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February 7, 1984

National Security
Decision Directive 124CENTRAL AMERICA: PROMOTING DEMOCRACY,
ECONOMIC IMPROVEMENT, AND PEACE (S)

The National Bipartisan Commission on Central America (NBCCA) and the internal strategy review conducted for the National Security Planning Group (NSPG) agree that vital U.S. interests are jeopardized by the continuing crisis in Central America. Despite political and military gains in the past six months, Costa Rica and Honduras are increasingly threatened by the continuing Sandinista military build-up and the lack of real democratization in Nicaragua. The Sandinistas with Cuban/Soviet Bloc support continue to export subversion and insurgency throughout the region. In El Salvador progress on improving democratic institutions, human rights, economic development, and protecting internal reform is endangered by the growing, externally-supported insurgency. (S)

Both the NBCCA and the report to the NSPG endorsed four common objectives in our approach toward the region:

- Support for the advancement of democracy and implementation of a free and open electoral process in all countries of Central America.
- Support for economic development, including significantly increased economic and humanitarian assistance to raise the standards of living for the people of Central America.
- Resolution of regional disputes and conflicts through dialogue and the achievement of political settlements with verifiable agreements through negotiation.
- Provision for sufficient security assistance to ensure that democratic institutions, social reforms, and economic improvements are not threatened by communist subversion and guerrilla warfare. (C)

The recommendations of the NBCCA, taken en toto, provide a valuable framework for achieving these objectives in the mid to long term. It is important, however, that these recommendations, which I have endorsed in principle, be adopted in a diplomatic and security environment that will permit them to succeed. (C)

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In addition to developing an interagency approved comprehensive legislative proposal to implement the recommendations of the NBCCA, actions must also be taken in the near term which will provide for a satisfactory improvement in the present crisis situation. Therefore, the following measures from the Action Plan outlined in the Restricted Interagency Group Report "Where Next in Central America," are approved as a means of ensuring the successful implementation of the NBCCA proposals: (S)

- The Secretary of State, in coordination with the Secretary of Defense and the Directors of Central Intelligence and Office of Management and Budget, should pursue, in particular, the following objectives/actions which are consistent with the NBCCA report:

-- Nicaragua: Our approach to the Nicaraguan Government must focus on achieving the following:

- (1) Implementation of the democratic commitments made by the Sandinistas to the OAS in 1979.
- (2) Termination of Nicaragua's support to Marxist/Leninist subversion and guerrilla activity in any foreign country.
- (3) Removal of Soviet Bloc/Cuban personnel and an end to Nicaraguan military cooperation with communist countries.
- (4) Reduction in the Sandinista military apparatus to parity within the region.
- (5) Intensified efforts in the Contadora forum to achieve the political and security objectives defined in the Contadora Document of Objectives, with emphasis on the need for a comprehensive package with concrete, verifiable provisions that do not allow Nicaragua to circumvent its commitments.
- (6) Review and recommend such economic sanctions against Nicaragua that are likely to build pressure on the Sandinistas. Due consideration should be given to the net economic impact on Nicaragua, to U.S. public affairs, and to Congressional concerns. An action plan on these sanctions should be provided for review by the NSPG by March 1, 1984.
- (7) Reemphasize to the Soviet Union, Cuba, and Nicaragua that we will not tolerate the introduction into Nicaragua of advanced fighter aircraft or Cuban ground forces. (TS)

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- El Salvador: Our approach must support the democratization process and the existing reforms against attacks from the violent left and the violent right. Our diplomatic and communications efforts should seek expanded political support for El Salvador from non-communist governments, and assure that if the communist-led guerrilla coalition again refuses to participate in the forthcoming elections, their refusal is made widely known in Latin America and among NATO and other friendly countries. The following actions should be taken in furtherance of these goals: (C)
- (1) To effectively support land reform in El Salvador, funds should be requested in the FY-84 supplemental and an exception sought to the current prohibition on using AID funds to compensate owners of expropriated land.
 - (2) Technical assistance for protecting participants in the judicial process and improvements in judicial investigative capabilities should be provided, utilizing the \$3 million earmarked for that purpose in the FY-84 Continuing Resolution. Additional covert assistance should be provided to enhance Salvadoran criminal investigative capabilities.
 - (3) An assessment of short-term military needs indicates that the Government of El Salvador will need additional defense articles, services, and training before an FY-84 supplemental can be approved. Therefore, if necessary, action may be taken to provide requisite resources under the provisions of Section 21(d) of the Arms Export Control Act. If 60 days after billing for these items supplemental funding is still not available, the 60 day period will be extended up to 120 days.
 - (4) As part of our strategy to implement the recommendations of the NBCCA, a comprehensive legislative/public affairs campaign should be immediately undertaken to maximize prospects for approval of the Administration's proposal and appropriations at requested levels. (TS)
- Guatemala: As Guatemala demonstrates its good faith toward its commitment to democracy and human rights, we should restore curtailed aid. Renewed efforts should be initiated to obtain new security and economic assistance programs as progress is ascertained. Increased efforts shall also be made to arrange a solution to the Guatemalan/Belize border dispute. (S)

- Mexico: The U.S. should intensify its diplomatic efforts with the Mexican Government to reduce its material and diplomatic support for the communist guerrillas and its economic and diplomatic support for the Nicaraguan Government. The Department of State should take the lead in an immediate interagency study of ways in which we can supplement our persuasive efforts with the GOM, bearing in mind overall U.S. interests and relations with Mexico. This study and its recommendations should be submitted for review by the NSPG by February 24, 1984. (S)
- Regional Security Assistance. A \$259 million FY-84 military assistance supplemental for Central America (\$179 million for El Salvador) should be submitted to the Congress early in 1984. The amount of FY-85 military assistance for Central America should be increased to \$255.9 million through an FY-85 budget amendment. These requests should be submitted as part of the Administration's proposals to implement the recommendations of the NBCCA. (C)
- Public Diplomacy. Our public diplomacy and information programs/resources should be substantially expanded to counter the intensive Soviet/Cuban/Nicaraguan propaganda campaign. Highest priority should be given to Mexico, Venezuela, Colombia, other Latin American countries, and Western Europe. (C)
- Review of Economic Measures. Since the programs recommended by the NBCCA will not have immediate results, a special interagency task force should be convened by the Secretary of State to undertake an urgent review of economic measures to improve near term prospects for our friends in the region. Actions should be examined which would be helpful to those most immediately threatened by Nicaragua: Honduras, Costa Rica, El Salvador, and Guatemala. Recommendations and an action plan for implementation should be submitted for review by the NSPG by March 9, 1984. (S)
- The Director of Central Intelligence, in coordination with the Secretaries of State and Defense and the Chairman of the Joint Chiefs of Staff, should:
 - Intensify support for the anti-Sandinista forces in order to pressure the Sandinista regime to implement its democratic commitments, cease exporting subversion, and to achieve the other objectives outlined above. Immediate efforts should be undertaken to obtain sufficient funding to assure maintenance of this program throughout FY-84.

- Expand political action programs in El Salvador to promote a large voter turnout in the forthcoming elections. Additional measures should also be taken to assist and strengthen genuine democratic parties, trade unions, and civic groups.
- Continue efforts to improve the effectiveness of the El Salvadoran Armed Forces. (TS)
- The Secretary of Defense, in coordination with the Secretary of State and the Director of Central Intelligence, should conduct U.S. military activities in the region that are sufficient to reassure our friends and enhance our diplomatic efforts. U.S. military assets in the region should also be employed to increase intelligence collection and assist in improving security for the Salvadoran elections: (S)
- Develop and implement plans for new exercises in Honduras and naval activities in waters off Central America in a manner that will maintain steady pressure on the Nicaraguans and deter Nicaraguan military actions against its neighbors.
- In conjunction with U.S. military activities and exercises, U.S. units should continue civic action projects and humanitarian relief efforts in Central America. Increase our intelligence collection as the elections in El Salvador approach.
- Emergency Deployment Readiness Exercises (EDRE) should be conducted in Honduras commencing in March and later in 1984, as necessary, to demonstrate of our commitment and resolve.
- Regional security assistance teams and the Regional Military Training Center (RMTC) should be maintained at levels sufficient to assure the steady improvement of friendly military forces.
- Measures should be taken within our diplomatic and regional military-to-military relationships to foster defense cooperation among the Central American countries. Subject to appropriate funding, U.S. security assistance should be provided to encourage such cooperation. (S)

Ronald Reagan