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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC-6421:-80 23 September 1980

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.

Jamaica

The recent lull in political violence is likely to end in October, during the final stages of the election campaign. Manley's supporters continue to hammer out anti-CIA themes, in an attempt to divert attention from economic failures. Thus, Americans in Jamaica could become the targets of violence once again, and the US could be blamed for attacks on prominent Jamaicans.

PNP radicals are also leading a charge against Jamaica's security forces, whose augmented powers have reduced opportunities for sidestepping the elections. They may seek to terminate these powers shortly before election day, in a last effort to retain power through voter intimidation or terrorism. Manley's growing confidence that he can win the election, and the general public momentum toward an electoral showdown would be obstacles in the radicals' path.

3. Nicaragua

The trend toward more heavy-handed authoritarianism on the part of the Sandinistas is likely to continue. Concern about smallscale raids by insurgent groups and worker discontent with living conditions could further decrease the Sandinistas' tolerance for

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opposition pressures for elections and for support of the private sector. Reverberations of the assassination of Somoza could increase the incidence of cross-border violence, and raise domestic political charges against Sandinista assistance to the Salvadoran insurgents. This too would strengthen the FSLN's underlying tendency toward dictatorship.

4. El Salvador

The leftist extremists apparently have lost some of their domestic political appeal. At the same time, public acceptance of the junta government as legitimate, or at least a willingness to give it a chance to advance its program and prove its good intentions, has risen some. The extremists have turned toward more vigorous paramilitary activity to recoup their momentum, and the US presence has clearly become one of their targets. This will necessarily divert the government from pressing administrative and economic problems. And indiscriminate violent reactions could add as well to a loss of popular support.

Finally, the extremists, supported by small numbers of articulate non-Marxist leftists, have done a better job in winning uncritical foreign support than they have done at home. Some open move by Mexico to recognize their legitimacy could lead to a bandwagon effect that could further isolate and weaken the junta. This in turn would make it more difficult for the US to advance its policy interests in El Salvador and Central America generally.

5. Guatemala

The frustrating pattern of increased leftist violence and corresponding indiscriminate repression by the government--supported by extreme rightist violence--continues. There probably is no immediate serious threat to the control of the situation by the government. But this pattern drives a deeper wedge between the US and the Guatemalan Government, which in turn strengthens its bunker mentality, and the likelihood of ultimate civil war, in which moderate forces are eliminated or forced to the side of one or the other extreme.

6. <u>Cuba</u>

The Castro regime continues to send out mixed signals: a desire to reduce tensions with the US, and a more radical propensity to support revolutionary groups that threaten US interests, especially

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in Central America. While not without costs and risks to the US, responsiveness to Castro's overtures might create difficult domestic political pressures for the Cuban Government. For example, the public might expect much quicker improvement in their living conditions than the circumstances of reduced bilateral tensions would justify—thereby forcing Castro to concentrate on domestic affairs. On the other hand, Cuba's inability to reduce tensions with the US would probably, over time, serve to strengthen the tendency toward indiscriminate support of revolutionary forces, with high risk of conflict with the US. This might lead temporarily to public rallying to the regime, but would probably weaken it eventually by diverting attention from pressing economic problems.

7. Bolivia

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Bolivian political developments have sharpened the distrust between moderate civilian governments and conservative military regimes in South America. Venezuela, Colombia, Ecuador, and Peru are resentful not only of the replacement of a civilian government by a brutally-repressive military one, but also by the displacement of their influence in LaPaz by Argentina and Chile. The replacement of Garcia Meza by a more moderate and less repressive military dictator—which seems an increasingly likely prospect—would pose particularly vexing policy choices for the US, regarding its influence in LaPaz and with other interested regional governments. Half a loaf may be the best the circumstances will allow (e.g., support of a less repressive, more promising authoritarian regime that can slow polarization, and a course of action that does not sharply antagonize any of the major regional actors).

Jack Davis
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