

Washington, D. C. 20505

CONFIDENTIAL
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*Handwritten initials and signature*  
*Memo*  
*Chromo*

**EYES ONLY**

11 December 1984

The Honorable William P. Clark  
Secretary of the Interior  
Washington, D. C. 20240

Dear Bill:

I sent the attached to the President  
today.

Yours,

*Bill*

William J. Casey

Attachment:  
Letter to the President  
dtd 10 December 1984

The Director of Central Intelligence

Washington, D. C. 20505

10 December 1984

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

Dear Mr. President:

I must draw your attention to the acute danger that we may be on the brink of a great failure in Central America. This could not only bring permanent damage to our security and geopolitical position in this hemisphere but could also reverse what has been achieved in checking the advances the Soviets had made in Asia, Africa and Latin America before your presidency.

Twenty years ago, Khrushchev said Communism would "win not by nuclear war which could destroy the world, not by conventional war which could lead to nuclear war, but by national wars of liberation." In 1980, this prophecy seemed well on its way to fulfillment as the Soviet Union transformed itself from a continental power to one with global reach with bases and surrogates in Cuba, Vietnam, Ethiopia, Angola, South Yemen and Mozambique, and was busy establishing other positions close to the Panama Canal and Persian Gulf in Nicaragua and Afghanistan, as well as promising relationships with radical Arab states.

During the 1970s, people in Africa, Asia and Latin America were flocking into Communist guerrilla movements. As 1984 draws to an end, this dynamic has been transformed. In Afghanistan, Ethiopia, Angola, Mozambique, Cambodia and elsewhere, people are fighting to recapture their freedom. Some 300,000 people have taken up arms against Soviet-imposed or supported regimes in these countries.

Right now people in Central America and, indeed, those fighting Communism in Afghanistan and elsewhere are watching Nicaragua. The Sandinistas are piling in weapons to extinguish the armed resistance, cracking down on the political opposition and pushing negotiations to cut off outside support and influence in order to buy time to consolidate their first base on the American mainland. A Honduran delegation visiting Washington week before last made it quite clear that they are watching our effort to sustain support to the Contras to see how far they can depend on us.

I bring this to your attention now because the signal will be read very early next year. I am not sure that the Congress will renew support for the Contras. But it is necessary to make an all-out effort to get some form of support and to have some method of holding out hope to the opposition in Nicaragua if we should fail in the Congress.



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I read in Sunday's New York Times that the prevailing Administration view is to seek a "political solution." If that's all we do, we will be playing into the hands of the Soviets, the Cubans and Sandinistas who for well over a year have been trying to buy time to consolidate Nicaragua as a base for further expansion.

We need some reaction to the heavy shipments of more and heavier weapons to the Sandinistas and their steps to wipe out the armed and the political opposition. If we continue to negotiate without the requirement that the 1979 commitments to the OAS be implemented, as they see the U.S. ready to risk the consolidation of a second Cuba on the Mainland, elements in Costa Rica and Honduras favoring neutralism and appeasement of Cuba, Nicaragua and the far left would become much more significant. Honduras and Costa Rica most likely would then prevent the Nicaraguan freedom fighters from being able to operate from their territory. In El Salvador, there would be deep fear and a greater physical risk to Duarte and other moderate leaders from both extremes. For some months, there might be a reduction in Nicaraguan support for the guerrillas in El Salvador while the armed resistance is destroyed in Nicaragua. Cuba could use existing clandestine routes through Honduras, Mexico, and Belize to keep supplies flowing to the Salvadoran and Guatemalan guerrillas.

We need to give courage and time to the opposition in Nicaragua, enhance our chances of getting support from the Congress and lay the groundwork for carrying on without it if necessary. We can do this with a bold two-pronged approach focusing on mobilizing a broad range of our resources and those of like-minded countries to (a) resist Communist expansion in the less developed world and (b) bring them the economic progress the Soviets can't deliver.

The common thread and the common interest in defeating the Communist version of creeping imperialism has not been recognized and projected. Some dozen countries in and outside the immediate area support resistance movements in Afghanistan, Angola, Ethiopia and Cambodia. Other sources of support are available to the resistance in those countries and in Nicaragua as well. But it is important for us to take the lead and to do this in economic and political as well as security terms. A show of weakness in one area is noted by opposition forces in other areas. A broad recognition and articulation of the political and security interests at stake will strengthen resistance everywhere and shut the door to the consolidation the Soviets seek to achieve.

The momentum we have achieved in checking Soviet expansion can be greatly accelerated by weighing in with the economic instruments the Soviets can't match.

We have a historic opportunity to bring progress to lesser developed countries (LDCs) around the world by demonstrating that Western capital, technology and managerial skills can accomplish what Soviet military and economic assistance have failed to deliver.

LDCs around the world know that the Soviet economic system did not live up to expectations, that Communist countries supplied only meager amounts of economic aid and were unable to provide significant markets for LDC goods. They know that prospects for large amounts of Western foreign assistance have diminished.

It is the lesser developed countries that can least afford the burden of inefficient government bureaucracies and ponderous state enterprises. In many of these countries change is beginning. Large "second economies" consisting of small-scale enterprises are emerging. LDC governments are increasingly willing to contemplate and experiment with market-oriented approaches.

This changing climate presents significant economic opportunities for the United States:

- To increase the promotion of small-scale enterprises within LDCs and the acceptance and adaptation of new technologies.
- To enlarge the flow of foreign capital and help state enterprises become more efficient and find ways to relinquish some functions to the private sector.
- To strengthen our trade, finance and investment links with LDCs based upon a growing mutuality of economic interest.

In order to make the most of this increasingly important evolutionary and grass roots development process, we need to reorder economic aid programs so that more assistance reaches the small-scale entrepreneur and the flow of private capital, technology and skill to LDCs is stimulated.

I am proposing a two-pronged approach to mobilizing our resources and those of other countries with interests threatened by Soviet expansion in the less developed world to help both friendly governments which may be threatened and those resisting oppressive governments. This would require leadership in AID capable of articulating and strongly implementing the call you made at Cancun in Mexico a while ago. It requires quiet but strong diplomacy of the kind practiced by Prime Minister Lee on Cambodia, President Zia on Afghanistan, Savimbi on Angola and King Fahd on Ethiopia to generate support from over a dozen countries for freedom fighters in those countries.

This would not be a substitute for all-out effort to get continued support from Congress on Nicaragua. It would make it part of a broader effort to accelerate the momentum already achieved in turning back Soviet expansion in the less developed world.

Respectfully yours,

/s/

William J. Casey