.

-- As for Soviet Union, establishment of Soviet military base in Nicaragua is not the major concern. Before that could have happened the crisis would have reached proportions not containable in Central American dimensions.

-- There is little promise in negotiating with the Soviet Union over Central America. Soviets would seek cast such negotiations in terms of sphere of influence, an unacceptable concept for the U.S. • • • • • •