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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

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NATIONAL SECURITY PLANNING GROUP MEETING
June 25, 1984; 2:00-3:00 P.M.; Situation Room

SUBJECT: Central America(U)

PARTICIPANTS:

The President
The Vice President

The Vice President's Office:
Admiral Daniel J. Murphy

State:
Secretary George P. Shultz
Mr. Michael Armacost
Mr. Langhorne A. Motley

Defense:
Secretary Caspar W. Weinberger
Dr. Fred Ikle

OMB:
Dr. Alton Keel

CIA:
Mr. William J. Casey
Mr. Duane Clarridge

USUN:
Ambassador Jeane J. Kirkpatrick

JCS:
General John W. Vessey, Jr.
Admiral Arthur S. Moreau

White House:
Mr. Edwin Meese, III
Mr. Robert C. McFarlane
Admiral John M. Poindexter

NSC:
Dr. Constantine C. Menges

Minutes

Mr.McFarlane: The purpose of this meeting is to focus on the political, economic, and military situation in Central America.

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to offer a status report, and to discuss next steps needed to keep our friends together while continuing to make progress toward our overall political goals. There is good news and bad new from Central America, as is always the case. The good news includes the fact that Congress will provide $62M in additional military assistance for El Salvador--$30M of which has already been spent. At the same time, we continue to need the additional $116M in aid for El Salvador which we have requested in the FY 84 supplemental, and we need to continue pressing for that.(S)

The bad news includes the fact that there seems to be no prospect that the Democratic leadership will provide for any vote on the Nicaraguan program. During the last vote in the House of Representatives, we lost by 64 votes, and that means that we need to change 32 votes in order to continue funding the anti-Sandinista program. On June 1, Secretary of State Shultz and Mr. Ortega of the Nicaraguan Directorate met in Nicaragua. The key question we need to consider now is what we believe about the prospects for further talks with Nicaragua; do we believe that Nicaragua wants to come to a reasonable agreement? Based on the answer to that question--how do we keep the friendly Central American governments together and focused on a multilateral, comprehensive, and verifiable treaty? What can we do to reinforce the confidence of the Central American and regional countries in the US in the light of questions about continuing congressional support for the anti-Sandinista program? For example, is there a need for any additional military resources for the collection of intelligence or military exercises to disrupt or deter the communist guerrilla offensive which we expect will be coming in El Salvador in late summer or autumn?(S)

What can we do to increase public understanding of the situation in Central America and of our Central American policy not only here in the United States but also in Western Europe and Latin America and among other western countries?(U)

We will begin with Secretary Shultz addressing the diplomatic situation followed by Bill Casey reporting on the freedom fighters in Nicaragua, and Cap Weinberger and General Vessey commenting on the military situation.(S)

Secretary Shultz: Mr. President, we would not have gotten the deployment of Pershing missiles in Europe if people had not seen that we had a credible, vigorous negotiation going on. Similarly, you have moved to get yourself in a position with the USSR where we have made credible proposals and they have walked out. This is useful because it shows who is at fault for the lack of progress.(S)

Similarly, in Central America, our basic thrust has to be to generate positive elements of the political and economic

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situation, and to provide security help so that our efforts to disrupt the Nicaraguan export of subversion are as strong as we can get. An essential ingredient in that strategy is that we can say, if Nicaragua is halfway reasonable, there could be a regional negotiated solution--one which we support as much as we can. It is essential to have something like that going on or else our support on the Hill goes down. So it is not a question of making a prediction about the outcome of negotiations, rather it is important that we don't get sucked into something bad as it is essential to our strategy to key everything we do to support for the Contadora regional processes as I shall call it.(S)

So on our efforts to engage Nicaragua, there is one piece of very bad news. We don't have the votes in the House of Representatives to obtain additional funds for the anti-Sandinistas. The Congress will now be out for three weeks, and, therefore, anything credible going on the negotiating track can only help us. There is a sense of unease in Honduras about what is taking place for a great many reasons. The situation in El Salvador is a great big plus, assuming we get additional US military assistance; and taking what we got after the nun's case was solved, we have a good crack at the omnibus supplemental; and if not, we can use 21(d) again. Nicaragua is in trouble though not badly so, especially if the anti-Sandinista funds run out. There is some shift in attitude of the Mexicans. For example, Sepulveda went to El Salvador, and there is some Mexican impatience with Nicaragua about their posture on the negotiations. This morning I spent some time with the US Ambassador to Honduras. There are things we can do to ease the concern of the Government of Honduras. They are very concerned about the US bilateral conversations with Nicaragua, but these concerns can be assuaged. Their main problems are internal--economic, and the military change. President Suazo is upset. The most serious problem is what Honduras can do with the Nicaraguan freedom fighters who return. President Suazo is also bothered by the sharp decline in the US military presence.(S)

In the meantime, we have a negotiation going on both in the Contadora process and in this little effort with Nicaragua. Our approach is: (1) to consult closely with our friends; (2) keep our friends posted so they see we are trying to help. By and large, they see this as helpful, as contributing to the Contadora process, and us as supporting them.(S)

Today is the first US-Nicaragua meeting since June 1. We said we would not meet with the Mexicans present. Nicaragua said we have to keep the Mexicans informed. The United States said, O.K., we will inform all our friends in the Contadora countries. The first meeting was at 10:00 A.M. Mexican time or noon our time. Ambassador Shlaudeman was instructed, in the first session, only

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to talk about modalities and procedure--not to table anything. But to continue these negotiations, we must have content. We think the best way for this to go on is to have a home-to-home approach (meaning alternating between the US and Nicaragua). We cannot say much about frequency. Nicaragua has lived up to its agreement about this negotiation. There was no press notification before this meeting.(S)

Our negotiating strategy is to table an Aide Memoire saying here is our approach, which we have written out and which is what we told the Core Four we would do so they would not be surprised. We have not given the Core Four the Aide Memoire, which changed recently, as a result of lengthly discussions which Fred Ikle and Admiral Moreau. We have to follow the Aide Memoire with an approach to negotiations which I discussed with almost everyone before June 1, except for Jeane Kirkpatrick, who was out of the country. Instead of a vertical approach to the negotiations taking some of the four topics on one at a time, we suggest taking some of each of the four in a horizontal approach. Ambassador Shlaudeman has a tableau of these four steps with blanks where any numbers are involved. From the standpoint of negotiations, we need to get the word to go ahead, or we need to decide on some other approach. Then, we will subvert the whole thing and it will have to abort. I have to get word to Shlaudeman.(S)

Mr. McFarlane: Now we'll receive an overview of the anti-Sandinista program from Bill Casey.(S)

Mr. Casey: The FDN in the North remains strong. ARDE in the South is on the run under pressure. In the North, we see continued support for the FDN. For example, 117 persons walked out of Nicaragua and Honduras to join up just last week, and in the central part of Nicaragua, 900 people are waiting for weapons in order to join up with the FDN. At the moment CIA has $250,000 left; about half of this is being kept in order to hold [ ] US personnel in Honduras and Costa Rica until the end of September, 1984 so that we can help immediately in the event that a continuing resolution makes more money available. Our warehouses have arms and ammunition which can hold till August. Many of the anti-Sandinistas will stay in place within the country in order to feed themselves, and they would need about $3 million to get by for the next three months. We estimate that about half will retreat into Honduras and Costa Rica in some disarray, and we have to provide humanitarian assistance to help these individuals and those they bring out with them when they come into Honduras and Costa Rica.(S)

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The legal position is that CIA is authorized to cooperate and seek support from third countries. In fact, the finding encourages third country participation and support in this entire effort, and we are considering Salvador, Guatemala, Honduras and a South American country. If we notify the oversight committees, we can provide direct assistance to help the FDN get the money they need from third countries. There will be some criticism, but senior members of the oversight committees recognize that we need to do this. We need a decision to authorize our permitting the FDN to obtain third country support. Meanwhile, the FDN, Misura and ARDE are acting on their own to try to get financial support from third party sources. There is a psychological gap coming up, and we should provide Honduras and Costa Rica with some type of humanitarian relief so they can assist the anti-Sandinistas. The anti-Sandinistas have something stashed away but they will be needing help.(S)

I shall offer a few words now on the Cuban-Nicaraguan military buildup. We see Cuban preparations for another military offensive in El Salvador, while at the same time the Cubans are building up their own military forces in Nicaragua. We now estimate, [redacted] there are actually 7-8 thousand Cuban troops [redacted] in Nicaragua. Castro is telling people such as the Nicaraguan leader Ortega that our willingness to negotiate is intended to permit the United States to buy time until we take military action against Nicaragua.(S)

Cuba and Nicaragua are moving more quickly to complete the construction of the new 3100 meter airport in Punta Huetea, [redacted] could support Nicaraguan and Soviet cargo jets. Two other runways at two other airports are nearing the point where they could take jet fighter planes and also Soviet cargo planes. Further, we see that 45 Nicaraguan pilots trained in the Soviet bloc have returned to Nicaragua.(S)

Secretary Weinberger: The Department of Defense objected strongly to the content of the State Department negotiating proposals with respect to the numerical restrictions which would have been placed on US forces in Central America. The content of that first step negotiating proposal and the Aide Memoire is not a negotiating position that the United States should be presenting. We don't want to appear in old paternalistic North American fashion to be taking over the negotiations. We don't think it seemly to dignify Nicaragua by having the home to home meeting approach in which US and Nicaraguan negotiating teams alternate meetings from one capital to the other. Rather, what we should be doing is helping the Central American countries

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take the lead in the Contadora process in order to get a good Contadora treaty. This is the third choice between no negotiations and the separate bilateral negotiations proposed by State. We favor the third choice of helping the Contadora countries, who are our friends, obtain a comprehensive and verifiable Contadora treaty.(S)

On military issues we have reduced our troop levels, trying to keep to about 700. But let me emphasize, this is a self-imposed limit, and we can increase that number now. If we went along with the first step of the State negotiating proposal to Nicaragua as originally planned, we would have given up all of our flexibility. We would have given up the ability of the Defense Department to increase its physical presence in Central America above a certain low limit that was specified. On the anti-Sandinista issue, I think we need to take the offensive against the Democrats in Congress. We need to hold them accountable for not providing the resources needed to defend democracy. We need to hold the Democrats accountable. We should ask the Democrats whether they want a second Cuba. They see Ortega going after the visit of Secretary Shultz to Havana and then to Moscow. Do the American people want this? We should emphasize this to the Democrats in Congress rather than taking the bilateral negotiating tack where we would be giving Nicaragua economic aid, helping them economically. Whatever else, we need to assure that we can keep a US troop presence in Honduras of whatever size is needed to help defend our friends.(S)

General Vessey: I'm going to go over some of the material that Bill Casey covered in a general overview. In Nicaragua, we see an economy in bad shape. We see the government losing popular support, and we see the airfields being readied for jet fighters. (Admiral Moreau, would you please bring the photos to the President.) The Contras have achieved considerable success in Nicaragua in disrupting Nicaraguan military operations and preparations. In Honduras, the economy is in difficult condition, but the civilian government is functioning well, although there is a great concern in Honduras about the Contras returning into Honduras. The regional training center has been functioning well, and we have trained about 3,000 Salvadoran troops this year.(S)

Looking in overview at what we are doing to provide support, I want to mention the following things we are doing now: two spring deployment exercises are finished and no additional exercises are scheduled between now and December. The naval presence will remain continuous at about the current level. Congress approved the construction of two temporary military bases; and we are doing a number of things in the area of intelligence collection, such as the following: [ ]

The current policy we are following is producing results. We need to help Honduras. They have economic and military problems and they probably need an emergency package of assistance. In El Salvador we need the additional $116 million in military assistance and we need to continue reassuring our friends in Central America through firm commitments. Our policy is working now but if we don't watch it, we'll snatch defeat from the jaws of victory.(S)

President Reagan: It all hangs on support for the anti-Sandinistas. How can we get that support in the Congress? We have to be more active. With respect to your differences on negotiating, our participation is important from that standpoint, to get support from Congress.(S)

Secretary Weinberger: If the core four Central American countries agree on our negotiating proposal, that's fine; but they have not even seen the original Aide Memoire that was to be given to the Nicaraguans today, nor have they seen the new one that was just completed this past Saturday afternoon. Besides, we can't end up with a negotiation which gets us into a separate bilateral deal with Nicaragua.(S)

Secretary Shultz: I think Cap's characterization of what we are trying to do is inaccurate and unfair. As of late Saturday afternoon, the Aide Memoire was okay with the Joint Chiefs of Staff and the Office of the Secretary of Defense.(S)

Secretary Weinberger: None of our friends in Central America have seen the new Aide Memoire which, as you point out, was revised on Saturday and finished late Saturday afternoon.(S)

President Reagan: If we are just talking about negotiations with Nicaragua, that is so far-fetched to imagine that a communist government like that would make any reasonable deal with us, but if it is to get Congress to support the anti-Sandinistas, then that can be helpful.(S)

Amb. Kirkpatrick: Mr. President, at the United Nations we negotiate on everything with all the countries in the world, and I believe in diplomacy and in negotiations. But, it is very

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important to avoid getting into the situation of assuming responsibility for something which cannot be achieved. As you know, we often find it useful to support other countries which are trying to achieve political settlements when we, ourselves, remain in the background. For example, in Afghanistan, in the Persian Gulf where we are helping those countries trying to settle the war there without ourselves moving into the forefront, and, in Lebanon, where we found that we were not able to bring about a negotiated solution and where we are now working in the background to facilitate a solution by working with our friends and through our friends. In my judgment, the analogy of Central America is much closer to the Persian Gulf situation than it is to the issue of the deployment of Pershing missiles in Europe. Let us remember that the Contadora process began in early 1983 as an initiative of the Latin American countries, and that when you sent me to the region in February 1983, they told me that they wanted to try to negotiate a political settlement among themselves. The reason the United States got out of the process directly was because the other countries wanted us out. They wanted to establish their own negotiating process, and they have made some progress. Venezuela, Colombia and Panama have become more responsible as a result of trying to achieve a negotiated settlement. They are now much less critical of us than they were. Now they realize how difficult Nicaragua is, and now they have come to the hard part of the negotiation.(S)

As we now undertake separate bilateral negotiations with Nicaragua, rather than continuing to support the 21 Contadora objectives, these Latin American countries may well take this as an excuse to stand aside. They will get off the hook, and they will put us on the spot. If we give Mexico any special role, it will further undermine the Contadora process, and in fact, the Contadora process would then probably fall apart because any US preference shown toward Mexico, which has been supporting the Nicaraguans and communist guerrillas, will undermine pressure for a genuine negotiated solution. We would then be under lots of pressure from Congress, if the United States were negotiating bilaterally with Nicaragua, to make additional concessions. These bilateral negotiations with Nicaragua will scare our friends in the region and they will neither help us in the region nor in the US Congress. In fact, the coincidence of our undertaking this bilateral negotiating effort at the same time as the Congress fails to support funding for the Contras is enough to totally unravel our entire position in the region.(S)

If we don't find the money to support the Contras, it will be perceived in the region and the world as our having abandoned them, and this will lead to an increase in refugees in the region and it will permit Nicaragua to infiltrate thousands of Nicaraguan trained forces into El Salvador. And this will be

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an infiltration we could not stop. The Democrats don't want to vote because they don't want to accept the responsibility for their votes against this program. I believe we need to make their responsibility in the Congress clear to the US public. We must require the Democrats to stand up and be counted. If you showed your commitment and the Administration's commitment with more activity, it would be a positive factor in Congress. If we can't get the money for the anti-Sandinistas, then we should make the maximum effort to find the money elsewhere: even if we couldn't find money elsewhere immediately, we should consider using the anti-Sandinistas elsewhere for the time being, for example, in El Salvador to help defend against the coming guerrilla offensive.(S)

Secretary Shultz: Several points: (1) everyone agrees with the Contra program but there is no way to get a vote this week. If we leave it attached to the bill, we will lose the money we need for El Salvador. (2) We have had a vote on the anti-Sandinista program and the Democrats voted it down. It already is on the record and the Democrats are on the record. (3) I would like to get money for the Contras also, but another lawyer, Jim Baker, said that if we go out and try to get money from third countries, it is an impeachable offense.(S)

Mr. Casey: I am entitled to complete the record. Jim Baker said that if we tried to get money from third countries without notifying the oversight committees, it could be a problem and he was informed that the finding does provide for the participation and cooperation of third countries. Once he learned that the funding does encourage cooperation from third countries, Jim Baker immediately dropped his view that this could be an "impeachable offense", and you heard him say that, George.(S)

Secretary Shultz: Jim Baker's argument is that the US Government may raise and spend funds only through an appropriation of the Congress.(S)

Secretary Weinberger: I am another lawyer who isn't practicing law, but Jim Baker should realize that the United States would not be spending the money for the anti-Sandinista program; it is merely helping the anti-Sandinistas obtain the money from other sources. Therefore, the United States is not, as a government, spending money obtained from other sources.(S)

Secretary Shultz: I think we need to get an opinion from the Attorney General on whether we can help the Contras obtain money from third sources. It would be the prudent thing to do. On the negotiations, all the other countries support this. The question is, can the US conduct the negotiations so that it is perceived as supporting the Contadora process? If people here are so

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reluctant, then we can go back and try to abort this whole thing. I am very conscious of all the negative points which have been raised. I give the chances of a positive negotiation outcome with Nicaragua as two-in-ten, but if it doesn't succeed, it needs to be clear where the responsibility is, and that we have tried to help our Contadora friends obtain a positive outcome.(S)

Mr. McFarlane: Mr. President, perhaps I might define the issues as they stand now: (1) a negotiating process in order to get a good Contadora treaty is worthwhile; (2) Marxist-leninist regimes historically do not negotiate in order to make reasonable concessions, as we saw over many years in North Korea and Vietnam. For them negotiations are tactical exercises to split up their opponents and to obtain their goals. (3) How can there be a multilateral effort rather than one with Nicaragua in which the US is in the lead? On the military front, we had 2,200 troops and now we have about 700 there.(S)

Secretary Weinberger: We brought the numbers down to 700 on our own in order to deal with the critical perception that we were in some way militarizing the situation down there. We can always move to increase the exercises, and we can move exercises in and out so that we support our friends without creating the appearance that we are increasing the number of troops.(S)

President Reagan: Even the appearance of movement of US troops into Honduras for exercises, the movement of small units, would likely help the morale of Honduras.(S)

General Vessey: Yes, and US troop movements helped El Salvador very much during the communist offensive against the elections this year. The guerrillas in El Salvador had to turn and face the direction of US troop movements because they were afraid that our forces might have attacked or might have backed up a Honduran attack against them. So we played a positive role in blunting the Salvadoran guerrilla actions.(S)

President Reagan: I think there is merit to continuing the current negotiating session with the Nicaraguans, which has already begun because the press is eager to paint us as having failed again, and we don't want to let Nicaragua get off the hook. However, we should see these talks as only an adjunct to the Contadora. What we are doing with the Nicaraguans is that our special ambassador is there to help the Contadora process along.(S)

Secretary Shultz: Our Aide Memoire places heavy emphasis on the Contadora process. We have no intention of getting a separate bilateral agreement or treaty. If there is any glory to be obtained, then we are hoping to have the Contadora countries get

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this if they can get a good treaty. I am of the same mind as you, Mr. President, that we must get the funds for the Contras.(S)

President Reagan: The Contra funding is like the MX spending. It is what will keep the pressure on Nicaragua, and the only way we are going to get a good Contadora treaty is if we keep the pressure on.(S)

Amb. Kirkpatrick: Mr. President I am no expert on legislative relations, but in the last week I have spoken with many congressmen, and, from what I have heard, they feel that the Administration has not attached the same priority to getting funds for the Contras as we have for the MX program and NATO issues. We have not made the impression that if the Congress cuts off the Contra funding this is of major importance to the Administration. On the question of who negotiates with whom we should remember that the Mexicans have always wanted the US and Cuba in the negotiation process. If we would go along this path of bilateral negotiations with Nicaragua as the Mexicans want, we will sooner (and I mean before November) face the issue of the Cubans being included. I can tell you Mr. President, that Venezuela, Colombia and other countries in the region do not want Cuba involved directly and they do not want the United States involved in direct talks. They have approached the United Nations Secretary General in order to invite him to help the Contadora process along. But if we start direct bilateral negotiations with Nicaragua, then Colombia, Panama, and maybe even Venezuela will blame us for their failure. The Foreign Ministers in those countries, in my judgment, lack experience, and they definitely do not want us involved right now.(S)

Secretary Shultz: Mexico, Panama, Colombia, and Venezuela say they are delighted with our initiative. Concerning our efforts in Congress to obtain the anti-Sandinista funding, Senator Kasten and others say we have really worked on this issue. In the House of Representatives General Vessey and I went up to the Congress and offered to brief the full House of Representatives on Central America--about 150 Members came. We had a good discussion. I have also spent an hour-and-a-quarter on with Tip O'Neill on this issue--this may be the first time he has listened to anyone from the Administration talk to him about this.(S)

Mr. Casey: It is essential that we tell the Congress what will happen if they fail to provide the funding for the anti-Sandinistas. At the same time, we can go ahead in trying to help obtain funding for the anti-Sandinistas from other sources; the finding does say explicitly "the United States should cooperate with other governments and seek support of other governments".

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The limitation we have in the Congress is the cap on US spending; we want to get that lifted. We have met no resistance from senior members of the intelligence committees to the idea of getting help with third country funding.(S)

Mr. Meese: As another non-practicing lawyer I want to emphasize that it's important to tell the Department of Justice that we want them to find the proper and legal basis which will permit the United States to assist in obtaining third party resources for the anti-Sandinistas. You have to give lawyers guidance when asking them a question.(S)

Secretary Weinberger: I agree that we should be giving greater emphasis to obtaining funding for the anti-Sandinistas. We should make it a major issue with the Congress, Mr. President. I also agree that we should facilitate third country support for the anti-Sandinista groups. Third, I want to emphasize my concerns about the US trying to conduct separate bilateral negotiations with Nicaragua in order to get a regional settlement. We should be supporting the Contadora countries in order to help them get a good treaty; we should not be taking the lead in doing this ourselves. And, I believe we would have much better success with Congress if we are seen as helping others to obtain a good Contadora treaty and that there would be negative effects if Mexico and Cuba are seen as coming into the whole negotiating process. Honduras is not eager to have the United States undertake these separate bilateral negotiations with Nicaragua. In fact, they are very alarmed about this and that is why they are starting to pull away from security cooperation with us.(S)

Mr. McFarlane: With regard to diplomacy, Secretary Shultz should recommend specific measures so that the negotiating process will, in fact, be perceived as supportive of these friendly Central American countries in order to obtain a good Contadora treaty. The Secretary of Defense can propose such additional activities as may help our friends meet the coming guerrilla offensive in El Salvador and improve the morale of our friends in the region; Jim Baker and Ed Meese might examine the best way of getting additional money to expand our public affairs efforts and to have a greater impact in the Congress and to obtain an opinion from the Attorney General.(S)

Mr. Casey: We need the legal opinion which makes clear that the US has the authority to facilitate third country funding for the anti-Sandinistas; and at the same time, we need to find a way to provide humanitarian assistance to any anti-Sandinista and their families who might be going into Costa Rica or Honduras to escape the Nicaraguan military actions against them. We need this humanitarian assistance to be available right away.(S)

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President Reagan: There are persons now meeting with the Nicaraguans; and without aborting anything, we do want to keep getting a good Contadora treaty as the focus of our negotiating process. On the anti-Sandinistas, I am behind an all-out push in Congress. We must obtain the funds to help these freedom fighters. On the Contadora negotiations, there is a risk right now that our separate talks with the Nicaraguans might be misunderstood, and we need to make sure that does not happen and that our friends know they can rely on us.(S)

Secretary Weinberger: We don't need to shut off or abort any negotiations. As I have said, there is a third way between no negotiations and a separate US/Nicaragua bilateral deal. That third way, Mr. President, is that we continue actively to support our Central American friends in order to get a good Contadora treaty that provides a real solution.(S)

Secretary Shultz: Right now Shlaudeman is instructed to talk only about the US Aide Memoire, and we can keep to the Contadora process as the basis of our talks with the Nicaraguans, but then the US negotiating initiative with Nicaragua is no more.(S)

President Reagan: I don't think we should quit on it.(S)

Secretary Weinberger: We don't need to quit--just use the US talks with Nicaragua in order to support our Central American friends and get a good Contadora treaty.(S)

President Reagan: I just think, now, to back away from talks will also look like a defeat, but I can't imagine that Nicaragua would offer anything reasonable in a bilateral treaty.(S)

Mr. McFarlane: The four friendly Central American countries developed a treaty proposal in late April. Secretary Shultz and the four Contadora countries have the text of a draft Contadora treaty which needs a lot of work to become reasonable. One possible agenda item for the US-Nicaragua talks is that the US could talk about the draft Contadora treaty and use the late April document of the Central American four countries to provide criteria for how this treaty needs to be improved. Then, the US can go back to these four Central American countries with Nicaraguan comments on the draft treaty and suggestions for improving it.(S)

Mr. Meese: Is there any chance to pass the funds for the anti-Sandinistas before the Congress goes on recess?(S)

Mr. Casey: We estimate that of about 8,000 FDN fighters, 4,000 might decide to get out of Nicaragua once their ammunition

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runs out in August; and each of these may have about four family members with him. Therefore, these 16,000 possible new refugees need to have humanitarian assistance available by August.(S)

Vice President Bush: How can anyone object to the US encouraging third parties to provide help to the anti-Sandinistas under the finding? The only problem that might come up is if the United States were to promise to give these third parties something in return so that some people could interpret this as some kind of an exchange.(S)

Mr. Casey: Jim Baker changed his mind as soon as he saw the finding and saw the language.(S)

Mr. McFarlane: I propose that there be no authority for anyone to seek third party support for the anti-Sandinistas until we have the information we need, and I certainly hope none of this discussion will be made public in any way.(S)

President Reagan: If such a story gets out, we'll all be hanging by our thumbs in front of the White House until we find out who did it.(S)

The meeting adjourned at 3:50 P.M.(U)

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