January 1984

PRICE LIST FOR ARTISTS CALL EXHIBITION AT JUDSON MEMORIAL CHURCH

Sanctuary:

| | | | |
|---|---|---|---|
| El. Allen | 400 | J. Durham | up to 2000 |
| T. Arai | 200 – 275 - | M. Edelheit | 125 |
| D. Arndt | 200 | M.B. Edelson | 2000 |
| M. Artenberg | | O. Fahlstrom | |
| D. Axelrod | | W. Farley | |
| A. Aycock | 1000 | J. Fisher | 600 |
| H. Aylon | | A.B. Geiger | |
| S. Balboza | 500 | G. Georgevic | |
| R. Baranik | 500-800 | Rimma & Valery Gerlovin | 350 |
| J. Barnes | 300 | E. Giordano | 850-1200 |
| E. Barowitz | 400 | A. Glovsky | 100-350 |
| R. Barry | not for sale | L. Golub | 35000-60,000 |
| N. Bessouet | 50/50 | K. Groh | |
| L.Acosta Birmingham | 350-500 | A. Gussow | 3500 |
| R. Bleckner | 1000-2000 | S. Haven | |
| J. Blum | 300 | G. Hendricks | 500-750 |
| C. Bratton | 400 for set | J. Hendricks | |
| S. Brody Lederman | 250-350 | L. Henneman | 200-500 |
| T. Buczko | | J. Henry | 125-400 |
| E. Butler | 140-200 | A. Huang | 100 |
| C. Chevins | 250-600 | A. Humanfeld | 150-200 |
| K. Christensen&A.Buckko | 150 | J. Isaac | |
| M. Oka Doner | 3000 for set | Y. Jacquette | 385-450 |
| J. Dos Santos | | J. Janowitz | 325 |
| T. Doyle | | P. Johnson | 200 |

Judson Price List, Sanctuary, page two

| | |
|---|---|
| J. Jonas | |
| R. Jones | |
| D. Judd | |
| A. Knutson | 1200 |
| B. Kruger | |
| E. Kulas | |
| L. Kuter | 400-600 |
| R. Langsten | 350 |
| M. Lebron | 800-1200 |
| G. R. Levin | 200-400 |
| S. Levine | 800 set, 300 ea. |
| S. LeWitt | |
| W. Liebeskind | 250 |
| N. Lindeman | 200 |
| N. Linn | 7.50 ea. |
| D. Lipski | |
| L. List | 75-200 |
| A. Bubelski | 400-900 |
| L. Luvaas | 85-150 |
| S. Plimack Mangold | |
| M. Margall | 3500 |
| K. Martin | 150 |
| B. McGilly | |
| W. McKay | |
| U. Meyer | |
| R. Michals | 150-250 |
| C. Morales | |
| H. De Mott | 150 |
| Muntadas | |
| B. Nauman | |
| C. Oldenburg | |
| L. Picard | |
| J. Quinn | 50-100 |
| D. Reed | 100 |
| K. Reed | 150-200 |
| M. Ries | 500 |
| I. Rose | 45-75 |
| A. Roseman | 250-400 |
| A. Rosenberg donatio | |
| M. Ross | 2000 |
| E. Rothenberg | 300-500 |
| E. Ruscha | |
| D. Salle | 2500 |
| J. Sanchez | 600 |
| C. Schneeman | 800 |
| T. Schwartz | 1100 |
| A. Scott | |
| J. Semmel | |
| A. Du Serech | 100 |
| R. Serra | |
| A. Serrano | 500-1000 ea. |
| C. Shaw | 1200-1800 |
| F. Siegel | 1500-2000 |
| C. Simmonds | 500-700 |

| | |
|---|---|
| K. Snelson | 800-1000 |
| J. Snyder | 4000-6000 |
| E. M. Solomon | |
| H. Soreff | |
| S. s' Soreff | 1000-2000 |
| K. Staeck | |
| A. Steckel | 2300 |
| P. Steir | 3000 |
| J. Stephenson | 400 |
| M. Stevens | 2000-2800 |
| R. Storr | 300 - |
| M. Stuart | 200 - |
| V. Taylor | 250 |
| B. Valenta | 2200 |
| R. Vater | 500-800 |
| F. F. Vidal | 350-450 |
| H. Weiner | 400 |
| J. Weisberg | |
| W. Weissman | 100 ea. |
| S. Wiener | |

NOTE: Maximum prices are suggested for benefit, though a range is indicated.

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| | |
|---|---|
| M. Seven | 100-250 |
| SICA | 1500 |
| S. Siken | 600-1000 |
| C. Skopic | 600 |
| M. Smith | 200 |
| J. Soto | 800 |
| A. Sperry | 1800 |
| T. Stamm | 700 |
| S. Tobocman | 1000 |
| A. Uglow | |
| J. Vicario | 1000-1500 |
| C. Waag | 300 set, 50 each |
| L. Weiner | 2500 |
| M. Wells | 500-800 |
| P. Yampolsky | 450 |
| J. Youngerman | |
| C. Yuen | 650 |

NOTE: Maximum prices are to be suggested for benefit, though a range is indicated.

January 1984

PRICE LIST FOR ARTISTS CALL EXHIBITION AT JUDSON MEMORIAL CHURCH

Gymnasium:

| | | | |
|---|---|---|---|
| Vito Acconci | 3000-5000/ F. Alvarado | P. Helman | 1000 |
| L. Adato | 110-150 | J. Holzer | |
| R. Artschwager | | J. Hudson | 625 |
| B. Beaumont | 1500-2000 | S. Irons | 250 |
| W. Birch | | A. Jaar | 600 |
| S. Brody | 300-500 | M. Jaffe | 1500 |
| B. Buczak | 150 | N. Jemison | 2000 |
| C. Carlson | 2000-2500 | B. Jones | 350-450 |
| N. Chunn | 4000 | W. Jung | 200 - |
| E. Cockcroft | 600-800 | J. Kearns | |
| P. Darling | 3000 | J. Knight | |
| P. Dean | 1000 | S. Korns | |
| G. Drasler | 800-2000 | J. Kozloff | 1500-3000 |
| A. Evans | 300 | G. B. Kuehn | 2800 |
| M. Feroleto | 200 | L. Laurita | 1500-2000 |
| C. Fitch | | L. Levine | |
| E.C. Flood | | C. Marks | 500 |
| H. Ford | 750-1000 | R. Morgan | |
| I. Frigerio | 3200 | A. Neel | |
| M. Gingold | 350 | R. Nicholson | 500-700 |
| E. Golden | | S. Penny | |
| J. Gompertz | | J. Penzer | |
| P. Gourfain | 250 | D. Reynolds | 1400-2000 |
| H. Hammond | 1000-2200 | S. Romano | 100-400 |
| Z. Hashmi | 350 | R. Rotter | 100 |
| S. Heinemann | 150 | R. Rupert | 1200-1800 |
| W. Hellermann | | I. Schreiber | 125 |

Judson

Douglas Abdell 3000-5000
G Vito Acconci
G Linda Adato 110-150 · Elizabeth K. Allen 400
Tomie Arai 275 ? Francisco Alvarado ?
Dianne Arndt 200 - Madeline Artenberg ?
G Richard Artschwager
Dee Axelrod 431-6527
Alice Aycock 1000
Helene Aylon (924-4133)
John Baldessari
Sandy Balboza 500
Rudolf Baranik 500-800
Joe Barnes 300
Elliott Barowitz 400
Robert Barry 50/50 - n.f.s.
G Betty Beaumont 1500-2000
Norma Bessouet (662-6673)
G Willie Birch 224 E. 7th St, Apt. 1
Liz Acosta Birmingham 350-500
Camille Bishops
Ross Bleckner 1000-2000
Judy Blum 300 G Patricia Branstead ?
Chris Bratton 400 Sept Y
G Sally Brody 300-500
Stephanie Brody Lederman 250-350
G Brian Buczak F150
Tony Buczko (534 E. 11th St 10009)
Erin Butler 140-200
G Cynthia Carlson 2000-2500
Christopher Chevins 250-600
Christo
Keith Christensen and Anthony Buczko 150
G Nancy Chunn 4000
G Eva Cockcroft 600-800
Robbie Conal
Lowell Darling 3000
G Philip Darling G Peter Dean 1000
Michele Oka Doner 3000 Sept Claudia Demonte
Judit Dos Santos 750, 650, 500, 450
(716-424-7243) 350 300

Tom Doyle (989-6957 or 814-448 3288)
G Greg Drasler 800-2000
Jimmie Durham up to 2000 - Martha Edelheit- 725
Mary Beth Edelson 2000
G Andrea Evans 300 conf. Shaun Avery 175 Broadway Prince 11249
Estate of Oyvind Fahlstrom
William Farley (wk. arco) Julie Farrar
Eric Fischl ? O.E.C.D. (Peter Fend)
Joel Fisher 600 G Mia Feroleto 200
G Claudia Fitch ? 460-5103
G Edward C. Flood ? 384-4021
G Hermine Ford 750-1000
G Ismael Frigerio 3200
Enrique Garay Cochea
Anna Bella Geiger (ask to see)
Goran Georgevic ? (Hendricks)
Rimma + Valery
~~The~~ Gerlovins 350
Cristos Gianakos
G Madelynn Gingold 350 - Enrico Giordano 850-1200
Alan Glovsky 150-350
G Eunice Golden ?
Leon Golub 35,000-40-60,000
G Jeff Gompertz c/o Haha Gall. 505-7800
G Peter Gourfain 250
Klaus Groh ?
Red Grooms
Alan Gussow 3500
G Harmony Hammond 1000-2200
G Zarina Hashmi 350
Shelley Haven ? 337 E 9, #6 10003
G Sue Heinemann 150
G William Hellermann 226-6213
G Phoebe Helman 1000
Geoffrey Hendricks 500-750
Jon Hendricks
Linda Henneman 200-500
Judit

Judith Henry 125-400
G Jenny Holzer (677-8142)
Arlan Huang 100
G Judith Hudson ~~120-09~~ 8625
Anne Humanfeld 150-200
Ralph Humphrey
Robert Huot
G Shirley Irons 250
Jeffrey Isaac c/o Publ. Illum. 226-2525
G Alfredo Jaar 600
Yvonne Jacquette 385-450
G Michelle Jaffé 1500
Joel Janowitz 325
G Noah Jemison 2000
Poppy Johnson 200
Joan Jonas (925-1575)
G Bill Jones 350-450
Donald Judd (925-4359)
Ronald Jonas (Tom Lawn)
G William Jung 200+
? 777-6469
G Jerry Kearns G John Knight ?
Ann Knutson ~~1200~~
Joseph Kosuth G Stephen Korns ?
G Joyce Kozloff 1500-3000
Margia Kramer
Barbara Kruger - ? Irving Kriesberg 966-1438
G Gary B. Kuehn 2800
Elizabeth Kulas (66-0102)
Leslie Kuter
Rae Langsten 400-600 (249-1349)
Noel Kunz (pseud. Nole Nuk3)
G Louis Laurita 1500-2000
Louise Lawler
Michael Lebron 800-1200
G. Roy Levin 200-400
G Les Levine ? 673-8873
Sherrie Levine 800 set 300 ea
Sol LeWitt
Roy Lichtenstein
William Liebeskind 250
Nicky Lindeman 200
Nancy Linn 7.50 ea.
Donald Lipski (925-0698)
Larry List 75-200

Abe Lubelski 400-900
Lucinda Luvaas 85-150
Sylvia Plimack Mangold (914-496-6703)
Marcos Margall 350
G China Marks 500
Marisol
Katy Martin 150 ea.
Birke McGilly (see cond.)
Wit McKay Ursula Meyer (PO Box 645 Cooper Sta NY 10276)
Robin Michals 150-250 219-1837
John M. Monti
Carmengloria Morales (Fork & Target)
G Robert Morgan (716-475-2642 or 461-1263)
Robert Morris (:)
Robert Moscowitz
Helen De Mott 150
Matt Mullican
Muntadas (226-3976)
Bruce Nauman
G Alice Neel ? 300 W.107 10025
G Roni Nicholson 500-700
Claes Oldenburg ?
G Simon Penny
G Judy Penzer ? 7 E. 20, 9th fl. 10003
Lil Picard - 6R4-9098
~~Sylvia Plimack Mangold~~
Judith Quinn 50-100
Bill Radawec
Robert Rauschenberg
David Reed 100
Kristin Reed 150-200
G David Reynolds 1400-2000
Martin Ries 500
Christina Robbins
G Sal Romano 100-400
I. Rose 45-75
Aaron Roseman 250-400
(Alex Rosenberg donation)
James Rosenquist
Larry Rosing
Michael Ross 2000
Erika Rothenberg 300-500
G Randy Rotter 100
G Randal Rupert 1200-1800
Edward Ruscha
David Salle 2500

Juan Sanchez 600
Carolee Schneeman 800
Ilse Schreiber 125
Peter Schumann
Therese Schwartz 1100
Arden Scott - AC price
Joan Semmel (925-1679)
Alix Du Serech 100
Richard Serra ? 925-1515
Andres Serrano 500-1000 ea.
Marilyn Seven 100-250
Cass Shaw 1200-1800
Paul Sheridan
~~Greg Sholette~~
SICA 1500
Florence Siegel 1500-2000
Scott Siken 600-1000
Charles Simmonds 500-700
Catherine Skopic 600
Mark Smith 200 Bob Smith
Kenneth Snelson 800-1000
Joan Snyder 4000-6000
Elke M. Solomon (279-2193)
Helen Soreff (966-4432)
Stephen Soreff 1000-2000
(Ted Stamm) 700 George Soto 800
Ann Spirry 1800
Klaus Staeck ?
Anita Steckel 2300
Pat Steir 3000
Joe Stephenson
May Stevens 400
Robert Storr 2000-2800
Michelle Stuart 300+
Walter Sunday 200+
Valery Taylor 250
Seth Tobocman ? 505-645?
Alan Uglow 250-400
Barbara Valenta 2200 (Regina Vater) 500 800
Francisco F. Vidal 350-450
Janet Vicario 1000-1500 Carol Waag 300 ser 50 ea.
Doris Vila Ivel Weihmüller
Hannah Weiner 400
Lawrence Weiner 2500
Steve Weisberg (768' 6082)
Walter Weissman 100 ea. 500-800
Mac Wells

Barbara Westermann
Sam Wiener ?
Faith Wilding
P. Yampolsky 450
Jack Youngerman ?
Charles Yuen 650
Kes Zapkus
Carlos Zerpa

its very black with a new
ribbon & rather ir regular

CLAES OLDENBURG

Proposa for a monument to the survival of the University of El Salvador: blasted pencil (which still writes) - model, 1983.

~~XXX~~ Cardboard, wood, urethane foam, resin etc., painted with acrylic

11" high x 24 w. x 84 l.

~~XXX~~

Price:

Gymnasium:

| | | |
|---|---|---|
| Jenny Holzer | Zarina Hashmi | Phyllis Yampolski |
| Philip H. Darling | Lawrence Weiner | Garry Kuehns |
| Sue Heinemann | Peter Fourjain | Simon Penny |
| Richard Artschwager | Ted Stamm | Alfredo Jaar |
| Gothwin Skopic | Judith Hudson | Ann Sperry |
| Hermine Ford | Alice Neel | Alan Uglow |
| Cynthia Carlson | Noah Purifoy | Eva Cockroft |
| mia Feraldi | Betty Beaumont | Judy Pfaff |
| Brian Buczak | Joyce Kozloff | Greg Drecker |
| Mark Smith | — | Janet Vicario |
| Charles Yuen | Jeff Somperetz | Scott Sikora |
| John knight | Michelle Stile | Louis Lavinta |
| Seth Tobocman | David Reynolds | Rowdy Potter |
| Sally Brady | Vito Acconci | Siga |
| Sal Romano | Ismael Frigerio | Francisco A.J. |
| China Marks | — | Jack Hanggeman |
| — | Bill Jones | Peter Dean |
| Ennice Golden | Madelyn Singold | — |
| Mark Wells | Jorge Soto | Stephen Lawens |
| Marilyn Seven | Roni Nicholson | Willie Birch |
| Randal Rupert | Edward G. Flood | Carol Wang |
| Nancy Chunn | Les Levine | |
| Harmony Hammond | Ilse Schreiber | |
| Andrea Evans | Robert Morgan | |
| Jerry Kearns | Shirley Irons | |
| William Hellermen | Patricia Branstead | |
| Linda Adato | Claudia Fitch | |
| William Jung | Phoebe Hellman | |

Nancy Linn
Madeline Artenberg
Joan Semmel
Alan Shields

Carmen Gloria Morales
Erin Butler
Joan Snyder
Anne Hunnewell

Sylvia Pelenack Wampold
Tom Doyle

SANCTUARY

Valery Taylor
Dianne Arnold
Anita Steckel
Helen De Mott
Dee Axelrod
Theresa Schwartz
Cass Shaw
Hannah Wiener
Alan Sussow
Marcos Margalli
Aaron H Rosenberg
Stephanie Brody Lederman
Jeffrey Isaac
M Edelheit
I Rose
Anthony Buczko
Wit McKay
Joe Stephenson
Kristin Reed
Tania Arai
Julie Farrar
Anna Bella Geiger
Michael Ross
Jimmie Durham
Claes Oldenburg
Judith de Sautter
Pat Steir
Edward Ruscha
Geoffrey Hendricks
Rudolf Baranik
Bruce Nauman

Michael Lebron
Robert Barry
Joe Barnes
Ogunid Fahlstrom
Elizabeth Kubas
Erica Rothenberg
Cass Shaw
Florence Siegel
Donald Lipski
Alexander A Rosenberg
Michelle Stuart
Stephanie Brody Lederman
Kathy Martin
Joan Jonas
Lou Sobol
C Oldenburg
Joe Stephenson
Richard Serra
Julie Farrar
Anna Bella Geiger
Alice Aycock
Donald Judd
Gerard Georgevic
Klaus Steeck
Yvonne Jacquette
Helen Shaff
Joel Fisher
Robert Storr
Joel Janowitz
Helen Soreff
Juan Sanchez
S Weisberg
C Stamatos
A Serrano
Charles Simmonds
B Kruger
S Soreff
Sam Wiener
Liz A Birmingham
Martin Ries
Judith Quinn
Sandra Belloza
William Farley
Lisa Hammerman
Mary Stevens
Francis T Naval
Ann Hamilton
Elizabeth Allan
Ursula Meyer
Ronald Jones
Sherrie Levine
Hilary Wainman

N Lindeman
C Chevins
Judy Blum
Robin Michels
Robert Storr
Joel Janowitz
Helen Soreff
Juan Sanchez
S Weisberg
C Stamatos
A Serrano
M Oka
Dauer
B Kruger
S Soreff
Sam Wiener
Liz A Birmingham
Martin Ries
Judith Quinn
Sandra Belloza
William Farley
Lisa Hammerman
Mary Stevens
Francis T Naval
Ann Hamilton
Elizabeth Allan
Ursula Meyer
Ronald Jones
Sherrie Levine
Hilary Wainman

Tom Doyle

**Report on Central America:** 'We Can Make a Difference'

# Key Sections From Study of Latin Region by Kissinger Panel

Special to The New York Times

*WASHINGTON, Jan. 11 — Following are key sections of the report of the President's commission on Central America, which was made public today:*

## 1. Introduction

Most members of this commission began with what we now see as an extremely limited understanding of the region, its needs and its importance. The more we learned, the more convinced we became that the crisis there is real, and acute; that the United States must act to meet it, and act boldly; that the stakes are large, for the United States, for the hemisphere, and, most poignantly, for the people of Central America.

In this report, we propose significant attention and help to a previously neglected area of the hemisphere. Some, who have not studied the area as we have, may think this disproportionate, dismissing it as the natural reaction of a commission created to deal with a single subject. We think any such judgment would be a grave mistake.

It is true that other parts of the world are troubled. Some of these, such as the Middle East, are genuinely in crisis. But the crisis in Central America makes a particularly urgent claim on the United States for several reasons.

First, Central America is our near neighbor. Because of this, it critically involves our own security interests. But more than that, what happens on our doorstep calls to our conscience. History, contiguity, consanguinity — all these tie us to the rest of the Western Hemisphere; they also tie us very particularly to the nations of Central America. When Franklin Roosevelt proclaimed what he called his "Good Neighbor Policy," that was more than a phrase. It was a concept that goes to the heart of civilized relationships not only among people but also among nations. When our neighbors are in trouble, we cannot close our eyes and still be true to ourselves.

Second, the crisis calls out to us because we *can* make a difference. Because the nations are small, because they are near, efforts that would be minor by the standards of other crises can have a large impact on this one.

Third, whatever the short-term costs of acting now, they are far less than the long-term costs of not acting now.

Fourth, a great power can choose what challenges to respond to, but it cannot choose where those challenges come — or when. Nor can it avoid the necessity of deliberate choice. Once challenged, a decision not to respond is fully as consequential as a decision to respond. We are challenged now in Central America.

Perhaps the United States should have paid more attention to Central America sooner. Perhaps, over the years, we should have intervened less, or intervened more, or intervened differently. But all these are questions of what might have been. What confronts us now is a question of what might become. Whatever its roots in the past, the crisis in Central America exists urgently in the present, and its successful resolution is vital to the future.

### What We Learned

Certain common threads run through all the chapters.

¶First, the tortured history of Central America is such that neither the military nor the political nor the economic nor the social aspects of the crisis can be considered independently of the others. Unless rapid progress can be made on the political, economic and social fronts, peace on the military front will be elusive and would be fragile. But unless the externally supported insurgencies are checked and the violence curbed, progress on those other fronts will be elusive and would be fragile.

¶Second, the roots of the crisis are both indigenous and foreign. Discontents are real, and for much of the population conditions of life are miserable; just as Nicaragua was ripe for revolution, so the conditions that invite revolution are present elsewhere in the region as well. But these conditions have been exploited by hostile outside forces — specifically, by Cuba, backed by the Soviet Union and now operating through Nicaragua — which will turn any revolution they capture into a totalitarian state, threatening the region and robbing the people of their hopes for liberty.

¶Third, indigenous reform, even indigenous revolution, is not a security threat to the United States. But the intrusion of aggressive outside powers exploiting local grievances to expand their own political influence and military control is a serious threat to the United States, and to the entire hemisphere.

¶Fourth, we have a humanitarian interest in alleviating misery and helping the people of Central America meet their social and economic needs, and together with the other nations of the hemisphere we have a national interest in strengthening democratic institutions wherever in the hemisphere they are weak.

¶Fifth, Central America needs help, both material and moral, governmental and nongovernmental. Both the commands of conscience and calculations of our own national interest require that we give that help.

¶Sixth, ultimately, a solution of Central America's problems will depend on the Central Americans themselves. They need our help, but our help alone will not be enough. Internal reforms, outside assistance, bootstrap efforts, changed economic policies — all are necessary, and all must be coordinated. And other nations with the capacity to do so not only in this hemisphere, but in Europe and Asia, should join in the effort.

¶Seventh, the crisis will not wait. There is not time to lose.

### No Room for Partisanship

If there is not time to lose, neither is the crisis in Central America a matter which the country can afford to approach on a partisan basis.

The people of Central America are neither Republicans nor Democrats. The crisis is nonpartisan, and it calls for a nonpartisan response. As a practical political matter, the best way to a nonpartisan policy is by a bipartisan route.

This commission is made up of Republicans and Democrats, nonpolitical private citizens and persons active in partisan politics.

Because the commission has 12 members, each with strong individual views, there obviously are many things in this report to which individual members would have assigned different weight, or which they would have interpreted somewhat differently or put differently. Such is the nature of commissions. But these differences were personal, not partisan. This report, on balance, does represent what all of us found to be a quite remarkable consensus, considering the often polarized and emotional nature of the debate that has surrounded Central America.

## 2. A Hemisphere in Transformation

Throughout history, the U.S. policies toward the nations of the Americas that have succeeded have been those that related the individuality and variety of the different countries to a concept of the hemisphere as a whole. The Monroe Doctrine, the Good Neighbor Policy of Franklin Roosevelt and the Alliance for Progress shared a recognition that despite the enormous differences among nations as ethnically, culturally, politically and historically diverse as, for example, Mexico, Guatemala, Costa Rica, Argentina, Peru and Brazil, there was a commonality of interest and experience calling not for uniformity but for coherence in our policies toward the many individual nations of Latin America. So it is today.

### Two Challenges

The hemisphere is challenged both economically and politically. While that double challenge is common to all of Latin America, it now takes its most acute form in Central America.

### Economic Challenge

First, the commanding economic issue in all of Latin America is the impoverishment of its people. The nations of the hemisphere — not least those of Central America — advanced remarkably throughout the 1960's and 1970's. Growth was strong, though not nearly enough was done to close the gap between the rich and the poor, the product of longstanding economic, social and political structures.

But then the situation turned down. Imported energy costs went up in the 1970's, while commodities prices fell. The developed countries went into recession. Many Latin American governments responded by borrowing in the hope that an early revival would allow them to carry their newly expanded indebtedness. Instead, the cost of servicing that debt began to rise rapidly, as international interest rates — spurred by anti-inflationary monetary policy in the U.S. — shot upwards. The nations of Latin America — including key countries in Central America — were forced to alter course sharply, cutting public expenditures on schools, health services and roads, restraining growth and personal incomes, slashing imports and raising taxes along with exchange rates. The consequence has been that standards of living, already low in comparison to the developed world and badly skewed, have been cut back across the board.

What appears to the international financial system as a debt crisis has a profound human dimension in the area of this commission's primary concern, as it does throughout Latin America. Joblessness is up. Malnutrition and infant mortality have escalated. Poverty was pernicious in Latin Americ a even during the growth years. Fifteen years ago, at the Conference in Medellin, Colombia, the Catholic Church spoke of the need for a "preferential option" to concentrate public policy and public effort on a social ethic of responsibility for the poor. That need is more pressing today. Poverty is on the rise everywhere in Latin America.

### Political Challenge

Second, the political challenge in the hemisphere centers on the legitimacy of government. Once again, this takes a particularly acute form in Central America.

Powerful forces are on the march in nearly every country of the hemisphere, testing how nations shall be organized and by what processes authority shall be established and legitimized. Who shall govern and under what forms are the central issues in the process of change now under way in country after country throughout Latin America and the Caribbean.

Experience has destroyed the argument of the old dictators that a strong hand is essential to avoid anarchy and Communism, and that order and progress can be achieved only through authoritarianism. Those nations in Latin America which have been moving to open their political, social and economic structures and which have employed honest and open elections have been marked by a stability astonishing in the light of the misery which still afflicts the hemisphere. The modern experience of Latin America suggests that order is more often threatened when people have no voice in their own destinies. Social peace is more likely in societies where political justice is founded on self-determination and protected by formal guarantees.

The issue is not what particular system a nation might choose when it votes. The issue is rather that nations should choose for themselves, free of outside pressure, force or threat. There is room in the hemisphere for differing forms of governance and different political economies. Authentically indigenous changes, and even indigenous revolutions, are not incompatible with international harmony in the Americas. They are not incompatible even with the mutual security of the members of the inter-American system — if they are truly indigenous. The United States can have no quarrel with democratic decisions, as long as they are not the result of foreign pressure and external machinations. The Soviet-Cuban thrust to make Central America part of their geostrategic challenge is what has turned the struggle in Central America into a security and political problem for the United States and for the hemisphere.

### Three Principles

The ties that bind this nation to Latin America have rarely been expressed in American foreign policy as firmly and consistently as the reality of our interdependence demands. We have tended to view the region superficially, too often stereotypically; our policy has sometimes swung erratically between the obsessive and the negligent. The 1980's must be the decade in which the United States recognizes that its relationships with Mexico and Central and South America rank in importance with its ties to Europe and Asia.

The first principle is democratic self-determination.

The vitality of the inter-American system lies now more than ever before in accepting a firm commitment of its member nations to political pluralism, freedom of expression, respect for human rights, the maintenance of an independent and effective system of justice and the right of people to choose their destiny in free elections without repression, coercion or foreign manipulation.

The second principle is encouragement of economic and social development that fairly benefits all.

The encroachments of poverty must be stopped, recession reversed, and prosperity advanced. Adherence to this principle involves something deeper than meeting a short-term emergency. It means laying the basis for sustained and broad-based economic growth. There must be encouragement of those incentives that liberate and energize a free economy. There must be an end to the callous proposition that some groups will be "have-nots" forever. Any set of policies for the hemisphere must address the need to expand the economies of its nations and revive the hopes of its people.

The third principle is cooperation in meeting threats to the security of the region.

The present international framework for dealing with challenges to the mutual security of the Americas is weak. With respect to Central America, the inter-American system has failed to yield a coordinated response to the threat of subversion and the use of Soviet and Cuban proxies, which have become endemic since the day when the instruments of inter-American cooperation were first drawn up.

A modernizing of the regional security system is imperative. Just as there can be no real security without economic growth and social justice, so there can be no prosperity without security. The Soviet and Cuban threat is real. No nation is immune from terrorism and the threat of armed revolution supported by Moscow and Havana with imported arms and imported ideology.

In the past, other parts of the hemisphere have been the focal points of turbulence. Today's concentration of crises is in Central America.

## 3. Crisis in Central America: An Historical Overview

While measures of absolute poverty are inevitably arbitrary and subject to considerable margins of error, studies show that in El Salvador, Guatemala, Honduras and Nicaragua during the 1970's about half of the urban population and three-quarters of the rural population could not satisfy their basic needs in terms of nutrition, housing, health and education. The population explosion magnified the problem of inequitable distribution of national income. The number of Central Americans almost tripled in 30 years. Except in Costa Rica, rapid urbanization and population growth overwhelmed the limited resources that governments were prepared to devote to social services — or that private organizations could provide. This was true in all fields — education, health, housing and nutrition.

The economic collapse of the late 1970's, coming as it did after a period of relatively sustained growth, shattered the rising hopes of Central Americans for a better life. Though the period of modernization by no means lifted most Central Americans out of poverty, it did arouse expectations that the quality of life would improve. The frustration of these expectations, along with the disappointment of efforts to bring about political change in the region, thus offered fertile opportunities for those both in the region and outside of it who wished to exploit the crisis for their own advantage.

### The Present Crisis

By the late 1970's, the increasingly dangerous configuration of historic poverty, social injustice, frustrated expectations and closed political systems was suddenly exacerbated by world economic recession and by intensified foreign-promoted Communist insurgency. And just as the economic collapse and political impasse offered an opportunity for the insurgents, the insurgency aggravated the economic and political crisis by spreading violence and fear. To varying degrees, but with many common elements, this crisis is reflected in the situation of each of the five Central American nations.

**El Salvador.** Nowhere is the link between economic decline and insecurity more apparent than in El Salvador, once perhaps the leading beneficiary of the Central American Common Market. El Salvador today faces violence and destruction that threaten economic collapse.

The insurgents themselves acknowledge that destruction of the country's basic infrastructure is a key ingredient in their strategy to bring down the Government. They seek victory through both economic and military attrition. Although their absolute numbers have not increased over the last three years, and although they have not attracted the broad popular support they hoped for, the guerrillas after four years of experience in the field demonstrate an increasing capacity to maneuver, concentrate their forces and attack selected targets. They maintain sporadic control over areas in the eastern provinces and pose a hit-and-run threat virtually everywhere outside the major urban areas. Guerrilla forces regularly attempt to intimidate and coerce local populations with shootings, abductions and other strong-arm tactics.

On the other side, the Government of El Salvador is severely hampered by the erosion four years of war have produced in the country's basic institutions — by the difficulty it has in enforcing its authority and carrying out its functions. For their part, the armed forces have increased their manpower fourfold but still face problems in leadership and the command structure, as well as the need for more equipment and training. But the war effort suffers most of all from the terrible violence engulfing El Salvador's civilian population. Since 1979 more than 30,000 noncombatants have been killed. Government security forces and the right-wing death squads associated with them are guilty of many thousands of murders. These enemies of nonviolent change above all threaten hopes for social and democratic reform.

Even in the midst of escalating violence, the struggle for basic reform and a democratic transformation has continued. A sweeping program of land reform, now affecting 20 percent of the country's arable land, was launched; a Constituent Assembly election was held in which about 80 percent of those eligible went to the polls under very adverse circumstances; a new constitution has now been written and the country is preparing to elect a President in March.

**Guatemala.** Guatemala is also suffering from violence and economic decline. Its economy is the largest and most diversified in Central America. But it still depends on coffee exports for more than 60 percent of its agricultural foreign exchange earnings. With the decline in real prices for coffee during the last few years, the economic growth rates, quite satisfactory in the 1970's, turned negative. Insurgency and political violence dried up sources of international credit. Stagnation of the Central American Common Market, in which 80 percent of Guatemala's industrial exports are normally sold, hit the industrial sector hard. Gross national product fell by over 4 percent in 1983.

Guatemala's economic troubles affect a society long afflicted by the most extreme social inequity. Sanitation, potable water and proper shelter barely exist in the country's rural areas, where almost two-thirds of the population live. More than 50 percent of adults are illiterate, and life expectancy is less than 60 years. Overshadowing all social issues in Guatemala is the presence of a large and culturally distinct Indian population. Centuries of isolation and passivity are now giving way among the Indians to discontent and a drive to participate in Guatemala's economy and politics. Thus the crisis there takes on an extra dimension.

A new military regime, which replaced that of Rios Montt last year, has scheduled Constituent Assembly elections for July of 1984, promised general elections for 1985 and announced that the armed forces will stay out of the political process.

With 20 years of experience in counterinsurgency, the Guatemalan Army has so far been able to contain the guerrilla threat, despite the lack of outside assistance and despite shortages of equipment and spare parts. But violence in the cities — terrorist attacks by the extreme left and the use of murder by the security services to repress dissent — is again growing. Insecurity thus spreads through the country.

**Nicaragua.** In Nicaragua the revolution that overthrew the hated Somoza regime has been captured by self-proclaimed Marxist-Leninists. In July of 1979 the Sandinistas promised the O.A.S. that they would organize "a truly democratic government" and hold free elections, but that promise has not been redeemed.

From the outset, the Sandinistas have maintained close ties with Cuba and the Soviet Union. There are some 8,000 Cuban advisers now in Nicaragua, including at least 2,000 military advisers, as well as several hundred Soviet, East European, Libyan and P.L.O. advisers. Cuban construction teams have helped build military roads, bases and airfields. According to intelligence sources, an estimated 15,000 tons of Soviet bloc arms and equipment reched the Sandinista army in 1983. This military connection with Cuba, the Soviet Union and its satellites internationalizes Central America's security problems and adds a menacing new dimension.

Nicaragua's Government has made significant gains against illiteracy and disease. But despite significant U.S. aid from 1979 to 1981 (approximately $117 million), its economic performance has been poor, in part because of the disruptions caused by the revolution, in part because of the world recession and in part because of the mismanagement invariably associated with regimes espousing Marxist-Leninist ideology. National income per capita is less than $1,000, about equal to that of the early 1960's, and Nicaragua is plagued by shortages of food and consumer goods, with the result that extensive rationing has been instituted.

**Honduras.** Honduras borders Nicaragua and believes itself threatened by the Sandinistas' highly militarized and radically revolutionary regime. In Honduras an elected Government is struggling to preserve security and maintain a democratic order established just two years ago after the military backed a return to constitutional, civilian rule. The Government is also struggling to restore economic growth in the face of what President Roberto Suazo has called the worst economic crisis in the nation's history. The Sandinista military buildup — huge by Central American standards — puts heavy pressure on Honduras to strengthen its own forces at the expense of its development needs. The clandestine transshipment of arms from Nicaragua across Honduran territory and over the Bay of Fonseca traps Honduras in the bitter conflict of its neighbor.

The Suazo Government has pursued national security through closer military ties with the United States and by supporting anti-Sandinista guerrillas operating from Honduran territory, reportedly in cooperation with the U.S. Honduras has rejected Nicaraguan proposals that such issues as border security and arms trafficking be addressed on a bilateral basis, insisting that a comprehensive regional political settlement, including an unmistakable commitment to democratic pluralism by all five countries, is essential if peace is to be restored.

**Costa Rica.** In Costa Rica a long-established democratic order remains healthy, but the nation's economy is in distress and Costa Ricans are increasingly concerned that the violence in the region will intrude on their hitherto peaceful oasis. The international recession and the stagnation of the Central American Common Market caused a severe economic decline. National income per

The New York Times/Paul Hosefros

**COMMISSION MEMBERS:** Arriving at White House for presentation of report were, from left, Senator Charles McC. Mathias Jr., Nicholas F. Brady, John Silber and Representative Jack F. Kemp.

## Members of Commission

Special to The New York Times

*WASHINGTON, Jan. 11 — These are the members, the executive director and the senior counselors of the President's commission on Central America, which is headed by former Secretary of State Henry A. Kissinger:*

### Members

Nicholas F. Brady, former Republican Senator from New Jersey, now chairman of Purolator Inc. and managing director of Dillon Read & Company

Henry G. Cisneros, Mayor of San Antonio

William P. Clements Jr., former Governor of Texas

Carlos F. Diaz-Alejandro, professor of economics at Yale University

Wilson S. Johnson, president of the National Federation of Independent Business

Lane Kirkland, president of the A.F.L.-C.I.O.

Richard M. Scammon, a political scientist

John Silber, president of Boston University

Potter Stewart, retired Associate Justice of the Supreme Court

Robert S. Strauss, chairman of President Carter's re-election campaign and former chairman of the Democratic Party

Dr. William B. Walsh, founder and president of Project Hope, the international medical care and education organization

### Executive Director

Harry W. Shlaudeman, former United States Ambassador to Argentina

### Senior Counselors

Jeane J. Kirkpatrick, chief United States delegate to the United Nations

Winston Lord, president of the New York Council on Foreign Relations

William D. Rogers, former Secretary of State, now a Washington lawyer

Senator Daniel K. Inouye, Democrat of Hawaii

Senator Pete V. Domenici, Republican of New Mexico

Senator Lloyd Bentsen, Democrat of Texas

Senator Charles McC. Mathias Jr., Republican of Maryland

Representative William S. Broomfield, Republican of Michigan

Representative Jack F. Kemp, Republican of Buffalo

Representative Jim Wright, Democrat of Texas

Representative Michael D. Barnes, Democrat of Maryland

# Report on Central America: 5-Year Commitment Is Urged

capita fell by 18 percent between 1980 and 1982. Unemployment doubled. Deterioration in the country's trade balance — in large part due to the drop in coffee prices and the rise in oil prices — led to heavy international borrowing. Costa Rica's foreign debt is now over $3 billion. Interest payments alone that were due in 1983 came to $500 million, or 38 percent of anticipated export receipts; arrears currently stand at $1 billion.

The Government of President Luis Alberto Monge has responded seriously, adopting a severe austerity program, raising taxes, increasing fuel prices and public utility charges and freezing Government employment.

**The Common Dangers.** Although the current situation differs substantially from country to country, there are many common elements.

The region as a whole has suffered severe economic setbacks. All five nations are markedly poorer than they were just a few years ago. Intraregional trade has fallen drastically. The Common Market is threatened with extinction as the resources necessary to sustain it dry up. Political violence and the menace of the radical left have caused huge flights of capital. Investment, even in the leading agricultural export sectors has come virtually to an end.

## The U.S. and Central America

**Historical perspective.** The United States has been involved, sometimes intimately, in the affairs of Central America for more than a century. The record of that past is a mixed one; it must be understood if we are to address today's crisis constructively.

For the most part, U.S. policy toward Central America during the early part of this century focused primarily on promoting the stability and solvency of local governments so as to keep other nations out. This was reflected in Theodore Roosevelt's corollary to the Monroe Doctrine, which held that the United States should take action to prevent situations from arising that might lead to interventions by extra-hemispheric powers. Theodore Roosevelt once defined the sole desire of the United States as being "to see all neighboring countries stable, orderly and prosperous." This formulation reflects both a great-power interest in keeping the hemisphere insulated from European intrigue and the concern for others' well-being that has often animated our foreign policy. The result, however, was a high degree of interventionism in Central American during the early 1900's.

The United States intervened *directly in Nicaragua in 1909, landing marines and deposing a president in* an effort to restore stability. The marines returned in 1912 and, with one brief interruption, they stayed until 1933. Before leaving, the U.S. authorities created a single National Guard with responsibility for all Nicaraguan police and defense functions. The immediate purpose was to provide stability; the ultimate result was to create the instrument Anastasio Somoza used after the occupation to impose a personal dictatorship once the marines left. The ability of Somoza and later his sons to portray themselves as friends and even spokesmen of the U.S. began with the use they were able to make of the legacy of U.S. military occupation, thereby creating an identity between the U.S. and dictatorship in Central America that lingers, independent of the facts, to this day.

Besides military interventions, the U.S. used other forms of pressure as well.

Franklin Roosevelt's Good Neighbor Policy was designed to signal the end of the era of intervention and to put relations with all of Latin America on a basis of mutual respect and friendship. But in practice — and particularly when World War II put an added premium on good relations with neighboring governments — this policy of friendship and non-intervention had the paradoxical effect of continuing to identify the United States with established dictatorships.

The importance of the United States to the region's economies has also been a powerful element in shaping Central American attitudes toward us. Beginning in Costa Rica almost a century ago, U.S. capital developed the banana industry and monopolized it throughout the isthmus.

The questionable practices followed by the fruit companies in those early years, together with the power they wielded over weak governments, did a lot to create the fear of "economic imperialism" that to some degree still persists among Central Americans.

**A history of cooperation.** This, however, is only one side of the history of U.S. relations with Central America. The U.S. Government has also made extensive positive efforts to advance Central American development, beginning at the turn of the century with a public health campaign against yellow fever.

With the launching of the Alliance for Progress in 1961, the role of the United States in Central American development underwent a major transformation. This was a bold and unprecendented effort to encourage comprehensive national planning and to promote a wide array of social, political, tax and land reforms, supported by significantly increased resources from the United States, the newly created Inter-American Development Bank, the World Bank and other aid donors. The assistance from the United States, and perhaps equally as significant, the personal identification of President Kennedy with the program, was a critical factor in the surge of Central American development which began in the 1960's.

Direct private investment in Central America by U.S. firms also continued to grow during these years. While that investment might seem small in relation to total U.S. investment abroad (currently about 2.4 percent, including Panama), it was large in Central American terms. It has contributed substantially to the region's growth, as many Central Americans are quick to acknowledge. At the same time, it has been a constant target of the propaganda of the radical left, which has played upon the theme of economic hegemony and "imperialism."

**Mixed results.** The record of United States involvement in Central America during these critical years is, in short, mixed. The Alliance for Progress was a major force for modernization and development. U.S. assistance programs have made and continue to make an important contribution. Whatever the mistakes of the past, private U.S. investment in the region now plays a vital and constructive role.

It may be that U.S. diplomacy gave too little attention to the growing problems in Central America during the past two decades. Certainly, the U.S. has at times been insensitive, at times interfering, at times preoccupied elsewhere. This is a far cry, however, from saying, as the Sandinista National Directorate and others say, that this nation's policies have been the principal cause of the region's afflictions.

## 4. Toward Democracy And Economic Prosperity

Most past U.S. development programs have been predominately economic. We argue here that the crisis in Central America cannot be considered in solely economic or political or social or security terms. The actions we recommend represent an attempt to address this complex interrelationship in its totality, not just in its parts.

We envision, in the short term, an emergency stabilization program and, in the medium and long term, a new multilateral regional organization to measure performance across the entire political, social, economic, and security spectrum, and to target external aid resources where they can provide the most significant impetus. In support of these efforts, we urge a five-year commitment by the United States to a substantially increased level of economic assistance.

We recognize that it is unlikely that the social inequities and distortions that have accumulated over the last five centuries will be corrected during the next five years. But the groundwork for recovery should be laid as soon as possible. The costs of not meeting the challenge in Central America would be too great, today and for generations to come.

Continued rapid population growth has compounded the human consequences of the economic collapse. The population of the Central American isthmus nearly doubled from 1960 to 1981, from 12 to 23 million. During these years, population growth rates slowed significantly only in Costa Rica and Panama. Overall, the regional growth rate remains around 3 percent, among the highest in the world.

One of the legacies of the past several years is a significant accumulation of external debt. Total debt of the Central American countries was at least $14 billion at the end of 1982, an increase of 240 percent over 1975.

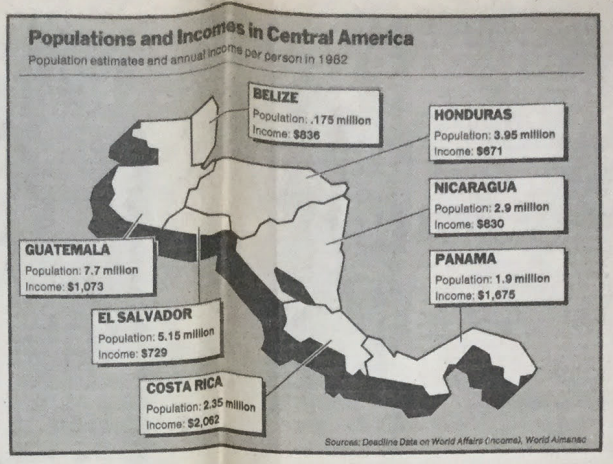
With the beginnings of the international debt crisis, the Central American countries lost their limited access to the international commercial banking market. Trade finance lines were cut and public and private sector borrowers were unable to raise new funds, thus further compounding debt-service problems. To some extent, this reinforced the drop in imports and the decline in economic activity, even though increased official assistance more than offset the decline in commercial bank credits. Any program of reactivation must address these key factors. They lie at the heart of the region's development problems.

## Efforts to Address The Crisis

For their part, other countries are also contributing to Central America's economic recuperation. Mexico and Venezuela have established a major facility to provide oil on concessional terms. The United States is making its influence felt in several ways.

But the outlook, even under optimistic assumptions, is not very promising. Even if economic stabilization policies are consistently implemented, if official capital flows remain at roughly current levels through the rest of the decade, if private capital flows eventually recover, if the international stability returns, unless more is done the economies of Central America will only gradually begin to recover. Without a significant increase in the levels of foreign assistance, improvement in the way those resources are managed and used and the introduction of growth-oriented economic policies, economic activity in the region, measured on a per capita basis, would probably reach no more than three-quarters of the 1980 level by 1990. This would mean more unemployment and continued widespread poverty.

In short, present prospects for Central America are unacceptable and the present effort is inadequate. The Central American countries must improve their own economic policies and performance. The United States and the other democracies must provide more assistance and greater commitment.




## An Emergency Stabilization Program

The commission urges the immediate adoption of an emergency stabilization program combining public and private efforts to halt the deterioration. Some of our recommendations are endorsements of existing initiatives. And, most important, it is critical that the Central American countries continue to implement economic stabilization programs and, especially, to pursue policies designed to foster increased investment and trade.

The program includes eight key elements:

*We urge that the leaders of the United States and the Central American countries meet to initiate a comprehensive approach to the economic development of the region and the reinvigoration of the Central American Common Market.*

*We encourage the greatest possible involvement of the private sector in the stabilization effort.*

We recognize that the current climate of violence and uncertainty discourages private sector initiatives. Nevertheless, we believe it is imperative to increase the private sector's involvement as soon as possible. Thus, we recommend the establishment of an Emergency Action Committee of concernd private citizens and organizations with a mandate to provide advice on the development of new public-private initiatives to spur growth and employment in the region.

*We recommend that the United States actively address the external debt problems of the region.*

We urge new initiatives to deal with Central America's serious external debt problems. Although the United States and other creditor governments have agreed in principle to reschedule part of Costa Rica's external debt, none of the other countries of the region has formally asked for similar treatment. They should be encouraged to seek multilateral debt renegotiation; this would be a departure from existing practice, which is essentially reactive.

*We recommend that the United States provide an immediate increase in bilateral economic assistance.*

Additional economic assistance should be made available in the current fiscal year. Total commitments of U.S. bilateral economic assistance to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama in F.Y. 1983 was $628 million; the request for appropriated funds for F.Y. 1984 is $477 million. We recommend a supplemental appropriation of $400 million for the current fiscal year. Such an increase, if complemented by continued improvements in the economic policy programs of these countries and if quickly made available, would help stabilize current economic conditions. We also recommend additional U.S. economic assistance in future years.

The bulk of this additional assistance should be channeled through the Agency for International Development (A.I.D.), with emphasis on creating productive jobs, providing general balance of payments support and helping the recipient countries implement their economic stabilization programs. The purpose of this assistance would be to stop the continued decline in economic activity and to signal a U.S. commitment to helping Central America address its deep-seated economic and political problems. Other donors, including Canada, Europe and Japan, should be encouraged to provide similar additional help as soon as possible.

*We recommend that a major thrust of expanded aid should be in labor-intensive infrastructure and housing projects.*

We urge that A.I.D. use increased economic assistance to expand infrastructure and housing projects. Central America suffers from pressing needs for rural electrification, irrigation, roads, bridges, municipal water, sewer and drainage construction and repair. Such construction projects, using labor-intensive methods, can quickly be initiated, with considerable economic benefit.

*We recommend that new official trade credit guarantees be made available to the Central American countries.*

The decline in the availability of trade finance has critically affected the flow of imports into Central America. A Trade Credit Insurance Program would provide U.S. Government guarantees for short-term trade credit from U.S. commercial banks. Such a program could be administered by the Export-Import Bank, although the existing trade credit program is not available to Central American countries, in part because the risks of non-repayment are viewed as excessive. Therefore, every effort should be made to establish the program within existing legislation or to create new legislative authority for a program reflecting the need for special consideration in Central America. The novelty would be that the program would be available only for use in Central America.

We further recommend that participating U.S. commercial banks be required, as a condition of their participation, to renegotiate their existing long-term credits in accordance with guidelines established by the debt task force described above. Thus, the program would contribute to easing debt service problems as well as to encouraging renewed commercial bank lending (albeit with a government guarantee) in Central America.

We also urge that a program be organized to provide seasonal credit to the agricultural sector which would meet a critical need in the region.

*We recommend that the United States provide an emergency credit to the Central American Common Market Fund (C.A.C.M.F.).*

The Central American countries have asked for a credit to refinance part of the accumulated trade deficits among themselves which have contributed to the contraction of intra-regional trade. The United States should use part of the increased economic aid for this purpose; the Central American countries that have been in surplus would be expected to transform the remainder of the deficits into long-term local currency credits. As the Central American countries have proposed, C.A.C.M.F. regulations should then be adjusted to avoid future buildups of large unsettled balances. Since the debts that would be refinanced under this proposal are among central banks, there should be no adverse implications for other rescheduling efforts.

We recognize that support for Common Market institutions benefits all members of the Common Market, regardless of their political orientation or social and economic performance. There is no way to isolate one or two member countries. However, support for the Common Market would be one of the quickest ways to revive intra-regional trade and economic activity. The Common Market continues to enjoy strong support among Central Americans.

We have concluded that the benefits of an infusion of capital into the C.A.C.M.F. outweigh the disadvantages. However, we are convinced that the Common Market will have to change toward a more open trading posture. This will require a basic reorientation of regional trade and industrial policies.

*We recommend that the United States join the Central American Bank for Economic Integration (C.A.B.E.I.).*

The Central American countries are opening membership in C.A.B.E.I. to countries outside the region. We urge the U.S. to join this institution and to encourage other creditor countries to seek membership. The infusion of new resources would help reinvigorate the bank, which could channel much-needed funds to small-scale entrepreneurs and farmers, provide working capital to existing private sector companies and encourage the development of new industries.

## Reconstruction And Development

The measures we have outlined above aim at short-term stabilization. They represent an effort to buy time to permit the Central American nations and their friends to build a broader structure of cooperation for the longer future. That longer-term future is our principal mandate, and we now turn to it.

*Elimination of the climate of violence and civil strife.*

Peace is an essential condition of economic and social progress. So too is elimination of the fear of brutality inflicted by arbitrary authority or terrorism. No need is more basic.

*Development of democratic institutions and processes.*

The United States should encourage the Central American nations to develop and nurture democratic cultures, institutions and practices, including:

¶Strong judicial systems to enhance the capacity to redress grievances concerning personal security, property rights and free speech.

¶Free elections, by seeking advice from technical experts and studying successful electoral systems, including Costa Rica's.

¶Free and democratic trade unions. The importance of unions, which represent millions of rural and urban workers, has been firmly established in the region. They have been not only an economic force but a political one as well, opposing arbitrary rule and promoting democratic values. Assuring an equitable distribution of economic benefits will require both job-oriented development strategies and trade unions to protect workers' rights.

*Development of strong and free economies with diversified production for both external and domestic markets.*

During the second half of this decade the Central American economies need to grow at per capita annual rates of at least 3 percent in real terms, which is close to the region's historical growth rate and is necessary to absorb new entrants to the labor force each year.

*Sharp improvement in the social conditions of the poorest Central Americans.*

No investment in Central America will be more productive over the long term than that made to improve the health, education and social welfare of its people. This is fundamental.

*Substantially improve distribution of income and wealth.*

The goals of equality of opportunity and better income distribution require expanded access to ownership of productive land and capital. This is also crucial for social and political progress. The pervasiveness and depth of rural poverty make improvement in rural incomes and living standards especially high priorities. Agrarian reform programs should continue to be pursued as means of achieving this.

## U.S. Development Support

*We urge a major increase in U.S. and other-country financial and economic assistance for Central America.*

Reaching that goal will require a significant effort. External financing needs between now and 1990 have been estimated at as much as $24 billion for the seven countries as a group. The World Bank, the International Monetary fund, the Inter-American Development Bank, other official creditors, private investors and commercial banks are likely to provide at least half of these funds — especially if each Central American country follows prudent economic policies, if there is steady social and political progress, and if outside aggression is eliminated. The balance, as much as $12 billion, would have to be supplied by the United States.

*We now propose that economic assistance over the five-year period beginning in 1985 total $8 billion.*

This global figure would include direct appropriations as well as contingent liabilities such as guarantees and insurance. In effect, this would represent a rough doubling of U.S. economic assistance from the 1983 level.

We recognize that such a proposal may be viewed with skepticism. However, we firmly believe that without such large-scale assistance, economic recovery, social progress and the development of democratic institutions in Central America will be set back.

Ultimately, the effectiveness of increased economic assistance will turn the economic policies of the Central American countries themselves. We agree with what many experts have told us: that unless these reforms are extended economic performance will not significantly improve, regardless of the money foreign donors and creditors provide. In too many other countries, increased availability of financial resources has undermined reform by relieving the immediate pressure on policy makers. This must be avoided in Central America.

What is now required is a firm commitment by the Central American countries to economic policies, including reforms in tax systems, to encourage private enterprise and individual initiative, to create favorable investment climates, to curb corruption where it exists and to spur balanced trade.

*We recommend that the United States expand economic assistance for democratic institutions and leadership training.*

Key initiatives which either are already under way or should be developed include:

¶The encouragement of neighborhood groups, community improvement organizations and producer cooperatives which provide a training ground for democratic participation and help make governments more responsive to citizen demands.

¶The United States Information Service's binational centers provide valuable insight into the advantages of personal freedoms in the U.S. Significantly expanded funding would allow the centers to expand their library holdings, courses and programs.

¶Exchange and training programs for leaders of democratic institutions. The International Visitors Program of U.S.I.A. and A.F.L.-C.I.O.'s George Meany Institute are both examples of effective programs that bring leaders from Central America, as well as from other regions, to the United States for training programs. Additional programs should be established to bring leaders of such democratic institutions as labor unions, local governments, legislatures and professional associations to work and study in counterpart U.S. organizations.

## Expanded Trade Opportunities

Rapid Central American economic growth requires increased foreign exchange earnings. In the short run the region will continue to rely largely on the earnings which come from the export of commodities.

The solution to this problem will necessarily be a slow one. Over the medium term, the Central American countries should try to broaden their export bases both in the agricultural and manufactured good sectors. More diversified exports would help to insulate the region from some of the swings in the international economy.

Central American export-promoting policies will come to naught, however, if the rest of the world fails to open its markets. The United States has taken the lead in this respect, and the Caribbean Basin Initiative will provide additional encouragement for the development of new export industries.

*We encourage the extension of duty-free trade to Central America by other major trading countries.*

We urge the European Community to extend trade preferences to Central America under the Lome Agreement, since the U.S. is extending C.B.I. benefits to Lome beneficiaries in the Caribbean. Other countries of Latin America should also be encouraged to offer special trade benefits to the Central American countries as their own economic recovery progresses.

*We urge the United States to review nontariff barriers to imports from Central America.*

We recognize that this issue — which principally applies to products like textiles, sugar and meat — is highly contentious, both internationally and domestically. All of these products are affected by multilateral agreements which partly determine the degree of access to the United States market. We encourage the President to use whatever flexibility exists in such agreements in favor of Central American producers.

Several initiatives could be undertaken by the United States to encourage U.S. investors to consider projects in Central America.

*We encourage the formation of a privately owned venture capital company for Central America.*

We recommend that a venture capital company — which might be called the Central American Development Corporation (C.A.D.C.) — be established for Central America. C.A.D.C., capitalized by private sector investors, would use its capital to raise funds which, in turn, would be lent to private companies active in Central America. It would be managed and directed by experienced entrepreneurs. Its loans would be made to commercially viable projects in high priority economic sectors for working capital or investment purposes. The U.S. Government could support the C.A.D.C. initiative through a long-term loan as it has for similar initiatives in other areas of the world.

## Agricultural Development

Integrated programs of rural development targeted at the food producing sector have enormous potential for improving the welfare of large numbers of people, while increasing and diversifying agricultural production and lessening dependence on food imports. Such programs require a variety of coordinated measures which would have to be undertaken by the Central Americans themselves.

We recommend that the financial underpinnings of the efforts to broaden land ownership be strengthened and reformed.

In programs of land reform, ways should be found to insure that the redistribution of land provides the new owners with a valid title, that governments promptly allocate resources as they become available to insure that former owners are effectively compensated, and that in the end the system enhances incentives to expand the nation's total agricultural output.

## Organizing For Development

We have developed the outline of a structure which we have called the Central American Development Organization, or C.A.D.O. We put it forward not as the only design, but as a means of illustrating how the concept could be implemented.

Membership in C.A.D.O., as we envision it, would initially be open to the seven countries of Central America — Belize, Costa Rica, El Salvador,

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# Report on Central America: 'A Chance for a Political Solution'

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Guatemala, Honduras, Nicaragua and Panama — and to the United States. Associate member status would be available to any democracy willing to contribute significant resources to promote regional development. We would hope that the other Contadora countries would participate actively, as well as the nations of Europe, Canada and Japan. The organization's chairman should be from the United States with an executive secretary from Central America.

Central American participation in the program should turn on acceptance of and continued progress toward political pluralism, and a process of recurrent elections with competing political parties. Only nations prepared to base their governments on the free choice of their people should be eligible. This does not necessarily mean that each country would institutionalize its political processes in the same way as the United States, but it does mean that each would adopt democratic forms appropriate to its own conditions.

We recommend that an economic reconstruction fund be established within C.A.D.O. and that the U.S. channel one-quarter of its economic assistance through such a fund. Loans to countries would be in support of development programs and policies including the implementation of growth-oriented economic policies, the establishment of genuine democratic institutions and the adoption of programs to improve social conditions. They would be quick-disbursing, balance-of-payments support loans.

Governments, including that of the United States, would not be bound to accept the judgments of C.A.D.O. The U.S. would be free to maintain a bilateral economic assistance program in a particular country, regardless of performance. But the present purely bilateral process has its drawbacks. It factors political assessments directly into economic aid decisions. This makes the United States the prosecutor, judge and jury. It leads to rancorous debate, sometimes poorly informed. This commission's proposal is an effort to explore a new process. The responsibility for assessing development performance would be assumed in the first instance by a respected multilateral body, with donors retaining effective final control of their financial resources. The process should be more effective, more acceptable to Central America and more compatible with present-day views of how sovereign nations should deal with each other.

The New York Times / Paul Hosefros

**DISSENTING OPINION:** Mayor Henry G. Cisneros of San Antonio, a member of the commission, arriving at the White House. He advocated ending American aid to Nicaraguan rebels through 1985.

## 5. Human Development

Many Central Americans with whom we met emphasized the importance of bold initiatives to improve Central American living conditions. In this spirit, we believe the following are ambitious yet realistic objectives for the 1980's:

¶The reduction of malnutrition.

¶The elimination of illiteracy.

¶Universal access to primary education.

¶Universal access to primary health care.

¶A significant reduction of infant mortality.

¶A sustained reduction in population growth rates.

¶A significant improvement in housing.

The programs we outline below are intended to help Central Americans achieve these objectives. Such funds as they require from the U.S. Government would be part of the expanded economic assistance program.

*We recommend that the United States increase food aid on an emergency basis.*

Although the permanent solution to the problem lies in accelerated agricultural development, the United States and other donors — including members of the European Community — can help in the short run by providing additional food aid. The United States now provides about $100 million annually to Central America in such aid. This should be expanded, and so supplemented by increased use of the Commodity Credit Corporation program in Central America. In addition, the food distribution system needs to be improved.

*We recommend that the Peace Corps expand its recruitment of front-line teachers to serve in a new Literacy Corps.*

*A Literacy Corps of* qualified volunteers *should* be created to engage in direct teaching and also train Central Americans to teach their compatriots. We urge a dramatic expansion of volunteers in the region from the current 600 to a figure five or six times as great, largely in education. Emphasis in recruitment should be on mature persons who speak Spanish. Other democratic countries in Latin America should be encouraged to offer similar groups of volunteers to help combat illiteracy.

*We recommend that Peace Corps activities be expanded in part by establishing a Central American Teacher Corps, recruited from the Spanish-speaking population of the United States.*

*We recommend an expanded program of secondary level technical and vocational education.*

*We recommend expansion of the International Executive Service Corps (I.E.S.C.).*

The I.E.S.C. is a private, voluntary organization of retired American business executives. An expanded I.E.S.C. effort in Central America, perhaps with some support from the U.S. Government, should give particular attention to training managers of small businesses.

*We recommend a program of 10,000 Government-sponsored scholarships to bring Central American students to the United States.*

The United States should provide 5,000 four- to six-year university scholarships and 5,000 two- to four-year vocational-technical scholarships. Admittedly, this is an ambitious program compared both to current efforts and to the 500 scholarships anticipated under the C.B.I. Nevertheless, it is imperative to offer young Central Americans the opportunity to study in the United States, both to improve the range and quality of educational alternatives and to build lasting links between Central America and the United States.

*We recommend that the United States help strengthen Central American judicial systems.*

### A Region's Health

If Disareli's view that the "economic health of a nation depends first on the health of its people" is true, then it is vital that health conditions in Central America be improved as a precondition for economic recovery.

We recommend that existing technical assistance programs supported by A.I.D. be expanded.

We recommend a resumption of the A.I.D.-sponsored program to eradicate vector-borne diseases such as malaria and dengue fever.

We recommend the continuation of the population and family planning programs currently supported by the Agency for International Development.

Overpopulation presents a serious threat to the development and health of the region. Attempts must be made through education and family planning to reduce the birth rate to a more moderate level.

### Humanitarian Relief

The tragedy of the more than one million displaced persons in Central America — driven from their homes by violence and fear of violence — is well known.

The commission believes that effective relief efforts which would assist these people would not only serve a humanitarian purpose but would have a positive effect on the political, social and economic future of the countries involved.

We recommend expanded support for adequate relief efforts throught the Agency for International Development and the Department of State refugee program.

despite severe intimidations by the guerrillas, and will conduct another one this March. It has been going forward with an extensive land reform program. It allows debate, freedom of assembly, opposition and other aspects of democracy, however imperfect. Albeit belatedly and due to U.S. pressure, it is beginning to address the problem of right-wing violence.

There is, of course, a darker side as well in El Salvador. The United States obviously cannot accept, let alone support, the brutal methods practiced by certain reactionary forces in Central America. Some of these actions are related to counterinsurgency. Other violence has, in fact, nothing to do with insurgency at all. It is designed to terrorize opponents, fight democracy, protect entrenched interests and restore reactionary regimes.

Whatever their aims, these methods are totally repugnant to the values of the United States. The methods of counterinsurgency developed over the last generation by the armed forces of the United States are consistent with such models. They depend upon gaining the confidence and support of the people and specifically exclude the use of violence against innocent civilians.

The present level of U.S. military assistance to El Salvador is far too low to enable the armed forces of El Salvador to use these modern methods of counterinsurgency effectively. At the same time, the tendency in some quarters of the Salvadoran military towards brutality magnifies Congressional and executive pressures for further cuts in aid. A vicious cycle results in which violence and denial of human rights spawn reductions in aid, and reductions in aid make more difficult the pursuit of an enlightened counterinsurgency effort.

In the commission's view it is imperative to settle on a level of aid related to the operational requirements of a humane antiguerrilla strategy and to stick with it for the requisite period of time.

Another obstacle to the effective pursuit of antiguerrilla strategy is a provision of current U.S. law under which no assistance can be provided to law enforcement agencies. This dates back to a previous period when it was believed that such aid was sometimes helping groups guilty of serious human rights abuses. The purpose of the legislation was to prevent the United States and its personnel from being associated with unacceptable practices. That concern is valid, but, however laudable its intentions, the blanket legal prohibition against the provision of training and aid to police organizations has the paradoxical effect, in certain cases, of inhibiting our efforts to improve human rights performance.

We therefore suggest that Congress examine this question thoroughly and consider whether Section 660 of the Foreign Assistance Act should be amended so as to permit — under carefully defined conditions — the allocation of funds to the training and support of law enforcement agencies in Central America.

### Situation in El Salvador

The war is at a stalemate — a condition that in the long term favors the guerrillas. They have relatively little popular support in El Salvador, but they can probably continue the war as long as they receive the sort of external support they are now getting.

In part, the Salvadoran military's difficulties in containing the guerrilla threat are related to manpower problems — their training, their retention, their equipment, and their development.

The Salvadoran armed forces have also suffered from inadequate command and control, coordination and leadership. A recent major reorganization of the military command structure is designed to achieve needed improvements in command and control and coordination, and to lead to a ore aggressive prosecution of the war. But to end the stalemate will require much more in equipment and trained manpower.

### Insurgency in Guatemala

The insurgency in Guatemala is at a much lower level. There are about 2,500 guerrillas in four groups loosely organized under an umbrella organization. The guerrillas lost critical ground in the fall of 1982 and have not yet recovered. The guerrillas engage in harassment and terrorism but make no attempt to hold ground or to engage military units in sustained combat.

But an even more serious obstacle in terms of the ultimate containment of armed revolt in Guatemala is the brutal behavior of the security forces. In the cities they have murdered those even suspected of dissent. In the countryside, they have at times killed indiscriminately to repress any sign of support for the guerrillas. Such actions are morally unacceptable. They are also self-defeating — as long as they persist, the conditions in which insurgency can appear and reappear will continue.

### Military Assistance

While important U.S. interests are engaged in El Salvador, and while we pay a high political price at home and abroad for assisting the armed forces there, the United States has not provided enough military aid to support the methods of counterinsurgency we have urged. At the same time, the United States cannot countenance the brutal alternative methods of counterinsurgency which wreak intolerable violence upon the civilian population. In our judgment, the current levels of military aid are not sufficient to preserve even the existing military stalemate over a period of time. Given the increasing damage — both physical and political — being inflicted on the economy and Government of El Salvador by the guerrillas, who are maintaining their strength, a collapse is not inconceivable.

The Salvadoran Government's National Campaign Plan combines military operations with follow-up civic actions to restore agriculture and commerce. The plan is designed to provide secure areas within which the Salvadoran campesino can grow, harvest and market his crops, and where industry can again operate. The plan assumes that sufficient security can be established countrywide to reduce the insurgency at least to a low level within two years. But the Government's forces must be significantly and quickly strengthened if the plan is to succeed.

There might be an argument for doing nothing to help the Government of El Salvador. There might be an argument for doing a great deal more. There is, however, no logical argument for giving some aid but not enough. The worst possible policy for El Salvador is to provide just enough aid to keep the war going, but too little to wage it successfully.

The commission has concluded that present levels of U.S. military assistance are inadequate.

We are not in a position to judge the precise amounts and types of increased aid needed. We note that the U.S. Department of Defense estimates that it would take approximately $400 million in U.S. military assistance in 1984 and 1985 to break the military stalemate and allow the National Campaign Plan to be carried out. The department believes that thereafter assistance levels could be brought down to considerably more modest levels.

The commission recommends that the United States provide to El Salvador — subject to the conditions we specify later in this chapter — significantly increased levels of military aid as quickly as possible so that the Salvadoran authorities can act on the assurance that needed aid will be forthcoming.

### Other Measures

To be effective, U.S. military assistance programs require greater continuity and predictability. As we have seen, local commanders are now uncertain whether an adequate supply of such critical support items as ammunition will be on hand. The result in El Salvador has all too often been a less than vigorous prosecution of the war. The commission believes the Administration and the Congress should work together to achieve greater predictability. That could be most effectively achieved through multiyear funding.

### Human Rights

The question of the relationship between military aid and human rights abuses is both extremely difficult and extremely important. It involves the potential clash of two basic U.S. objectives. On the one hand, we seek to promote justice and find it repugnant to support forces that violate — or tolerate violation of — fundamental U.S. values. On the other hand, we are engaged in El Salvador and Central America because we are serving fundamental U.S. interests that transcend any particular Government.

The commission believes that vigorous, concurrent policies on both the military and human rights fronts are needed to break out of the demoralizing cycle of deterioration on the one hand and abuses on the other. We believe policies of increased aid and increased pressure to safeguard human rights would improve both security and justice. A slackening on one front would undermine our objective on the other. El Salvador must succeed on both or it will not succeed on either.

The United States Government has a right to demand certain minimum standards of respect for human rights as a condition for providing military aid to any country.

With respect to El Salvador, military aid should, through legislation requiring periodic reports, be made contingent upon demonstrated progress toward free elections; freedom of association; the establishment of the rule of law and an effective judicial system, and the termination of the activities of the so-called death squads, as well as vigorous action against those guilty of crimes and the prosecution to the extent possible of past offenders. These conditions should be seriously enforced.

Implementation of this approach would be greatly facilitated through the device of an independent monitoring body, such as the Central American Development Organization.

As an additional measure, the United States should impose sanctions, including the denial of visas, deportation and the investigation of financial dealings, against foreign nationals in the United States who are connected with death-squad activities in El Salvador or anywhere else.

## 6. Central American Security Issues

### The Path of Insurgency

Cuba and Nicaragua did not invent the grievances that made insurrection possible in El Salvador and elsewhere. Those grievances are real and acute. But it is important to bear in mind three facts about the kind of insurgencies we confront;

¶They depend on external support, which is substantially more effective when it includes the provision of privileged sanctuaries for the insurgents.

¶They develop their own momentum, independent of the conditions on which they feed.

¶The insurgents, if they win, will create a totalitarian regime in the image of their sponsors' ideology and their own.

Propaganda support, money, sanctuary, arms, supplies, training, communications, intelligence, logistics, all are important in both morale and operational terms. Without such support from Cuba, Nicaragua and the Soviet Union, neither in El Salvador nor elsewhere in Central America would such an insurgency pose so severe a threat to the government.

Therefore, curbing the insurgents' violence in El Salvador requires, in part, cutting them off from their sources of foreign support.

**Independent Momentum.** If reforms had been undertaken earlier, there would almost surely have been no fertile ground for revolution, and thus no effectively developed insurgency. But once an insurgency is fully under way and once the lines of external support are in place, it has a momentum which reforms alone cannot stop. Unchecked, the insurgents can destroy faster than the reformers can build.

One reasons for this is that an explicit purpose of guerrilla violence is to make matters worse.

None of this legitimizes the use of arbitrary violence by the right in El Salvador or elsewhere. Indeed, the grim reality is that many of the excesses we have condemned would be present even if there were no guerrilla war supported by outside forces.

Beyond the issue of U.S. security interests in the Central American-Caribbean region, our credibility worldwide is engaged. The triumph of hostile forces in what the Soviets call the "strategic rear" of the United States would be read as a sign of U.S. impotence.

Thus, even in terms of the direct national security interests of the United States, this country has large stakes in the present conflict in Central America.

### Problems Of Guerrilla War

The fundamental dilemma is as follows: both the national interests of the United States and a genuine concern for the long-term welfare of Central America create powerful incentives to provide all necessary assistance to defeat totalitarian guerrillas. At the same time one of the principal objectives of the guerrilla forces is to destroy the morale and efficiency of the government's administration and programs.

Much attention has been paid — correctly — to the shortcomings of the El Salvador Government. But it is important — and only fair — to recall the many demands that have been made upon it and the progress that has been made in many fields. It carried out impressive elections in 1982,

## 7. The Search for Peace

Americans yearn for an end to the bloodshed in Central America. On no issue in the region is there a stronger consensus than on the hope for a diplomatic solution that will stop the killing and nourish freedom and progress. The commission shares this deeply felt goal.

We believe that there is a chance for a political solution in Central America if the diplomacy of the United States is strategic in conception, purposeful in approach and steadfast in execution. Our broad objectives should be:

¶To stop the war and the killing in El Salvador.

¶To create conditions under which Nicaragua can take its place as a peaceful and democratic member of the Central American community.

¶To open the way to democratic development throughout the isthmus.

### El Salvador

The commission has concluded that power-sharing as proposed by the insurgents is not a sensible or fair political solution for El Salvador. There is no historical precedent suggesting that such a procedure would reconcile contending parties which entertain such deeply held beliefs and political goals and which have been killing each other for years. Indeed, precedent argues that it would be only a prelude to a takeover by the insurgent forces.

We believe that a true political solution in El Salvador can be reached only through free elections in which all significant groups have a right to participate.

Thus the El Salvador Government must take all appropriate measures to make the March 25 elections as safe and open as possible. This should include the introduction of outside observers to help insure the security and fairness of the process.

We understand that El Salvador contemplates holding municipal and legislative assembly elections in 1985. The elements of the following approach could be applied to that process.

1. The Salvadoran Government would invite the F.D.R.-F.M.L.N. to negotiate mutually acceptable procedures to establish a framework for future elections.

2. As part of this framework a broadly representative Elections Commission would be established, including representatives of the F.D.R.-F.M.L.N.

3. Violence should be ended by all parties so that mutually satisfactory arrangements can be developed among the Government, pro-Government parties, the different opposition groups and insurgent groups for the period of campaigning and elections.

4. A system of international observation should be established to enhance the faith and confidence of all parties in the probity and equity of arrangements for elections. This might include senior advisers to the Elections Commission drawn from the O.A.S., Contadora nations or third countries agreed upon by all parties to the conflict.

### Nicaragua

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 setlement. This would elaborate and build upon the 21 objectives of the Contadora group. 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 guarantees.

¶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 commission believes that whatever the prospects seem to be for productive negotiations, the United States must spare no effort to pursue the diplomatic route. Nicaragua's willingness to enter into a general agreement should be thoroughly tested through negotiations and actions.

As a broad generality, we do not believe that it would be wise to dismantle existing incentives and pressures on the Managua regime except in conjunction with demonstrable progress on the negotiating front. With specific reference to the highly controversial question of whether the United States should provide support for the Nicaraguan insurgent forces opposed to the Sandinistas now in authority in Managua, the commission recognized that an adequate examination of this issue would require treatment of sensitive information not appropriate to a public report. However, the majority of the members of the commission, in their respective individual judgments, believe that the efforts of the Nicaraguan insurgents represent one of the incentives working in favor of a negotiated settlement and that the future role of the United States in those efforts must therefore be considered in the context of the negotiating process. The commission has not, however, attempted to come to a collective judgment on whether, and how, the United States should provide support for these insurgent forces.

### The Contadora Group

The four neighboring Contadora countries — Colombia, Mexico, Panama and Venezuela — have been active and creative in trying to develop a regional diplomacy that can meet the needs of Central America. Their role has been constructive in helping to define issues and to demonstrate the commitment of key Latin American nations to pursue stability and peaceful evolution within the region.

## 8. Conclusion

We have concluded this exercise persuaded that Central America is both vital and vulnerable and that whatever other crises may arise to claim the nation's attention, the United States cannot afford to turn away from that threatened region. Central America's crisis is our crisis

All too frequently, wars and threats of wars are what draw attention to one part of the world or another. So it has been in Central America. The military crisis here captured our attention, but in doing so it has also wakened us to many other needs of the region.

As we have studied these nations, we have become sharply aware of how great a mistake it would be to view them in one-dimensional terms. An exceptionally complex interplay of forces has shaped their history and continues to define their identities and to affect their destinies.

We have developed a great sympathy for those in Central America who are struggling to control those forces and to bring their countries successfully through this period of political and social transformation. As a region Central America is in midpassage from the predominantly authoritarian patterns of the past to what can, with determination, with help, with luck and with peace, become the predominantly democratic pluralism of the future. That transformation has been troubled, seldom smooth and sometimes violent. In Nicaragua, we have seen the tragedy of a revolution betrayed; the same forces that stamped out the beginnings of democracy in Nicaragua now threaten El Salvador. In El Salvador itself, those seeking to establish democratic institutions are beset by violence from the extremists on both sides. But the spirit of freedom is strong throughout the region, and the determination persists to strengthen it where it exists and to achieve it where it does not.

The use of Nicaragua as a base for Soviet and Cuban efforts to penetrate the rest of the Central American isthmus, with El Salvador the target of first opportunity, gives the conflict there a major strategic dimension. The direct involvement of aggressive external forces makes it a challenge to the system of hemispheric security and, quite specifically, to the security interests of the United States. This is a challenge to which the United States must respond.

But beyond this, we are challenged to respond to the urgent human needs of the people of Central America. Central America is a region in crisis economically, socially and politically. Its nations are our neighbors, and they need our help.

Our task now, as a nation, is to transform the crisis in Central America into an opportunity: to seize the impetus it provides and to use this to help our neighbors not only to secure their freedom from aggression and violence but also to set in place the policies, processes and institutions that will make them both prosperous and free. If, together, we succeed in this, then the sponsors of violence will have done the opposite of what they intended: they will have roused us not only to turn back the tide of totalitarianism but to bring a new birth of hope and of opportunity to the people of Central America.

Because this is our opportunity, in conscience it is also our responsibility.