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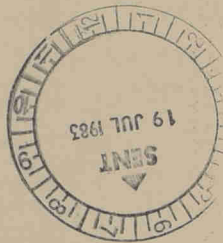
TO IMMEDIATE FCO

TELEGRAM NUMBER 2034 OF 18 JULY

INFO ROUTINE MEXICO CITY, TEGUCIGALPA, SAN JOSE, PANAMA CITY, CARACAS
BOGOTA, QUITO AND HAVANA

US/CENTRAL AMERICA

1. PRESIDENT REAGAN ANNOUNCED TODAY THAT HE HAD APPOINTED DR KISSINGER TO HEAD A BI-PARTISAN COMMISSION TO DRAW UP PROPOSALS FOR US SOCIAL AND ECONOMIC POLICY IN CENTRAL AMERICA. THE PRESIDENT SAID THAT THE COMMISSION'S TASK WOULD BE "TO LAY THE FOUNDATIONS FOR A LONG TERM, UNIFIED APPROACH TO THE FREEDOM AND INDEPENDENCE OF THE COUNTRIES OF CENTRAL AMERICA". HE ADDED THAT THE ADMINISTRATION WOULD CONTINUE TO SEEK CONGRESSIONAL BACKING FOR ITS EXISTING POLICIES. OTHER MEMBERS OF THE COMMISSION, WHICH IS REQUIRED TO REPORT BY DECEMBER, WILL BE APPOINTED LATER THIS WEEK.
2. KISSINGER'S APPOINTMENT HAS BEEN WELCOMED BY SENATORS HENRY JACKSON AND CHARLES MATHIAS, THE PRINCIPAL SPONSORS OF A RESOLUTION CALLING FOR THE ESTABLISHMENT OF A COMMISSION. HOWEVER THE



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~~2. KISSINGER'S APPOINTMENT HAS BEEN WELCOMED BY SENATORS HENRY JACKSON AND CHARLES MATHIAS, THE PRINCIPAL SPONSORS OF A RESOLUTION CALLING FOR THE ESTABLISHMENT OF A COMMISSION. HOWEVER THE APPOINTMENT IS CAUSING PREDICTABLE CRITICISM FROM LIBERALS, WHO REGARD KISSINGER AS RESPONSIBLE FOR THE SECRET BOMBING OF CAMBODIA ETC AND BY ULTRA-CONSERVATIVES, WHO REGARD HIM AS THE AUTHOR OF DETENTE. THE APPOINTMENT IS PARTICULARLY INTERESTING GIVEN KISSINGER'S OPPOSITION TO THE NOMINATION OF REAGAN AS THE REPUBLICAN CANDIDATE FOR THE PRESIDENCY IN 1976.~~

3. THE ADMINISTRATION CLEARLY HOPES THAT THE COMMISSION WILL BE AS SUCCESSFUL AS SIMILAR ONES WHICH RECENTLY PRODUCED A LEVEL OF BI-PARTISAN CONSENSUS ON SOCIAL SECURITY REFORM AND THE MX MISSILE. IT IS ALREADY BEING ARGUED THAT CONGRESS SHOULD SUPPORT THE ADMINISTRATION'S CURRENT REQUESTS FOR AID FOR CENTRAL AMERICA (INCLUDING FOR COVERT OPERATIONS AGAINST NICARAGUA) WHILE THE COMMISSION IS CONSIDERING ITS RECOMMENDATIONS. HOWEVER IT WILL BE DIFFICULT FOR KISSINGER'S COMMISSION TO BRIDGE THE WIDE GAP BETWEEN THE ADMINISTRATION AND ITS CRITICS OVER CENTRAL AMERICA. ITS FINAL RECOMMENDATIONS ARE ALMOST CERTAIN TO INCLUDE PROPOSALS FOR A MAJOR NEW US ECONOMIC AID PROGRAMME TO SUPPLEMENT EXISTING ONES. SUCH PROPOSAL WOULD HAVE A ROUGH RIDE IN CONGRESS WHICH, IN AN ELECTION YEAR, HAS BEEN TRADITIONALLY RELUCTANT TO SUPPORT FOREIGN AID.

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