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THE WHITE HOUSE

WASHINGTON

August 28, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: RICHARD A. HAUSER *Original signed by RAH*
DEPUTY COUNSEL TO THE PRESIDENT

SUBJECT: Proposed Executive Order Entitled.
"Establishment of Nicaraguan
Humanitarian Assistance Office"

Counsel's Office has reviewed the above-referenced proposed Executive Order. We concur in the Department of Justice conclusion that the Order is legally sufficient. It is critical to sustaining the legality of the Order that the funds appropriated for humanitarian assistance be provided to the new office through an existing agency (the Department of State).

This office noted throughout the drafting process that an Executive Order was unnecessary to implement the President's obligation under the Act to designate an agency to distribute the funds made available for humanitarian assistance. It was decided, for policy rather than legal reasons, to proceed with an Executive Order. Given that decision, we have no objection to this proposed version.

RAH:JGR:aea 8/28/85

cc: FFFielding

RAHauser

✓JGRoberts

Subj

Chron

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RAH:JGR:aea 8/28/85

cc: FFFielding
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Subj
Chron

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Proposed Executive Order entitled "Establishment
of Nicaraguan Humanitarian Assistance
Office"**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CU/Hall</u>	ORIGINATOR	<u>85,08,28</u>			<u>1 1</u>
	Referral Note:				
<u>CU/18</u>	<u>D/RAH</u>	<u>95,08,28</u>		<u>S</u>	<u>85,08,28</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
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to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
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A - Answered C - Completed
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FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

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Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 8/27/85 ACTION/CONCURRENCE/COMMENT DUE BY: 5:00 p.m. Wed., 8/28/85SUBJECT: PROPOSED EXECUTIVE ORDER ENTITLED "ESTABLISHMENT OF NICARAGUAN
HUMANITARIAN ASSISTANCE OFFICE"

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>CLERK</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	<u> </u>	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u> </u>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please submit your comments directly to my office by 5:00 p.m. Wednesday, August 28. Thank you.

RESPONSE:

1985 AUG 28 AM 8:21

David L. Chew
Staff Secretary
Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Received SS

August 27, 1985

AUG 27 PM 7:16

MEMORANDUM FOR: THE PRESIDENT

FROM: JOSEPH R. WRIGHT, JR. *Joseph R. Wright, Jr.*

SUBJECT: PROPOSED EXECUTIVE ORDER ENTITLED
"ESTABLISHMENT OF NICARAGUAN HUMANITARIAN
ASSISTANCE OFFICE"

SUMMARY. This memorandum forwards for your consideration a proposed Executive order that would establish an entity for administering humanitarian assistance for the Nicaraguan democratic resistance and designate that entity as the recipient of the funds made available to the President by the recently enacted Supplemental Appropriations Act.

BACKGROUND. Chapter V of the Supplemental Appropriations Act (Public Law 99-88) appropriated \$27 million to the President for humanitarian assistance to the Nicaraguan democratic resistance, to be administered by an agency designated by the President. Pursuant to section 722(g) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83), neither the Department of Defense nor the Central Intelligence Agency may provide such assistance. The proposed Executive order therefore would establish the Nicaraguan Humanitarian Assistance Office (NHAO) within the Department of State, and designate that entity as the recipient of the appropriated funds.

The NHAO will be headed, by a Director, who will be an officer of the United States to be designated by the President. The Office will, in accordance with applicable laws, administer the program of humanitarian assistance to the Nicaraguan democratic resistance. The funds made available for that program will be provided to the Director by the Department of State. The Secretary of State will provide continuous supervision and general direction of the programs and activities carried out by the Office.

In order to comply with the Russell rider (31 U.S.C. 1341), the Office will, unless otherwise extended, terminate on April 1, 1986, or one week following completion of disbursement of the funds made available under section 722(g) of the ISDCA by chapter V of the Supplemental Appropriations Act.

The proposed Executive order will delegate to the Director functions conferred upon the President by sections 634(a) and 635(b) of the Foreign Assistance Act of 1961, as amended, that relate to the conduct of the programs and activities of the office. The proposal also authorizes the Director to take certain procurement actions without regard to certain provisions of law and the limitations of authority set forth in Executive Order No. 11223, as amended. The proposed order also authorizes the Director to classify information originally as Top Secret.

An earlier version of the proposed Executive order would have established NHAO as an independent entity within the Executive Branch. The Department of Justice, however, concluded that such an arrangement was not legally sufficient, and the proposed order has been revised so that funds will be made available to the Director through the Department of State. As revised, all affected agencies support the proposed Executive order.

The Assistant to the President for National Security Affairs has requested that the proposed Executive order be processed promptly for early presentation to the President.

RECOMMENDATION. I recommend that you sign the proposed Executive order.

Enclosure

EXECUTIVE ORDER

- - - - -

ESTABLISHMENT OF NICARAGUAN HUMANITARIAN ASSISTANCE OFFICE

By the authority vested in me as President by the Constitution and laws of the United States of America, including
→ section 722 of the International Security and Development
Cooperation Act of 1985 (Public Law No. 99-83) (the Act), chapter
→ V of the Supplemental Appropriations Act, of 1985 (Public Law No.
99-88) (the Supplemental Act), the Foreign Assistance Act of
1961, as amended (22 U.S.C. 2151 et seq.) (the FAA), including ✓
but not limited to sections 621, 632, and 633 thereof (22 U.S.C.
2381, 2392, 2393), and section 301 of title 3 of the United ✓
States Code, it is hereby ordered as follows:

Section 1. Establishment. (a) There is hereby established the Nicaraguan Humanitarian Assistance Office (the Office).

(b) The Office shall, unless otherwise extended, terminate on April 1, 1986, or one week following completion of
→ disbursement of the funds made available under section 722(g) of
the Act by chapter V of the Supplemental Act, whichever date is later.

Sec. 2. Functions. The Office shall, in accordance with the FAA, section 722(g) of the Act, chapter V of the Supplemental Act, and the provisions of this Order, administer the program of humanitarian assistance to the Nicaraguan democratic resistance authorized thereunder. The Office may, to the extent permitted by law and the provisions of this Order, enter into such grant agreements and contracts and take such other actions as may be necessary to implement the program effectively.

Sec. 3. Policy guidance. In accordance with the FAA, and to the end that such programs and activities are effectively integrated with and supportive of the foreign policy of the United States, the Secretary of State shall be responsible for the continuous supervision and general direction of the programs and activities carried out by the Office.

Sec. 4. Administration. (a) At the head of the Office there shall be a Director, who shall be an officer of the United States designated by the President. The Director shall exercise immediate supervision and direction over the Office.

(b) The Director may, to the extent permitted by law, including but not limited to section 621 of the FAA (22 U.S.C. 2381), employ such staff from Federal agencies as may be necessary, except that the staff shall be limited to twelve supervisory personnel, plus appropriate support personnel. No personnel from the Department of Defense or the Central Intelligence Agency may be detailed or otherwise assigned to the Office.

(c) The Secretary of State shall provide the Office with such administrative services, facilities and other support as may be necessary for the performance of its functions. Funds made available under section 722(g) of the Act by chapter V of the Supplemental Act shall be provided to the Office through the Department of State.

(d) At the request of the Director, and to the extent otherwise permitted by law, the agencies of the Executive Branch shall provide such information, advice, additional administrative services and facilities as may be necessary for the fulfillment of the Office's functions under this Order.

2
Sec. 5. Classification Authority. In accordance with
→ section 1.2(a)(2) of Executive Order No. 12356 of April 1, 1982,
the Director is hereby designated as an agency official with
authority to classify information originally as Top Secret. The
Director shall ensure that the Office establishes and maintains
controls for the safeguarding of classified information as
provided in part 4 of that Order.

✓
Sec. 6. Delegation of Functions. Subject to the provisions
of this Order and Executive Order No. 12163 of September 29,
1979, as amended, and to the extent necessary to the efficient
and effective implementation of this Order, there are hereby
delegated to the Director the functions conferred upon the
President (and not reserved to him) by sections 632(a) and 635(b)
of the FAA and other provisions of that Act (including but not
limited to those set forth in Part III of the FAA) that relate
directly and necessarily to the conduct of the programs and
activities vested in or delegated to the Director.

Sec. 7. Procurement. (a) In accordance with the
provisions of section 633 of the FAA (22 U.S.C. 2393), it is
hereby determined to be in furtherance of the purposes of the FAA
that the functions authorized thereunder, as set forth in section
2 of this Order, may be performed by the Director without regard
to the provisions of law and limitations of authority specified
in Executive Order No. 11223 of May 12, 1965, as amended.

(b) It is directed that each specific use of the waivers of
statutes and limitations of authority authorized by this section
shall be made only when determined in writing by the Director
that such use is necessary to the efficient and effective
implementation and in furtherance of the purposes of this Order

and in the interest of the United States.

→ Sec. 8. Reports. The Director shall assist the President in preparing the reports required by section 722(j)(2) of the Act, including a detailed accounting of the disbursements made to provide humanitarian assistance with the funds provided pursuant to section 722(g) of the Act. The Director shall keep the President informed about the implementation of the program.


THE WHITE HOUSE,

THE WHITE HOUSE

WASHINGTON

October 31, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS, JR. 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Semi-Annual Report re: Nicaraguan Sanctions

Counsel's Office has reviewed the draft report to Congress on the Nicaraguan emergency order, required by 50 U.S.C. § 1703(c). In the third paragraph, line 4, "May 7, 1985" should be changed to "May 8, 1985." Although the effective date of the Executive Order was May 7, the Treasury regulations were not issued until May 8. There is also a typographical error in the second line on page 2.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) _____Name of Correspondent: David Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Semi-annual Report re: Nicaraguan Sanctions

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUHOLL</u>	ORIGINATOR	<u>85/10/31</u>			<u>1 1</u>
	Referral Note:				
<u>CUAT18</u>	<u>R</u>	<u>85/10/31</u>		<u>S</u>	<u>85/10/31</u>
	Referral Note:			<u>11:00 a.m.</u>	
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

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Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

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Send all routing updates to Central Reference (Room 75, OEOP).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 10/30/85 ACTION/CONCURRENCE/COMMENT DUE BY:

11:00 A.M. TOMORROW

10/31

SUBJECT: SEMI-ANNUAL REPORT RE NICARAGUAN SANCTIONS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input type="checkbox"/>	McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>
MILLER	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/> P	<input type="checkbox"/> SS	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Do you have any objections?

RESPONSE:



THE SECRETARY OF THE TREASURY
WASHINGTON

Received
OCT 29 1985

October 29, 1985

Dear Mr. President:

Under the International Emergency Economic Powers Act, you are required to submit a semi-annual report to the Congress concerning the Nicaraguan emergency. A draft of the first such report, summarizing the developments concerning the Nicaraguan sanctions during the past six months and approved by the Department of State, is enclosed.

I recommend that you forward the proposed report to Congress by November 1, 1985, the end of the current six-month period.

Sincerely,

James A. Baker, III

The President
The White House
Washington, D. C. 20500

Enclosure

TO THE CONGRESS OF THE UNITED STATES:

On May 1, 1985, in Executive Order No. 12513, I declared a national emergency to deal with the threat to the national security and foreign policy of the United States posed by the policies and actions of the Government of Nicaragua. In that order, I prohibited: (1) all imports into the United States of goods and services of Nicaraguan origin; (2) all exports from the United States of goods to or destined for Nicaragua except those destined for the organized democratic resistance; (3) Nicaraguan air carriers from engaging in air transportation to or from points in the United States; and (4) vessels of Nicaraguan registry from entering United States ports.

The declaration of emergency was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act, 50 U.S.C. 1701 et seq., and the National Emergencies Act, 50 U.S.C. 1601 et seq. I reported the declaration to the Congress on May 1, 1985, pursuant to Section 1703(b) of the International Emergency Economic Powers Act.

The Office of Foreign Assets Control of the Department of the Treasury issued the Nicaraguan Trade Control Regulations implementing the prohibitions in Executive Order No. 12513 on May 7, 1985, 50 Fed. Reg. 19890 (May 10, 1985). I am enclosing a copy of these regulations with this report.

It should be noted that Section 540.505 permits the issuance of licenses authorizing the export of goods from the United States to Nicaragua in certain circumstances involving contractual obligations which the exporter incurred prior to May 1, 1985. The regulation provides that such exports may be authorized only through October 31, 1985. Once this deadline has passed, licenses for exports on prior contractual grounds will no longer be available.

The policies and actions of the Government of Nicaragua continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Nicaragua as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

THE WHITE HOUSE,

IN ADVANCE OF PRINTED COPY

DEPARTMENT OF THE TREASURY
Office of Foreign Assets Control
31 C.F.R. Part 540
Nicaraguan Trade Control Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury

ACTION: Final Rule

SUMMARY: On May 1, 1985, the President issued Executive Order 12513, declaring a national emergency with respect to Nicaragua, invoking the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), ordering specified controls with respect to Nicaragua, and delegating his authority under that Act to the Secretary of the Treasury. In implementation of that order, the Treasury Department is issuing the Nicaraguan Trade Control Regulations. These Regulations: a) prohibit imports into the United States of goods and services of Nicaraguan origin; b) prohibit exports from the United States of goods to Nicaragua, except those for the organized democratic resistance; c) prohibit vessels of Nicaraguan registry from entering U.S. ports; d) prohibit transport by Nicaraguan air carriers to or from the United States; and e) prohibit transactions relating to the preceding prohibitions.

EFFECTIVE DATE: 12:01 a.m. Eastern Daylight Time, May 7, 1985.

FOR FURTHER INFORMATION: Contact Dennis M. O'Connell, Director, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220, Tel. (202) 376-0395.

SUPPLEMENTARY INFORMATION: Since the regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., does not apply. Because the regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal Regulations. The information collection requests contained in this document are being submitted to the Office of Management and Budget under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq. Notice of OMB action on these requests will be published in the Federal Register.

DEPARTMENT OF THE TREASURY
Office of Foreign Assets Control
31 CFR Part 540
Nicaraguan Trade Control Regulations

Subpart A -- Relation of this Part to Other Laws and Regulations

Section 540.101 Relation of this part to other laws and regulations.

Subpart B -- Prohibitions

Section 540.204 Prohibited imports of goods and services from Nicaragua.

Section 540.205 Prohibited exports of goods to Nicaragua.

Section 540.206 Prohibited transactions with Nicaraguan vessels.

Section 540.207 Prohibited transactions with Nicaraguan air carriers.

Section 540.208 Prohibited related transactions.

Section 540.209 Evasions; effective date.

Subpart C -- General Definitions

Section 540.301 Effective date.

Section 540.302 Nicaragua; Nicaraguan.

Section 540.308 Person.

Section 540.316 Nicaraguan origin.

Section 540.321 United States.

Subpart D -- Interpretations

Section 540.401 Offshore transactions.

Section 540.402 Technical data.

Section 540.403 Imports of services of Nicaraguan origin.

Section 540.404 Transshipment through United States prohibited.

Section 540.405 Imports from third countries; transshipments.

Section 540.406 Exports to third countries; transshipments.

Section 540.407 Imports into bonded warehouse or foreign trade zone.

Section 540.408 Release from bonded warehouse or foreign trade zone.

Section 540.409 Import and export of goods in transit before the effective date.

Section 540.410 Transactions relating to unprohibited offshore transactions.

Subpart A -- Relation of This Part to Other Laws and Regulations

Section 540.101 Relation of this part to other laws and regulations.

(a) This part is independent of Parts 500, 505, 515, 520, and 535 of this chapter. Those parts do not relate to Nicaragua. No license or authorization contained in or issued pursuant to those other parts authorizes any transaction prohibited by this part. In addition, licenses or authorizations contained in or issued pursuant to any other provision of law or regulations do not authorize any transaction prohibited by this part.

(b) No license or authorization contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations. For example, no license or authorization contained in or issued pursuant to this part authorizes the export of goods or the export of technical data for which a validated license would be required under the Export Administration Regulations (15 C.F.R. Part 368 et seq.) in the absence of such validated license.

Subpart B -- Prohibitions

Section 540.204 Prohibited imports of goods and services from Nicaragua.

Except as authorized by regulations, rulings, instructions, licenses, or otherwise, the following may not be imported into the United States:

- (a) services of Nicaraguan origin; or
- (b) goods of Nicaraguan origin.

Section 540.205 Prohibited exports of goods to Nicaragua.

Except as authorized, no goods may be exported from the United States either to or destined for Nicaragua, except those for the organized democratic resistance, and except donated articles such as food, clothing, and medicine, intended to be used to relieve human suffering.

Section 540.206 Prohibited transactions with Nicaraguan vessels.

Vessels of Nicaraguan registry are prohibited from entering into United States ports.

Section 540.207 Prohibited transactions with Nicaraguan air carriers.

Nicaraguan air carriers are prohibited from providing air transportation to or from points in the United States.

(c) services performed in Nicaragua or by a Nicaraguan national. However, the term "services of Nicaraguan origin" does not include diplomatic and consular services performed on behalf of the Nicaraguan Government.

Section 540.321 United States.

The term "United States" means the United States and all areas under the jurisdiction or authority thereof, including the Trust Territory of the Pacific Islands.

Subpart D -- Interpretations

Section 540.401 Offshore transactions.

(a) The prohibitions contained in section 540.204 do not apply to the importation into locations outside the United States of goods or services of Nicaraguan origin.

(b) The prohibitions contained in section 540.205 do not apply to the export of goods to or destined for Nicaragua from locations outside the United States.

Section 540.402 Technical data.

The term "goods" shall include, inter alia, technical data in tangible form including, but not limited to, a model, prototype, blueprint, drawing, operating manual, computer software, tape recording, microfiche, or other material in machine readable form. The term "goods" does not apply to oral transmission of technical data in the course of performance of services, telephone communications, lectures, seminars, or plant visits.

Section 540.403 Imports of services of Nicaraguan origin.

(a) Services of Nicaraguan origin are imported into the United States when:

(1) such services are performed in Nicaragua and are contracted for, or on behalf of, a person within the United States and for the benefit of a person within the United States; or

(2) such services are performed in the United States by a national of Nicaragua who is in the United States for purposes of performing such services as an employee or contractor of a business or governmental entity located in Nicaragua.

Example #1: A company located in the United States requests an opinion from a Nicaraguan accounting firm. Section 540.204 prohibits the U.S. firm from contracting for and receiving such an opinion.

goods will be transshipped to Nicaragua without being incorporated into manufactured products or otherwise substantially transformed in a third country.

Section 540.407 Imports into bonded warehouse or foreign trade zone.

The prohibition in Section 540.204 applies to imports into a bonded warehouse or foreign trade zone of the United States.

Section 540.408 Release from bonded warehouse or foreign trade zone.

Section 540.204 does not prohibit the release from a bonded warehouse or a foreign trade zone of goods of Nicaraguan origin imported into a bonded warehouse or a foreign trade zone prior to the effective date.

Section 540.409 Import and export of goods in transit before the effective date.

(a) Section 540.204 does not apply to goods (a) if imported by vessel, where the vessel arrives within the limits of a port in the United States prior to the effective date with the intent to unlade such goods; or (b) if imported other than by vessel, where the goods arrive within the Customs territory of the United States before the effective date.

(b) Section 540.205 does not apply to goods (a) if exported by vessel or airline, where the goods are laden on board before the effective date; or (b) if exported other than by vessel or airplane where the goods have left the United States before the effective date.

(c) Payments relating to goods described in paragraph (a) and (b) of this section are authorized, even where such related payments occur after the effective date.

Section 540.410 Transactions relating to unprohibited offshore transactions.

The prohibitions in Subpart B do not extend to transactions by a person located in the United States relating to transactions outside the United States which are themselves not prohibited by Subpart B, such as financial, service or brokerage transactions involving offshore transactions with Nicaragua.

Subpart E -- Licenses, authorizations and statements of licensing policy

Section 540.502 Effect of license or authorization.

(a) No license or other authorization contained in this part, or otherwise issued by or under the direction of the

Section 540.505 Exports pursuant to prior contractual commitments.

(a) Goods that were in transit to Nicaragua before the effective date may be exported in accordance with the provisions of Section 540.409.

(b) Specific licenses will normally be granted authorizing the export of goods from the United States to Nicaragua after the effective date and before November 1, 1985, provided the exporter demonstrates that it has a legal obligation to export the goods to Nicaragua under a contract entered into prior to May 1, 1985, and either that:

(1) the exporter's obligation is guaranteed under an outstanding performance bond which can successfully be invoked by the Nicaraguan importer; or

(2) the exporter is unable to sell the goods to any other purchaser without incurring a loss.

Section 540.533 Certain exports authorized.

(a) All transactions ordinarily incident to the exportation of any item, commodities, or products from the United States to or destined for Nicaragua are authorized if such exports are authorized under one or more of the following regulations administered by the Department of Commerce:

(1) 15 C.F.R. Section 371.6, General license BAGGAGE: accompanied and unaccompanied baggage;

(2) 15 C.F.R. Section 371.13, General license GUS: Shipments to personnel and agencies of the U.S. Government;

(3) 15 C.F.R. Section 371.18, General license GIFT: Shipments of gift parcels;

(4) 15 C.F.R. Section 379.3, General license GTDA: technical data available to all destinations;

(5) 15 C.F.R. Section 371.19, General license GATS: relating to foreign-registry civil aircraft (except that transactions relating to Nicaraguan-registered air carriers are not authorized), and to U.S. air carrier aircraft and other U.S.-registry civil aircraft.

(b) All transactions are authorized ordinarily incident to the exportation from the United States to or destined for Nicaragua of the following items described as cited:

(1) 15 C.F.R. Section 399.1, Commodity Control List, Group 5, CCL No. 7599I: microfilm that reproduces the content of certain publications, and similar materials.

Section 540.541 Certain exports by intergovernmental organizations.

Applications by intergovernmental organizations in the United States for exportation of U.S. goods to Nicaragua will be considered on a case-by-case basis.

Section 540.542 Telecommunications and mail transactions authorized.

All transactions of common carriers incident to the receipt or transmission of telecommunications and mail between the United States and Nicaragua are authorized.

Subpart F -- Reports

Section 540.601 Required records.

Every person engaging in any transaction subject to the provisions of this part shall keep a full and accurate record of each transaction in which he engages, regardless of whether such transaction is effected pursuant to license or otherwise, and such record shall be available for examination for at least two years after the date of such transaction.

Section 540.602 Reports to be furnished on demand.

Every person is required to furnish under oath, in the form of reports or otherwise, from time to time and at any time as may be required, complete information relative to any transaction, regardless of whether such transaction is effected pursuant to license or otherwise, subject to the provisions of this part. Such reports may be required to include the production of any books of account, contracts, letters or other papers, connected with any such transaction or property, in the custody or control of the persons required to make such reports. Reports with respect to transactions may be required either before or after such transactions are completed. The Secretary of the Treasury may, through any person or agency, investigate any such transaction or property or any violation of the provisions of this part regardless of whether any report has been required or filed in connection therewith.

Subpart G -- Penalties

Section 540.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act, which provides in part:

A civil penalty not to exceed \$10,000 may be imposed on any person who violates any license, order, or regulation issued under this title.

themselves of certain general licenses may be required to file reports and statements in accordance with the instructions specified in those licenses.

(b) Specific licenses.

(1) General course of procedure. Transactions subject to the prohibitions contained in Subpart B of this part which are not authorized by general license may be effected only under specific licenses. The specific licensing activities of the Office of Foreign Assets Control are performed by its Washington Office and by the Federal Reserve Bank of New York.

(2) Applications for specific licenses. Applications for specific licenses to engage in any transaction prohibited by or pursuant to this part are to be filed in duplicate with the Federal Reserve Bank of New York. Any person having an interest in a transaction or proposed transaction may file an application for a license authorizing such transaction, and there is no requirement that any other person having an interest in such transaction shall or should join in making or filing such application.

(3) Information to be supplied. The applicant must supply all information specified by the respective forms and instructions. Such documents as may be relevant shall be attached to each application as a part of such application except that documents previously filed with the Office of Foreign Assets Control may, where appropriate, be incorporated by reference. Applicants may be required to furnish such further information as is deemed necessary to a proper determination by the Office of Foreign Assets Control. If an applicant or other party in interest desires to present additional information or discuss or argue the application, he may do so at any time before or after decision. Arrangements for oral presentation should be made with the Office of Foreign Assets Control.

(4) Effect of denial. The denial of a license does not preclude the reopening of an application or the filing of a further application. The applicant or any other party in interest may at any time request explanation of the reasons for a denial by correspondence or personal interview.

(5) Reports under specific licenses. As a condition upon the issuance of any license, the licensee may be required to file reports with respect to the transaction covered by the license, in such form and at such times and places as may be prescribed in the license or otherwise.

(6) Issuance of license. Licenses will be issued by the Office of Foreign Assets Control acting on behalf of the Secretary of the Treasury or by the Federal Reserve Bank of New York, acting in accordance with such regulations, rulings and instructions as the Secretary of the Treasury or the Office of

Section 540.808 Customs procedures: merchandise specified in Section 540.204.

(a) With respect to merchandise specified in Section 540.204 appropriate Customs officers shall not accept or allow any:

(1) Entry for consumption or warehouse (including any appraisement entry, any entry of goods imported in the mails, regardless of value, and any informal entries);

(2) Entry for immediate exportation;

(3) Entry for transportation and exportation;

(4) Withdrawal from warehouse;

(5) Entry, transfer or withdrawal from a foreign trade zone; or

(6) Manipulation or manufacture in a warehouse or in a foreign trade zone, unless either:

(i) The merchandise was imported prior to 12:01 a.m., May 7, 1985, or

(ii) A specific license pursuant to this part is presented, or

(iii) Instructions from the Office of Foreign Assets Control, either direct or through the Federal Reserve Bank of New York, authorizing the transaction are received.

(b) Whenever a specific license is presented to an appropriate Customs officer in accordance with this section, one additional legible copy of the entry, withdrawal or other appropriate document with respect to the merchandise involved shall be filed with the appropriate Customs officers at the port where the transaction is to take place. Each copy of any such entry, withdrawal or other appropriate document, including the additional copy, shall bear plainly on its face the number of the license pursuant to which it is filed. The original copy of the specific license shall be presented to the appropriate Customs officers in respect of each such transaction and shall bear a notation in ink by the licensee or person presenting the license showing the description, quantity and value of the merchandise to be entered, withdrawn or otherwise dealt with. This notation shall be so placed and so written that there will exist no possibility of confusing it with anything placed on the license at the time of its issuance. If the license in fact authorizes the entry, withdrawal or other transaction with regard to the merchandise the appropriate Customs officer, or other authorized

[AUTHORITY: Section 201-207, 91 Stat. 1626, 50 U.S.C. 1701-1706;
E.O. 12513]

Dated: May 8, 1985

Dennis M. O'Connell

Dennis M. O'Connell

Director

Office of Foreign Assets Control

Approved: John M. Walker, Jr.

John M. Walker, Jr.

Assistant Secretary

Enforcement & Operations

Filed: May 8, 1985

Publication Date: May 10, 1985

THE WHITE HOUSE

WASHINGTON

February 13, 1986

MEMORANDUM FOR DONALD EBERLY
ASSOCIATE DIRECTOR FOR PUBLIC LIAISON

FROM: JOHN G. ROBERTS *JGR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Proposed Letter to William Blakemore

Counsel's Office has reviewed the proposed letter to William Blakemore of the Gulf and Caribbean Foundation. As we have discussed, the last paragraph should be revised to remove any suggestion that we are encouraging direct private assistance to the Contras or that we are supporting any lobbying efforts by the Foundation or associated groups before Congress.

In our discussion you noted that the purpose of the letter was to commend the public awareness efforts of the Foundation. The following suggested revision focuses on this legitimate Foundation activity and removes the ambiguity that could raise legal questions:

"These are hard times for the Contras. It is important that all Americans recognize the threat posed by sophisticated Soviet and Cuban weapons in Nicaragua. I know you share my concern that progress must continue in promoting the cause of democracy in Central America. Again, your efforts have been deeply appreciated."

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 / 1Name of Correspondent: Cynthia Duncan☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Proposed Letter from Linda Chavez to
William Blakemore re: Freedom Fighters in
Nicaragua

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUHOLL</u>	ORIGINATOR	<u>86/01/21</u>			<u>1 / 1</u>
	Referral Note:				
<u>CUAT 18</u>	<u>R</u>	<u>86/01/21</u>		<u>S</u>	<u>86/01/22</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: Response should be directed to Don Eberly.

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOb).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

THE WHITE HOUSE
WASHINGTON


January 21, 1986

Janel:

This is the letter that has to be cleared by the Counsel's office. Please take to Dianna Holland and ask her if she would pass on to the appropriate lawyer for review and comment, if any.

If you or Counsel's office have any questions, please call Don Eberly on Ext. 6510.

Thanks.


Cynthia Duncan

THE WHITE HOUSE
WASHINGTON

January 21, 1986

Dear Mr. Blakemore:

The increase in Communist activity in Central America is becoming more alarming. Both Havana and Moscow are sending large quantities of sophisticated weapons into Nicaragua making it more and more difficult for the Freedom Fighters to continue their progress.

As we begin a new year and face a new set of priorities here at the White House, I am reminded again of the key leadership role the Gulf and Caribbean group played last year in helping to expand freedom in Central America. Your work, along with that of Dan Kuykendall and his colleagues here in town, truly helped make the critical difference.

These are hard times for the Contras. The presence of sophisticated Soviet and Cuban weapons in Nicaragua makes it essential that the Contras are able to defend themselves. I know you share my concern that progress must continue throughout 1986 in weakening the oppressive forces of Communism in Central America. Again, your efforts have been deeply appreciated.

Sincerely,

Linda Chavez
Deputy Assistant to the President
and Director of Public Liaison

Mr. William Blakemore
President
The Gulf and Caribbean Foundation
200 West Illinois Avenue
Midland, Texas 79701

THE WHITE HOUSE

WASHINGTON

March 5, 1986

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF SPEECHWRITING

FROM: JOHN G. ROBERTS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Radio Talk: Nicaragua

Counsel's Office has reviewed the above-referenced draft radio talk, and finds no objection to it from a legal perspective. The first two lines of the fourth paragraph on page one are, however, subject to misinterpretation. The sentence can be read to mean that no nation received more aid from us than did Nicaragua, which is not true. This confusion can be cured by adding "was providing" after "nation" at the end of the second line of the paragraph.

cc: David L. Chew

ID # _____

CU

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) _____

Name of Correspondent: _____

☐ MI Mail Report

User Codes: (A) _____

(B) _____

(C) _____

Subject: _____

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CUTROLL		ORIGINATOR	86103105			1 1
		Referral Note:				
emat 18		R	86103105		586103106	9am
		Referral Note:				
			1 1			1 1
		Referral Note:				
			1 1			1 1
		Referral Note:				
			1 1			1 1
		Referral Note:				

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure

I - Info Copy Only/No Action Necessary
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DISPOSITION CODES:

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Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 3/5/86 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 a.m. 3/6/86SUBJECT: RADIO TALK: NICARAGUA

(3/5/86 - 12:00 noon draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
BALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ELLIOTT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 9:00 a.m. tomorrow morning. Thanks.

RESPONSE: _____

(Elliott)
March 5, 1986
12:00 Noon

RECEIVED
MAR -5 PM 14
PRESIDENTIAL RADIO TALK: NICARAGUA
SATURDAY, MARCH 8, 1986

My fellow Americans, I want to speak to you today about our request to help the Nicaraguan freedom fighters which Congress may be voting on within the next 2 weeks.

Let me say at the outset -- this will be a vote of supreme importance. History will soon record whether the United States Congress, faced with a powerful Soviet-bloc challenge to capture Nicaragua and spread communism throughout Central America, stood by, paralyzed and impotent, or summoned the courage to stand up for freedom and America's security.

The facts are clear and the facts are compelling. The days of pretending Nicaragua is some aggrieved, misunderstood country, an innocent lamb of peace wishing only to live in harmony with its people and neighbors have long passed. Nicaragua is a country held captive by a cruel clique of deeply committed Communists at war with God and man from their first days.

Between 1979 and 1981, when a trusting America was still providing more economic aid to Nicaragua than any other nation, the Nicaraguans themselves were already saying ✓

"...Marxism-Leninism is the scientific doctrine that guides our revolution..." and, "This revolution goes beyond our borders."

Give them their due, these men are serious, deadly serious. Of all the nations in Central America today, only Nicaragua suspends all civil rights, censoring free speech and press. Only Nicaragua suppresses political parties and refuses any dialogue

with its opponents. Only Nicaragua murders political dissenters and indoctrinates children with Marxist class hatred. Only Nicaragua persecutes the Catholic Church, humiliates its Cardinal, its Pope, and tortures the believers of other religious groups -- from Mormons to Pentecostals to Miskito Indians.

Above all, only Nicaragua has turned itself into a flying wedge of aggression that bullies and subverts and terrorizes its neighbors. Nicaragua's policy to foment violence was laid out at a secret meeting back in 1979 -- a meeting involving all military, intelligence and security organizations, including the Defense and Secret Police ministries headed by key Communists, Humberto Ortega and Tomas Borge.

Now this dictatorship becomes ever more dangerous as a rising flood of weapons and manpower pour in from the Soviet bloc and their cold-blooded allies -- Iran, the PLO and Libya. One thing alone unites these enemies of democracy -- their hatred for America and America's values. These men did not come to Central America to spread good will. These men came to do us harm and they mean to succeed. As Qadhafi gloated, "Supporting Nicaragua, means a great thing. It means fighting America near its own borders."

It takes a blind eye -- a blind left eye -- to ignore this storm gathering so close to our homeland. From amassing a military force larger than all other Central American countries combined, to building the biggest air strip south of the Rio Grande -- big enough to handle Soviet Backfire bombers -- to being chief benefactor and supplier of weapons to El Salvador's

guerrillas, the radicals in Honduras, Costa Rica, Guatemala, and the terrorists who recently attacked the Palace of Justice in Colombia -- Nicaragua today rivals Cuba as the principal Communist warehouse and exporter of violence in our Western Hemisphere.

Soviet Foreign Minister Gromyko was once quoted as saying: America's greatest foreign policy weakness is an inability to understand the Soviet Union's final goals. He was right. Today, some still insist we must try harder to give peace a chance. Forgive me, but those demands should be directed to the Communists, not to the United States Government; directed to Nicaragua's dictator who's back in Havana again after the Cuban Third Party Congress endorsed a resolution that vowed to defeat the United States and support terrorist organizations around the world.

It is the Nicaraguan Communists who dismiss and disdain all our efforts for a dialogue mediated by the Catholic Church. It is they who suspended peace negotiations with their neighbors. And why not? As long as freedom fighters get only Band-Aids and boots from the U.S., while Nicaragua gets helicopter gunships from the Soviets -- the same death machines they're using to massacre the Afghan people -- they feel no need to negotiate. Without power, our diplomacy is without leverage.

My fellow Americans, the overriding question is not does our Administration want peace in Central America. The question is, will the Democratic Party help me meet a growing danger that's already disrupting peace in the region, and will eventually

imperil our own security? Our policy can keep Central America free without committing any American troops. Should the Democrats ignore the dangers and refuse to help me, history will hold them accountable -- not just for a Communist takeover of Central America, but for a greater and more painful price the United States will someday have to pay.

Until next week, thanks for listening and God bless you.