

27 March 1984

MEMORANDUM FOR: The Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs

SUBJECT: Supplemental Assistance to Nicaragua Program

1. In view of possible difficulties in obtaining supplemental appropriations to carry out the Nicaraguan covert action project through the remainder of this year, I am in full agreement that you should explore funding alternatives with the Israelis and perhaps others. I believe your thought of putting one of your staff in touch with the appropriate Israeli official should promptly be pursued. You will recall that the Nicaraguan project runs out of funds in mid-May. Although additional moneys are indeed required to continue the project in the present fiscal year, equipment and materiel made available from other sources might in part substitute for some funding. We are therefore currently exploring two such alternatives. Please note, however, that we are unlikely to receive materiel assistance from these sources by mid-May.

2. The first of these alternatives is acquiring from the Israelis additional ordnance captured by them from the PLO. A joint CIA/DoD survey team will make a second trip to Israel in April to inspect captured PLO ordnance. The first trip in 1983 resulted in the acquisition of some \$10 million worth of machine guns and ammunition. The purpose of the upcoming survey is to determine current Israeli inventories and to negotiate thereafter to receive appropriate weapons free or at a low cost. Of course the cost of packing and delivery will have to be factored in.

3. The second alternative we are exploring is the procurement of assistance from another country. A senior military official of that country has indicated that he may be able to make some equipment and training available to the Hondurans through the Hondurans.

4. Finally, after examining legalities, you might consider an appropriate private US citizen to establish a foundation that would be the recipient of nongovernmental funds which could be disbursed to the FDN.

William E. [redacted]

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EXHIBIT 29

The Director of Central Intelligence

FORM NO. 64 (REV. 10-6-65)

27 March 1984

MEMORANDUM FOR: The Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs

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SUBJECT: Supplemental Assistance to Nicaragua Program

1. In view of possible difficulties in obtaining supplemental appropriations to carry out the Nicaraguan covert action project through the remainder of this year, I am in full agreement that you should explore funding alternatives with the [redacted] others. I believe your thought of putting one of your staff in touch with the appropriate [redacted] official should promptly be pursued. You will recall that the Nicaraguan project runs out of funds in mid-May. Although additional moneys are indeed required to continue the project in the [redacted] fiscal year, equipment and materiel made available from other sources might in part substitute for some funding. We are therefore currently exploring two such alternatives. Please note, however, that we are unlikely to receive the materiel assistance from these sources by mid-May.

2. The first of these alternatives [redacted] requiring from [redacted]

[Large redacted block of text]

3. The second alternative we are exploring is the procurement of assistance from [redacted]

[Large redacted block of text]

4. Finally, after examining legalities, you might consider an appropriate private US citizen to establish a foundation that would be the recipient of nongovernmental funds which could be disbursed to [redacted] in [redacted] FON.

Partially Declassified/Released ~~FROM~~ 5 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

William J. [redacted]

Executed by [redacted]

CJIN 3077

SECRET

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