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DISCUSSION FOR NSC MEETING

NSC review completed

February 18, 1982

In our immediate neighborhood, the Caribbean Basin, we face both a long-term and a short-term threat. The long-term threat is economic underdevelopment and weak political institutions. The near-term threat is externally supported subversion which exploits the above conditions.

To meet these threats, the United States has developed a comprehensive strategy utilizing economic, political and security measures:

A. Accelerate Economic Development in Friendly States

A major US program of trade, investment and aid (the Caribbean Basin Initiative) has been developed:

- one-way free trade area to assure duty-free access to US markets for the long term, spurring trade and investment activities in the Caribbean;
- investment tax credit and bilateral investment treaties to enhance the investment climate;
- supplemental economic assistance to the private sector enabling and supporting self-sustaining commercial activities in the Caribbean and Central American countries;
- compensatory measures for Puerto Rico and the Virgin Islands.

We are also appealing to US Allies and international development institutions to increase economic support for the Caribbean area.

B. Nurture the Evolution of Political Democracy Through:

- sustained support for free and internationally credible elections throughout the region. The elections in El Salvador are particularly crucial in our overall program for Central America;
- support and indeed champion the democratic process throughout the region through Radio Marti, parliamentary exchanges, etc.;
- strong backing for the Central American Democratic community;
- encouragement of Venezuela and Colombia to take more frequent and active positions in support of free elections and democratic processes;

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- seeking public support of the Vatican for democratic processes in the Caribbean;
- influencing our friends in Europe and elsewhere to be supportive of our approach;
- maintaining political pressure on Cuba by restricting the activities of the Cuban Mission to the UN and by closing the Cuban Interests Section in Washington.

C. Provide a Threshold of Security to Permit Economic and Political Progress

- 506A Drawdown of military equipment for El Salvador;
- supplemental security assistance for Central America;
- exploiting Soviet vulnerabilities worldwide;
- measures to raise the costs of arms transfers in the region by Nicaragua, Cuba and the Soviet Union;
- measures to improve our own capabilities to respond to contingencies in the region

The President will present US strategy toward the Caribbean Basin and Central American region in a speech next week at the Organization of American States. This speech will be followed by submission of the Caribbean Basin Initiative legislation to Congress. Both the speech and submission of the legislation will trigger a sustained legislative and public affairs campaign to inform and win the support of the American Congress and people for this vital national security undertaking.

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MEMORANDUM

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WASHINGTON

INFORMATION

February 18, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*
SUBJECT: NSC Meeting -- February 19

Discussion

The NSC meeting on February 19 will bring together all of your Cabinet Officers and advisers (26 people) who must play a role in the successful promotion of your Caribbean Basin Initiative. At the meeting the individual political, economic and security components will be reconfirmed (Tab A).

In addition, Dave Gergen and Ken Duberstein will outline the public affairs and congressional actions to be taken in connection with the launching of the policy next week. The centerpiece of this effort will be your speech before the OAS, now scheduled for next Wednesday at 12:30. (Current draft at Tab B.)

Attachments

Tab A Current and proposed measures
Tab B Legislative/public affairs strategy

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