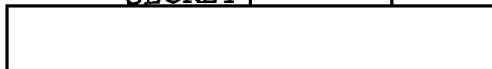


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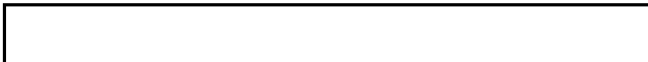
23 September 1982

DDCI Talking Points: Update on Central America

Summary

Central America continues to present opportunities for the extreme left, although the insurgencies in El Salvador and Guatemala are currently stalemated with government forces. In El Salvador, the Magana administration is being undermined by maneuvering between ultraconservatives and moderates within both the military and the government,

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Nevertheless, increasing regional concern over Nicaraguan and Cuban efforts to foment and capitalize on instability is resulting in the growing isolation of these nations. Costa Rica is spearheading an effort to convene a security meeting of the area's democracies; the apparent complicity by Salvadoran guerrillas in the current hostage crisis in Honduras may strengthen Tegucigalpa's resolve to continue its anti-communist policies; and Panama, under President de la Espriella, is taking an increasingly pro-US stance.

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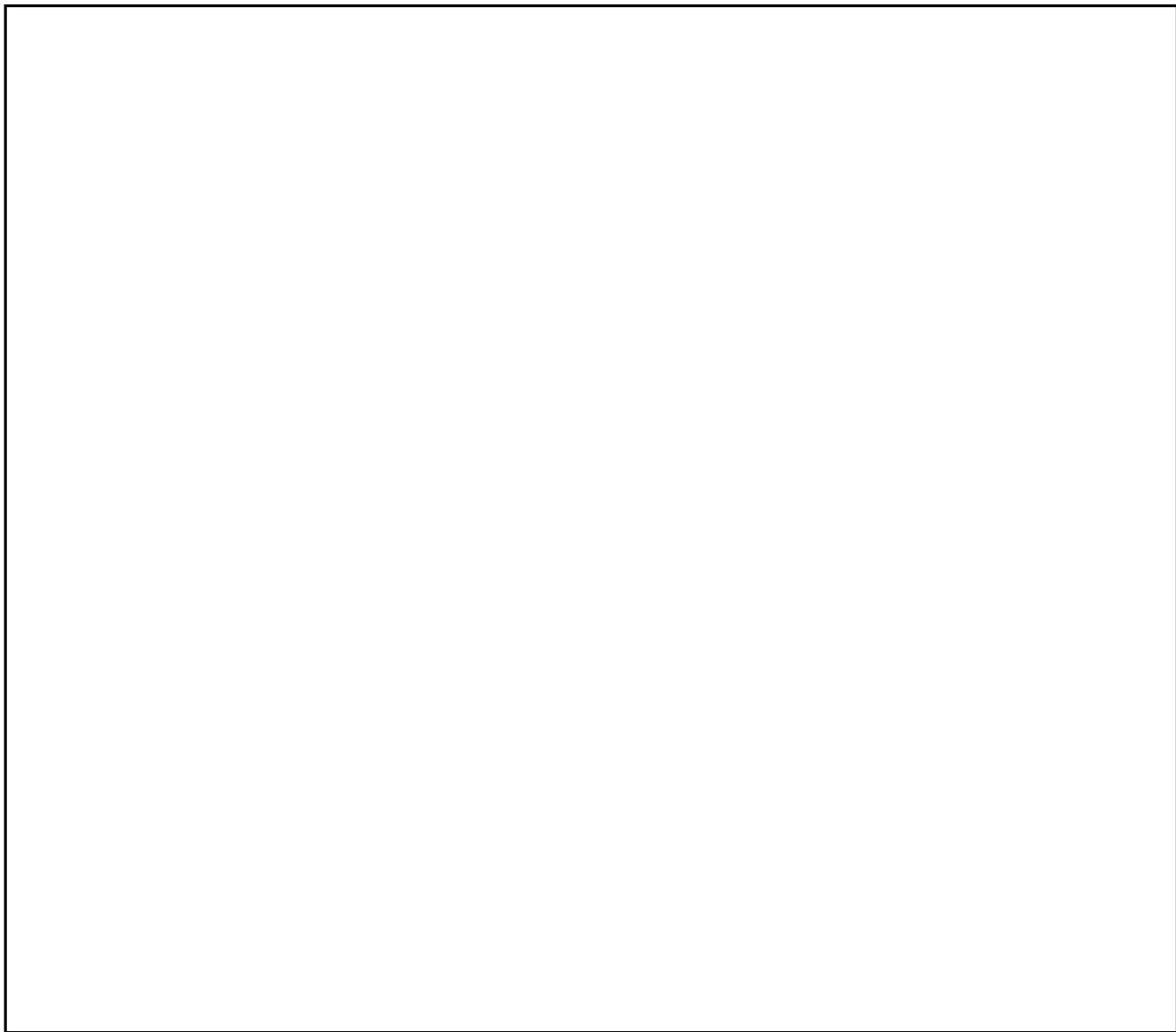
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II. Guatemala

- [redacted] recent counterinsurgency successes and the increased possibility of foreign military and economic assistance have bolstered armed forces' support of Rios Montt.
- Guatemala's human rights image has been damaged by the widely publicized execution of four guerrillas.

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- Insurgent reprisals have begun, and terrorist attacks in the capital threaten continued improvement in security there.
- The Council of State--an advisory body representing most sectors of society--has been inaugurated, however, and will function as a national commission on human rights.
- Meanwhile, new foreign financing to ease the foreign exchange crisis has been announced, but this may delay a decision to approach the IMF.

III. Costa Rica

- President Monge's distrust of the Sandinistas has been reflected in his pushing for a regional security meeting, now scheduled for 4 October in San Jose.
- Monge also recently granted asylum to Sandinista exile hero Eden Pastora and is improving Costa Rica's security forces with aid and training from Panama.
- Monge is particularly angry at recent proof of Nicaraguan complicity in a terrorist incident in San Jose.
- Extreme leftists have had little success in their attempts to exploit Costa Rica's economic vulnerabilities, but planning apparently continues.

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IV. Honduras

- The recent taking of hostages by local and possibly regional extreme leftists is probably a tactic to force the Suazo government to reevaluate its increasingly tough anti-communist policies.
- Regardless of the outcome of the crisis, debate over supporting US initiatives in Central America will intensify and polarization in Honduras increase.
- Nevertheless, Suazo and Commander-in-Chief Alvarez probably will maintain their hard line and likely will request additional US military and economic assistance.

V. Panama

- President de la Espriella is particularly concerned over regional security and will voice this concern in his 1 October meeting with President Reagan.
- Recent reporting indicates possible Nicaraguan destabilization efforts aimed at derailing Panama's pro-US policies.
- Panamanian extreme leftists are meanwhile planning to stage demonstrations to protest the government's perceived security and foreign policy shifts.

VI. Nicaragua

- Managua's recent diplomatic initiatives within the area and Western Europe underscore the Sandinistas' sensitivity to increasing scrutiny of their policies.

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- They are also hinting at political relaxation at home, and have agreed to a dialogue with the opposition parties.
- Their recent confrontation with the Church was a political setback that had damaging international repercussions.
- Attacks against the Sandinistas by counterrevolutionary forces along the Nicaraguan borders have declined sharply since late July.
- Although anti-Sandinista groups are continuing their attempts to unify, they remain divided over participation by former members of Somoza's National Guard.
- Despite the apparent willingness of the Sandinistas to moderate their domestic activities when it is tactically advantageous, they continue working with Cuba to augment their already formidable military establishment.
- Cuba could furnish the Sandista Air Force with at least 12 older MIG-17s or MIG-21s from its inventory; there are also enough later model MIG-21s in Cuba to send some to Nicaragua without weakening Cuban air defenses.
- The aircraft could be delivered to Nicaragua in crates or flown in from Cuba; however, the possibility of a direct shipment of MIGs from the USSR cannot be discounted.

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-- In either case, the presence of MIGs in Nicaragua probably would be detected as soon as they began operations.

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