NOTONIHEAW

20188

May 1,

NATIONAL SECURITY DIRECTIVE

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE

THE SECRETARY OF THE TREASURY

THE SECRETARY OF DEFENSE

THE ATTORNEY GENERAL

THE DIRECTOR OF THE OFFICE OF

MANAGEMENT AND BUDGET

THE DIRECTOR OF CENTRAL INTELLIGENCE

CHIEF OF STAFF TO THE PRESIDENT ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

CHAIRMAN JOINT CHIEFS OF STAFF

ADMINISTRATOR AGENCY FOR

INTERNATIONAL DEVELOPMENT POLICY

SUBJECT:

Policy Toward Nicaragua and the Nicaraguan

Resistance (C)

U.S. objectives with respect to Nicaragua, and the Nicaraguan Resistance are to prevent soviet strategic use of Nicaragua, to include withdrawal of the Soviet and Cuban military presence and the sharp reduction of Coviet blog assistance; to reduce the threat posed by Nicaragua to its neighbors and other countries in Latin America by ending Niceraguan subversion; to reduce the size and capability of the Nicaraguan military to levels commensurate with Central American stability; and to achieve democracy in Nicaragua in order to guard against future strategic or regional threats and to facilitate the region-wade economic development necessary for long-term tability. We stak a democratic opening sufficient to foster conditions for tair national elections and to create on-going internal checks and balances on Nicaraguan behavior. (8)

Declassified/Released on

under provisions of £.0. 12958

by D. Van Tassel, National Security Council

Secret Declassify: **OADR**

IRECHSSFIELD

Strategy

- 1. The immediate priority is to engage in active diplomacy on a sustained basis for a democratic opening in Nicaragua. We should move toward direct involvement in negotiations among the five Central American countries. Bilateral relations with Nicaragua are not excluded, but should be held in reserve as an incentive for the Government of Nicaragua, and undertaken only at my direction and in consultation with the Central American democracies and the internal opposition. (S)
- 2. We will continue to press the Soviet Union to reduce its military relationship with Nicaragua, taking the position that the Soviet response will affect our overall bilateral relationship. (S)
- 3. We will devise and implement a series of incentives and sanctions, including those involving trade, economic development, and bilateral discussions, which the United States will link to Sandinista performance in meeting their commitments. (S)
- 4. We will maintain as far as possible the Nicaraguan Resistance as a viable entity. The Relistance should not be demobilized and voluntarily reintegrated into Nicaraguan society unless democratic conditions have been established which guarantee their physical safety and safeguard their political rights. (S)
- 5. We will assist the internal opposition in Nicaragua and, if democratic reforms have been adequately implemented, encourage their full participation in the Nicaraguan flections as a referendum on Sandinista rule. We will encourage the Resistance to cooperate with the internal opposition with the goal of uniting the entire opposition behind a lingle presidential candidate. (5)
- 6. We will establish and publicize criteria for judging whether Sandinista performance is adequate to satisfy our objectives. While we should cooperate with the Latin American and West European democracies and international organizations such as the UN and the AS as part of our diplomatic strategy, we should not defer to others on the issue of the adequacy of Sandinista performance.

SECRET

WELASSIFIED

-3- UNEQUISIFIE

- 7. We will work to ensure that there are adequate mechanisms to monitor Nicaraguan compliance with its political and security commitments. Political verification should begin early and not be limited to the electoral campaign and balloting. The United States should become actively involved in helping shape the size, character, and mandate of the security verification effort, insisting as well that establishment of international border monitoring be linked to progress on mechanisms for political verification. (S)
- 8. Every effort will be made to pursue a bipartisan approach to development and execution of our policy, including consultation with the Congress in policy development and legislative endorsement of the approach. (40)

Implementation

The Secretary of State, drawing on other departments and agencies as needed and appropriate, should:

- -- Develop a plan for discussions with the Soviets which implements this Directive;
- -- Develop a list of incentives and sanctions to affect Sandinista behavior, including those involving trade and economic development, which may be implemented depending upon Nicaraguan performance in meeting its commitments;
- -- Encourage OECD countries to condition their assistance programs on Nicaraguan steps toward implementation of its commitments to democratic reform;
- -- Seek continued humanitarian assistance for the Nicaraguan Resistance for a period through the Nicaraguan election in February 1990 at levels of funding similar to the current program;
- -- Develop a plan to support the Augaraguan internal opposition;
- -- Take the lead in inter-agency planning to elaborate a list of criteria by which to judge Sandinista performance in meeting their commitments. Consideration should be given to securing legislative indominent for this list;

SECRET



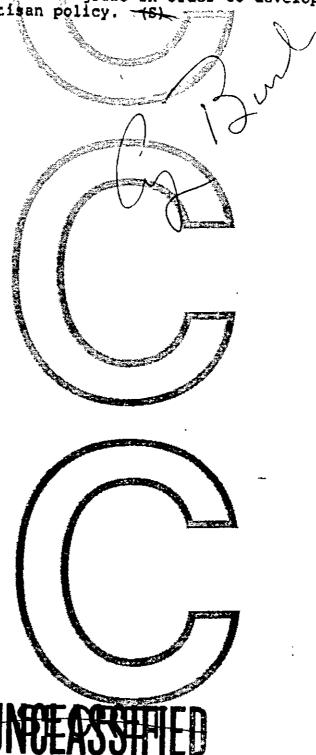
-- INCOME IN

-- Develop, through the Latin American Policy Coordination Committee, an effective mechanism for verification of both political and security commitments. The Secretary of State will work with the Central American democracies, the other Latin American countries, the UN, the OAS, and others to implement this plan;

-- Develop and implement a public diplomacy plan to support the decisions in this Directive; and

-- Consult with the Congress in order to develop, implement,

and monitor a bipartisan policy. (s)



SECRET