The Director of Central Intelligence
Washington, D.C. 20505

NIC 00130-85
9 January 1985

National Intelligence Council

MEMORANDUM FOR THE RECORD

FROM: Robert D. Vickers, Jr.
National Intelligence Officer for Latin America

SUBJECT: Council on Foreign Relations Discussion on Nicaragua

1. On 7 January 1985, I attended a meeting of the Council on Foreign Relations Discussion Group on Central America. (See Attachment A) The main topic was Nicaragua, and the meeting rapidly reached the conclusion that the United States had three basic options in dealing with the Sandinistas.

-- Continued political, economic and military pressure to force a change in the nature of the Sandinista regime or its policies.

-- Continued efforts to reach a negotiated solution on terms acceptable to both sides.

-- Accepting that neither of the above is obtainable, given political and military constraints on US tactical options, and adapting a policy of containment.

2. While several of the participants argued that the latter option was the only realistic one, Winston Lord of the Council staff pointed out that a containment policy had been unanimously rejected by the National Bipartisan Commission on Central America, of which Mr. Lord was a Senior Counsellor. The report of the Commission essentially concluded that such a policy would be expensive to both the US and its allies and would require a sustained level of effort that would be difficult to maintain. (See Attachment B for relevant sections of the Bipartisan Report.)

3. Unfortunately, the discussion reached no consensus on which of the other two options was most preferable.

Robert D. Vickers

Attachments: as stated above

COUNCIL ON FOREIGN RELATIONS

Discussion Group of Central America

January 7, 1985
Sixth Meeting

Nestor Sanchez, Discussion Leader - Deputy Assistant Secretary of Defense for Inter-American Affairs
Caesar Sereseres, Commentator- University of California, Irvine and the Rand Corporation
Robert White, Commentator - Carnegie Endowment for International Peace
Col. John D. Waghelstein, USA, Commentator- Army War College

Edward K. Hamilton, Chairman - Hamilton Rabinovitz & Szanton Inc.
Susan K. Purcell, Group Director - Council on Foreign Relations
Kay King, Rapporteur - Council on Foreign Relations

Guests
James Connally - Office of the Joint Chiefs of Staff
Col. Walter E. Hines, III - Executive Officer to General Nutting
Jeffrey Puryear - Ford Foundation
Silvia Waghelstein

Major Andrew Bacevich, International Affairs Fellow, Council on Foreign Relations
James Chace - New York Times Review of Books
Kevin Corrigan - Chase Manhattan Bank
Robert Leiken - Carnegie Endowment for International Peace
William LeoGrande - American University
Theodore Moran - Georgetown University
General Wallace Nutting, USA - U.S. Readiness Command
Rodman C. Rockefeller - IBEC, Inc.
Nathaniel Samuels - Lehman Brothers Kuhn Loeb
L. Ronald Scheman - Coudert Brothers
Alfred C. Stepan - Columbia University
Viron P. Vaky - Georgetown University

Staff
Col. Scott Fisher, USAF
Paul H. Kreisberg
Winston Lord
Andrew J. Pierre

especially those with democratic traditions, we met leaders who expressed regret and outrage that the revolution against Somoza -- which their own governments had supported -- had been betrayed by the Sandinistas.

For all of these reasons, the consolidation of a Marxist-Leninist regime in Managua would be seen by its neighbors as constituting a permanent security threat. Because of its secretive nature, the existence of a political order on the Cuban model in Nicaragua would pose major difficulties in negotiating, implementing, and verifying any Sandinista commitment to refrain from supporting insurgency and subversion in other countries. In this sense, the development of an open political system in Nicaragua, with a free press and an active opposition, would provide an important security guarantee for the other countries of the region and would be a key element in any negotiated settlement.

Theoretically, the United States and its friends could abandon any hope of such a settlement and simply try to contain a Nicaragua which continued to receive military supplies on the present scale. In pratical terms, however, such a course would present major difficulties. In the absence of a political settlement, there would be little incentive for the Sandinistas to act responsibly, even over a period of time, and much inducement to escalate their efforts to subvert Nicaragua's neighbors. To contain the export of revolution would require a level of vigilance and sustained effort that would be difficult for Nicaragua's neighbors and even for the United States. A fully militarized and equipped Nicaragua, with excellent intelligence and command and control organizations, would weigh heavily on the neighboring countries of the region. This threat would be particularly acute for democratic, unarmed Costa Rica. It would have especially serious implications for vital U.S. interests in the Panama Canal. We would then face the prospect, over time, of the collapse of the other countries of Central America, bringing with it the spectre of Marxist domination of the entire region and thus the danger of a larger war.

The notion that the United States should cope with a Marxist-Leninist Nicaragua, militarily allied to the Soviet Union and Cuba, through long-term containment assumes an analogy between conditions in post-war Europe and the present circumstances of Central America. The experience of the post-war period, however, shows that containment is effective as a long-term strategy only where U.S. military power serves to back up local forces of stable allies fully capable of coping with internal conflict and subversion from without. In such circumstances, the United States can help to assure the deterrence of overt military threats by contributing forces in place, or merely by strategic guarantees.

On the other hand, where internal insecurity is a chronic danger and where local governments are unable to deal with externally supported subversion, a strategy of containment has major disadvantages. It would risk the involvement of U.S. forces as surrogate policemen. Any significant deployment of U.S. forces in Central America would be very costly not just in a domestic political sense but in geo-strategic terms as well. The diversion of funds from the economic, social, medical, and educational development of the region into military containment would exacerbate poverty and encourage internal instability in each of the countries that became heavily militarized.

Furthermore, the dangers facing the other Central American countries might actually grow if each each side perceived that the other was tempted to use its increased military power. And the creation of garrison states would almost certainly perpetuate the armies of the region as permanent political elites. The hopes of true democracy would not be enhanced.

Therefore, though the Commission believes that the Sandinista regime will pose a continuing threat to stability in the region, we do not advocate a policy of static containment.

Instead, we recommend, first, an effort to arrange a comprehensive regional settlement. This would elaborate and build upon the 21 objectives of the Contadora Group. (For these, see the annex to this chapter.) Within the framework of basic principles, it would:

* Recognize linkage between democratization and security in the region.

* Relate the incentives of increased development aid and trade concessions to acceptance of mutual security guaranteees.

* Engage the United States and other developed nations in the regional peace system.

* Establish an institutional mechanism in the region to implement that system.

The original peace initiatives of Nicaragua have given little cause for optimism that we could move toward these objectives. The latest of the Sandinistas' formal proposals were presented to the United States Government and to the United Nations in October, 1983, as four draft treaties purportedly prepared "within the framework of the Contadora process." The treaties would bind the parties to refrain from sending arms from one country to another in the region, and otherwise to end intervention, "overt or covert," in the internal affairs of other nations of the region. Significantly, these Sandinista proposals would prohibit exercises and maneuvers of the type United States and Honduran

SUBJECT: Council on Foreign Relations Discussion on Nicaragua NIC 00130-85

DISTRIBUTION:
1 - DCI
1 - DDCI
1 - C/NIC
1 - C/LAD
1 - D/ALA
1 - VC/NIC
1 - NIO/LA
1 - ER
1 - NIC Registry

NIO/LA/RobertVickers/MM/9Jan85/ STAT