ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane	3/17	WM
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XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

TOP SECRET SENSITIVE

EYES ONLY

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NSC/ICS CONTROL NO. 400246

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MEMORANDUM

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SYSTEM IV
NSC/ICS-400246

NATIONAL SECURITY COUNCIL

March 16, 1985

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ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Fallback Plan for the Nicaraguan Resistance

The plan attached at Tab I has been developed, pursuant to our discussion on Friday regarding fallback options. It is premised on the assumption of a major Congressional budget battle and an assessment that the Congress will not rescind the restrictions in Section 8066 of the FY-85 C.R. (Tab A). Should you determine in your meeting with Senators Durenburger and Lugar (Tuesday, March 19, 0730) that the Congress will not endorse a resumption of USG support to the resistance, the plan at Tab I provides a workable alternative.

Secrecy for the plan is paramount. We could not implement such an option if it became known in advance and it also mandates that present donors continue their relationship with the resistance beyond the current funding figure. The plan would require the President to make a major public pronouncement which, in turn, must be supported by other Administration officials, resistance leaders, and regional Heads of State once it has been announced.

RECOMMENDATION

That, if Durenburger and Lugar indicate an unwillingess to support resumption of USG aid to the resistance, you discuss the attached plan with Secretary Shultz following your meeting.

Approve _____ Disapprove _____

Attachments
Tab I - Fallback Option Plan
Tab A - Section 8066 of the FY-85 C.R.

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Declassify: OADR

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SENSITIVE

AKW037402

FALLBACK OPTION PLAN FOR THE NICARAGUAN RESISTANCE

Assumptions. The Congress is unwilling to support release of $14M in USG funds for the purpose of supporting, directly or indirectly, military or paramilitary operations in Nicaraguan. The FY-86 budget is seriously jeopardized by Congressional action and will require a major effort on the part of the President immediately after the MX vote through mid-July. There will be insufficient time or assets available to organize the kind of Administration-wide effort required to achieve an affirmative vote in both Houses on the Nicaraguan resistance program.

Section 8066 of the law (Tab A) expires on October 1, 1985. There are currently $28M requested in the FY-86 intelligence budget for the purpose of supporting paramilitary operations by the Nicaraguan resistance. The current funding relationship which exists between the resistance and its donors is sufficient to purchase arms and munitions between now and October--if additional monies are provided for non-military supplies (e.g., food, clothing, medical items, etc.). The current donors will have to be convinced of the need to continue their funding for munitions after October 1, 1985. A commitment for another $25-30M from the donors will be necessary for munitions in 1986 in anticipation that the $28M requested in the intelligence budget is not approved.

Concept. In lieu of forwarding the report to the Congress required by Section 8066 of PL 98-473, the President would announce on or about April 2 that the American people should contribute funds ("...send your check or money order to the Nicaraguan Freedom Fighters, Box 1776, Gettysburg, PA...") to support liberty and democracy in the Americas. He would note that the monies raised would be used to support the humanitarian needs of those struggling for freedom against Communist tyranny in Central America. By necessity, the speech must be dramatic and a surprise. It cannot be leaked in advance.

Prior to the speech, the following steps must be taken:

-- Calero, Cruz, and Robelo (the principle leadership of the Nicaraguan armed and unarmed resistance) must be covertly advised of this plan and must assure of their support.

-- The Nicaraguan Freedom Fund, Inc., a 501(c)3 tax exempt corporation, must be established and obtain a Post Office Box 1776 in Gettysburg, Philadelphia, Valley Forge, or Yorktown. (This process is already underway.)

-- Presidents Suazo, Monge, and Duarte (and the appropriate leadership of each of those countries) must be apprised of this plan 1-2 days in advance of the announcement. They must be prepared to fully support the President's proclamation.

-- The current donors must be apprised of the plan and agree to provide additional $25-30M to the resistance for the purchase of arms and munitions.

-- Public groups and political action committees already mobilized for the Congressional campaign to relieve the 8066 constraints will have to be mobilized for the new approach (advertising, posters, mailings, phonecalls, etc.) several hours before the President speaks.

-- Assuming a Presidential speech on or about April 2 at 8:00 p.m., a briefing for senior Administration officials should be held at 7:00 p.m. that day in Room 450 OEOB to ensure that public commentary after the speech by these official is supportive of this proclamation

Additional Requirements.

-- Informal contact several months ago with a lawyer sympathetic to our cause indicated that such a procedure would be within the limits of the law. Fred Fielding should be asked to do conduct a very private evaluation of the President's role in making such a request.

-- The name of one of several existing non-profit foundations, we have established in the course of the last year, will be changed to Nicaraguan Freedom Fund, Inc. Several reliable American citizens must be contacted to serve as its corporate leadership on its board of directors along with Cruz, Calero, and Robelo

-- Calero, Cruz, and Robelo will support support such an option if properly approached. They should then be photographed with the President on the day of his announcement and prepared to appear on U.S. and other media supporting the President's program.

-- You will have to make a quick (one day) trip to the region, preferably the day before announcement in order to brief Heads of State and regional leaders. For obvious reasons, this must be a very secret trip.

-- The President's speech must be prepared in total secrecy much the same as Ben Elliott worked on the Grenada announcements.

ROUTING

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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

March 16, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Fallback Plan for the Nicaraguan Resistance

Congress is apparently reluctant to rescind the restrictions in Section 8066 of the FY-85 C.R. (Tab A). Should you determine in your meeting with Senators Durenburger and Lugar (Tuesday, March 19, 0730) that the Congress will not endorse a resumption of USG support to the resistance, we will need to develop a fallback plan for getting on with support for the resistance. The best fallback we have is to stress that, while President Reagan is unwilling to use U.S. troops in Nicaragua, all available intelligence supports the realization that we will have to in the 1990's, if there is not a democratic outcome now.

RECOMMENDATION

That, if Durenburger and Lugar indicate an unwillingness to support voting on USG aid to the resistance again this spring, you ask them for fallback options.

Approve ✓ Disapprove ____

Attachment
Tab A - Section 8066 of the FY-85 C.R.

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