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## THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC-3214-81  
28 May 1981

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment  
National Intelligence Officer for Warning

FROM : National Intelligence Officer for Latin America

SUBJECT : Monthly Warning Assessment: Latin America

1. Action Requested: none, for your information only. (U)
2. El Salvador -- Political

Internal strains within the military-civilian government are likely to intensify.

-- As battlefield casualties rise, the military will increasingly blame Duarte and other civilians for undercutting the war effort and failing to win broader popular support.

-- Civilian rightists are winning greater receptivity within the officer corps to the argument that the Christian Democrats have ruined the economy, are personally corrupt, and will go to any length to cement themselves in office--even alliances with "communists".

-- The officers blame Duarte for the heat put on them by the US to punish those responsible for use of indiscriminate violence against civilians, especially US citizens.

The junta is held together more by US pressure than by common trust and goals, and the US will have to keep getting the message across to the military about US support of Duarte. (S)

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### 3. El Salvador -- Diplomatic

The Mitterand election is likely to swing France from quiet support to open opposition to US Salvadoran policy. This will increase European, Mexican--and domestic US pressures--to give the leftist extremists through negotiations the shot at "victory" that they have not been able to get through insurgency or domestic political support. (S)

### 4. Nicaragua

The Sandinistas probably have concluded that it is just a matter of time before the US moves more decisively to unseat them from power. While they need and want the time to strengthen their defenses, heightened paranoia could lead to anti-US incidents in Nicaragua as well as to a more vigorous diplomatic campaign against the US. The Mitterand victory is likely to increase their intransigence to US pressures, as will recent economic support from Libya, Mexico, and Canada. (S)

### 5. Cuba

It is difficult to read Castro's attitude toward US pressures. He probably has concluded that key elements of the Reagan Administration are serious about "going to the source". But he also sees Congressional and public opposition to a tougher Caribbean basin policy. Thus he will continue his mixed signals of readiness either to fight or to talk with the US. He would expect this to slow US momentum to get tough with him. (S)

### 6. Mexico

President Lopez Portillo for a variety of reasons--including conviction that he knows better than President Reagan what is best for Mexico and Central America--is probably prepared to resist strongly, during the early June visit, pressures to back US policy in Central America. He may be ready, however, to trade off support for US economic initiatives for a reduction of pressures against Nicaragua. (S)

### 7. Bolivia

Presidential change in Bolivia now seems imminent as well as inevitable. In effect, the only US option, in the wake of a rotation of generals, is to resume engagement, in order to help the country inch away from its inherent rendezvous with disaster. (S)

### 8. Saint Lucia

Former Deputy Prime Minister George Odlum, whose driving ambition to become Prime Minister contributed to the collapse of the previous government, has staged frequent demonstrations recently aimed at unseating

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the shaky Cenac Administration. Odium, a pro-Cuban leftist, has almost no chance of winning office on his own ticket. Although Havana reportedly offered unspecified assistance a year ago, we doubt that he is planning to take over by force. He probably fears the reaction of US and regional governments to an illegal power grab. If radical elements--emboldened by public disorders--succeeded in overwhelming Saint Lucia's 300-man police force, they might decide to take power, however, and turn to Cuba and Grenada for help. (S)

  
Jack Davis

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