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9 March 1982

NOTE FOR: DCI

FROM : NIO/LA

SUBJECT : Background Information for Your Briefings on Central America

As you requested at our discussion this morning, I am attaching various items of information that might be useful as you prepare your briefing. Since you may be giving both classified and unclassified briefings and, since I have both types of materials, I have separated my listing of these for each of the substantive themes.

I presume you would like me to attend these scheduled briefings, and I would be pleased to brief on any items you wish; but I might be more useful on the specific issues on Mexican actions in Central America and prospects for Mexican internal stability. Please let me know.

<u>Substantive Issue</u>	<u>Classified Enclosure</u>	<u>Unclassified Enclosure</u>	
A/ Central America overview (includes transnational supporters of the extreme left & of the moderates)	19 Feb 82 briefing used in Worldwide [redacted]	24 Nov 81 overview	25X1
B/ Pattern of extreme left action in the region	two charts [redacted]	Aug 80 two-page overview of 10 steps to extreme left victory, then five steps to consolidation of power.	25X1 25X1
C/ Character of the extreme left coalition in El Salvador		Aug 80 sanitized CIA chart released by State & summary of each group (this is what I used in my public writing to describe the union between the "Marxist/Leninist tiger" & the "hon-communist rabbit"	
D/ Rough comparison of Nicaraguan experience El Salvador "negotiated settlement" suggestions		draft of 9 Mar 82	
E/ Nicaraguan export of subversion	memo of 8 Mar 82 giving quotes from Carter Administration & Sandinista leaders		

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<u>Substantive Issue</u>	<u>Classified Enclosure</u>	<u>Unclassified Enclosure</u>
F/ Mexican dual strategy - tangible support for the extreme left - cool but continuing relations with governments	(DDI working on paper)	13 Jul 81 article, "Mexico's Central America Strategy"
G/ Potential destabilization threats within Mexico	(DDI has draft paper on this)	two pages from Jun 81 report for State  "Mexico--The Iran Next Door?", <u>San Diego Union</u> , Aug 79
H/ Sandinista repression of internal democratic groups since 1979		one-page examples of repression of 1979 to present (not including Miskito Indian data)

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Atts: Tabs A-H

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I. Caribbean Basin Overview \*

- 24 countries and 11 soon to be independent entities with a total population of 163 million in the Caribbean Sea and rimland from Suriname to the US border; of these 93 million live in the region from Panama to the US border.
- Two dimensions of strategic interest and threat

A/ Continuation of subversive momentum increasingly supported by Cuba since 1978

- Could produce more hostile Marxist/Leninist regimes in Central America by 1983-84
- Which in turn, according to the [ ] would 25X1  
"bring the revolution to Mexico's border, thereby raising the risks of internal destabilization."

B/ In addition, a more hostile Caribbean is dangerous because:

- 45% of all trade and crude oil pass through the Caribbean
- 50% of US petroleum is now processed in Caribbean refineries
- 50% of NATO supplies for wartime would pass through Caribbean
- Sea lines of communication--have become more vulnerable (1970 - 200 Soviet shipdays; 1980 - 2,600 Soviet shipdays)
- A communist Central America with 20 million people could have military forces of about 500,000--if the Nicaraguan or Cuban proportion held.

II. Cuban Threat and Actions--Three Types

## A/ Military power and buildup

125,000 to

--/150,000--person armed forces includes ready reserves of 100,000 to 130,000

- More than 200 MIGs; 650 tanks; 90 helicopters; other modern weapons
- Since 1981 massive Soviet supplied modernization--about 65,000 metric tons including entirely new systems (Koni frigate, SA-6, self-propelled artillery, HI-24 HIND helicopters and nine more MIG-23s).

B/ 38,000 Cuban troops supporting pro-Soviet regimes including Ethiopia, Angola, Mozambique, South Yemen...plus 30,000 Cuban civilians worldwide.

## C/ Cuban support for subversion--continuous and growing

- Nicaragua now a full partner vs El Salvador, Guatemala, Honduras, Costa Rica

NOTE: After the four-page briefing, attached are three charts--

- Central American economies and guerrilla strengths 1960-1981;
- Map showing range of unemployment in the entire Caribbean region.
- Chart showing country and region population.

- 6,000 Cubans in Nicaragua, about 1,000 military/security
- Clear pattern in Central America--unification, training, weapons, communications, propaganda, funds
- Full Soviet Bloc support
- Grenada--a propaganda partner--75KW radio-free Grenada will have strongest in Eastern Caribbean other than Cuba's two new 500 KW radios
- Cuba politically active in Mexico\*
  - Close contacts in foreign ministry, other governments, agencies and cultivating middle level military officers

[Redacted]

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- Close links to new unified Marxist Leninist party estimated to have 125,000 to 185,000 active members
- Close links to more than 1,200 Latin American terrorists in groups from Chile, Uruguay, Argentina, which provide logistic support from Mexican soil
- Support to more than 600 M-19 guerrillas in Colombia (recall March 1981 infiltration from Cuba via Panama of 125 guerrillas)
- Other reported Cuban subversive efforts against-- Jamaica, Suriname, Dominican Republic, Venezuela, Panama

III. Brief Country Reviews--Two Different Caribbean Contexts

A/ Serious subversion which makes the economic problems even worse-- most of Central America and Colombia

B/ Economic problems with noticeable subversive danger in some countries-- rest of Caribbean region

A/ Serious Subversion and Economic Problems (8 countries with 50M population)

El Salvador

- As the 28 March elections approach, the guerrillas are increasing attacks on military outposts, taking over towns, interdicting major roadways, and conducting economic sabotage. Attacks against major cities including San Salvador are planned.
- The 24,000-man government security forces took 2,200 casualties last year; they are spread thin.
- Successful elections should provide a political boost, but time now favors the guerrillas because of the continuing outside support and economic destruction.

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Guatemala

- Guerrilla activity has increased sharply.
- The insurgency there is entering a new, more active phase.
- Guerrilla forces doubled to 4,500 during the past year.
- Cuba and Nicaragua appear to be increasing their support.
- If Salvador falls, there is little chance Guatemala can survive; otherwise, there is some chance depending on events in the region and the internal policies of the Guatemalan government.

Honduras

- The restoration of constitutional government in January 1982 is a positive step
- But the Cubans and Nicaraguans are working to unify extreme left groups for an insurgency--probably in the next 12-18 months.
- Some terrorist actions began in 1981 and will likely increase.
- Terrorist/guerrilla unity meeting scheduled for mid-February '82 in Havana.

Costa Rica

- Successful democratic election of 7 February.
- New Social Democratic president is anti-communist, will take office May 1982.
- However Cuba/Nicaragua are financing a radical left political front and a paramilitary force which is intended to neutralize and destabilize Costa Rica

B/ Countries with Mainly Economic Problems ( 16 countries with 113M population)

- Their economies are being undercut by global economic conditions such as high oil prices, declining commodity prices (sugar, coffee, bauxite), stagnating foreign investment, soaring unemployment, and declining tourism.
- Middle-class emigration is siphoning off technical skills as well as some moderate political leadership (particularly in Suriname and Guyana).
- Economic conditions have made the youth increasingly susceptible to radical influence (median age in region is 16).
- Most governments lack adequate security force or intelligence structures and are extremely vulnerable to the growing threat posed by radical, Cuban and Libyan-backed movements.

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IV. Significant new level of other international involvement in crisis areas  
For El Salvador government and regional moderates

- Christian democratic parties of Europe and Latin America
  - national and international condemnations of the extreme left
  - frequent endorsements of Duarte government - Dec 81 most recent
- International non-communist trade unions and their federations
  - ICFTU/ORIT/AFL-CIO
- All the Latin American democracies including Venezuela and Colombia
- September 1981, 15 nations condemned the Mexican-French initiative
- December 1981, 22- 3 vote in St. Lucia (OAS endorses Salvador election; Nicaragua, Mexico, Grenada opposed)
- 19 January 1982, formation of Central American Democratic Community involving El Salvador, Honduras, Costa Rica.

For the extreme left

- Libya in Nicaragua including \$100M in aid and advisors; seeking to become active in several Caribbean states (Trinidad, Dominica, Bahamas, St. Lucia)
- Several Palestinian terrorist groups
  - about 500 guerrillas have been trained in Palestinian camps
  - PLO--since 1979. . . recent increase. . . public admission by Arafat that Palestinians are helping the guerrillas in El Salvador and that Palestinian pilots are in Nicaragua
  - DFLP is Soviet-controlled and has been involved
  - Evidence of Soviet encouragement since 1979 for their involvement.

Many but not all Social Democratic parties in Europe and Latin America.

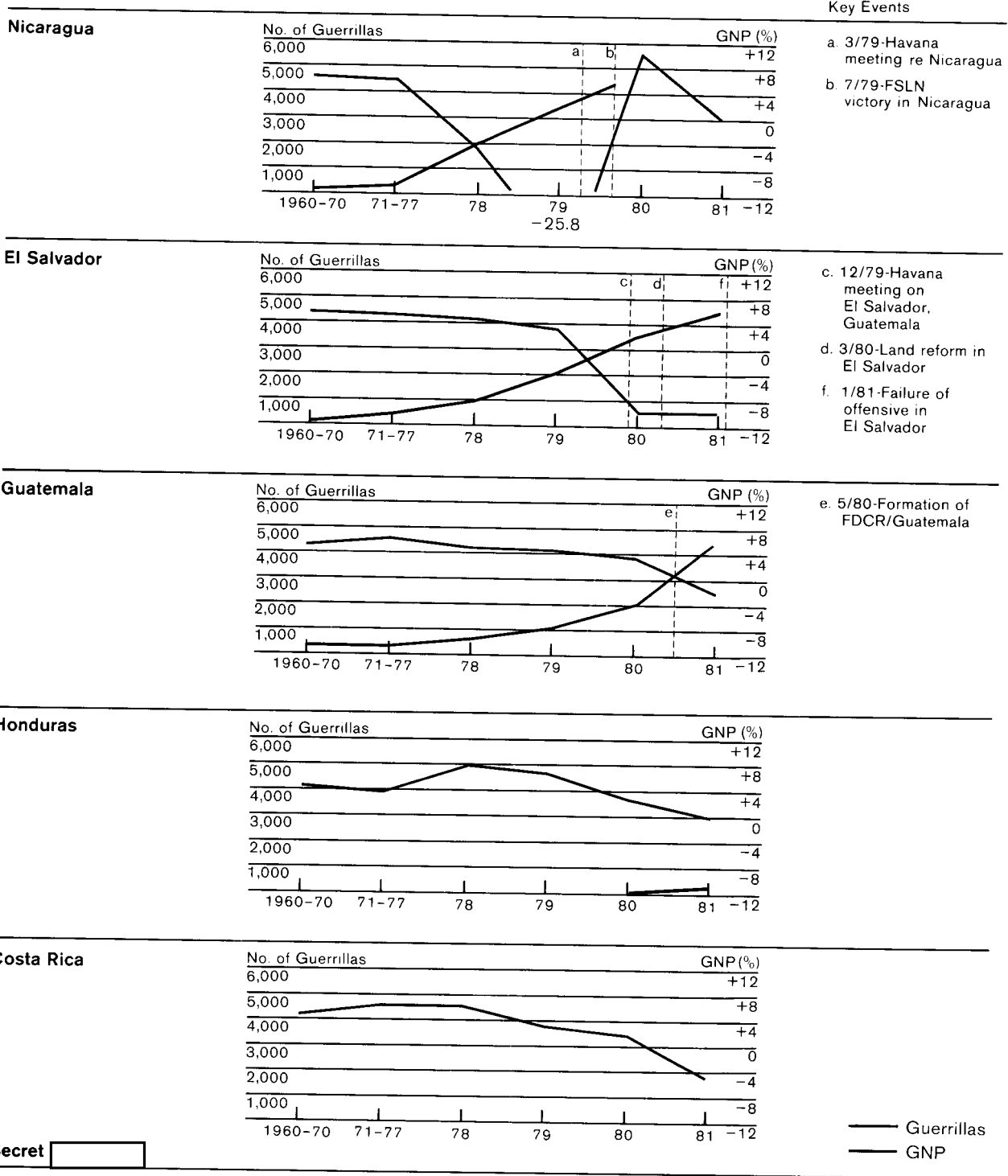
- Growing concern about the Marxist-Leninist regime in Nicaragua by formerly gullible Social Democrats.

Mexico

- Dual strategy of correct but cool relations with governments.
- While providing direct and indirect help to the extreme left including funds, propaganda, base of operations.

B

Central America: Guerrilla Strengths, Economic Growth Rates, 1960-81



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		'60-'70	'71-'77	'78	'79	'80	'81 est.
<b>Nicaragua</b>	No. of Guerrillas	150	300	2,000	4,500	0	0
	Real GNP (%)	+6.4	+6.0	-5.5	-25.8	+10	0
<b>El Salvador</b>	No. of Guerrillas	0	300	850	2,000	3,500	4,500
	Real GNP (%)	+5.5	+5.2	+4.4	+3.5	-10	-10
<b>Guatemala</b>	No. of Guerrillas	300	250	600	1,000	2,000	4,500
	Real GNP (%)	+5.2	+6.2	+5.0	+4.5	+3.5	-2
<b>Honduras</b>	No. of Guerrillas	0	0	0	0	0	100
	Real GNP (%)	+4.5	+3.8	+7.9	+6.7	+2.5	0
<b>Costa Rica</b>	No. of Guerrillas	0	0	0	0	0	0
	Real GNP (%)	+5.1	+6.4	+6.3	+3.3	+1.6	-5.0

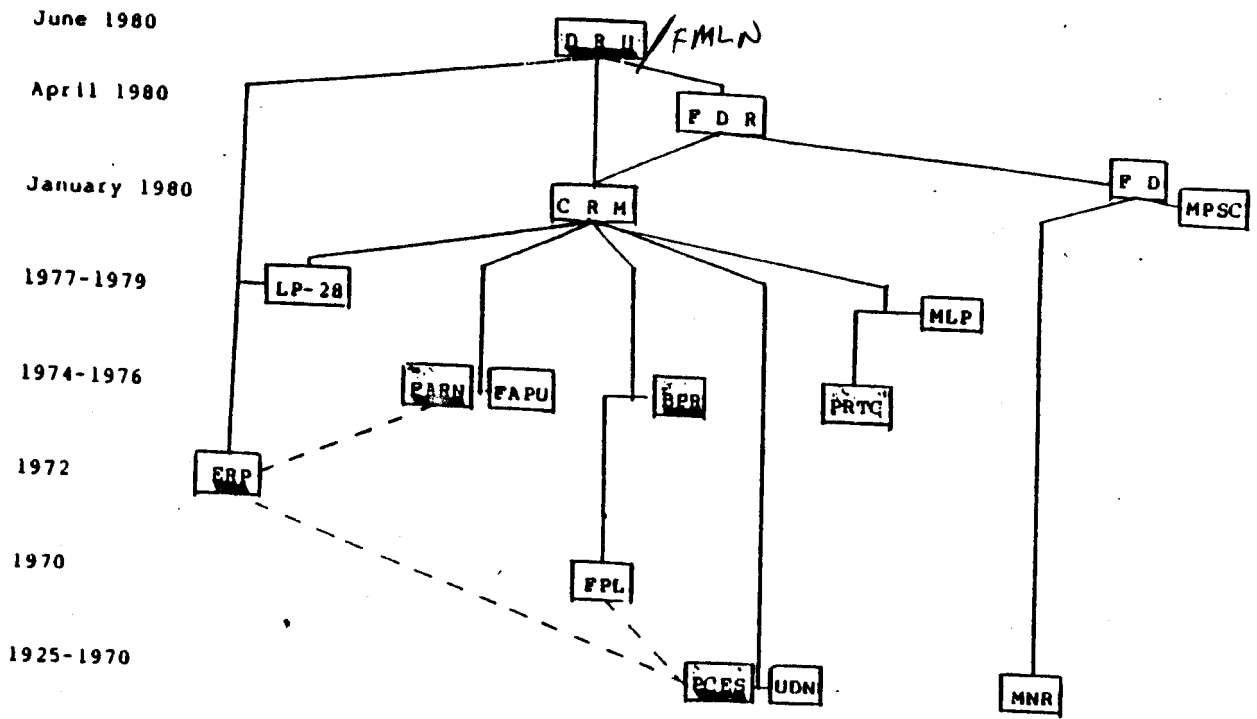
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May 1980

DEVELOPMENT OF LEFTIST GROUPS IN EL SALVADOR



APPENDIX III (a)

----- ARMED GUERRILLA TERRORIST GROUPS -----  
 /----- RADICAL LEFTIST / VIOLENT LEFT -----  
 /----- MODERATE LEFT -----

## APPENDIX III(b)

## LEFTIST OPPOSITION GROUPS IN EL SALVADOR

1. A. PCES.—The Communist Party of El Salvador is the oldest organization of the far left and has historically been oriented toward Moscow. It has recently abandoned its former attitude toward violent revolution and now espouses armed action against the JRG.
  - B. UDN.—The National Democratic Union is the political front group for the PCES and has a variety of component organizations such as labor unions and urban poor.
2. A. FPL.—The Farabundo Marti Popular Liberation Forces is the largest terrorist/guerrilla group and professes a revolutionary Marxist creed. Its leader, Salvador Cayetano Carpio, was a member of the PCES before breaking with the orthodox party and helping form the FPL. The FPL claims to be developing a revolutionary arm to defeat the JRG.
  - B. BPR.—The Popular Revolutionary Bloc, the front group of the FPL, is a large coalition of peasant, worker, student, teacher, etc., groups. It is currently headed by Juan Chacon and has been responsible for numerous strikes, occupations of buildings, marches, etc.
3. A. ERP.—The Popular Revolutionary Army is a terrorist/guerrilla group organized in the early 1970's by dissatisfied members of the PCES. It has been particularly active in bombings and kidnappings.
  - B. LP-28.—The 28 February Popular Leagues, the front group for the ERP, is a modest-sized coalition of students, teachers, and peasants.
4. A. FARN.—The Armed Forces of National Resistance is a terrorist/guerrilla group which was formed in the mid-1970's by a splinter group of the ERP.
  - B. FAPU.—The United Popular Action Front, the front group for the FARN, consists of several student, farmworker, and urban slumdweller organizations.
5. A. PRTC.—The Revolutionary Party of Central American Workers is a small terrorist/guerrilla group organized in the mid-1970's.
  - B. MLP.—The Movement of Popular Liberation, the front group for the PRTC, is headed by Fabio Castillo.
6. MNR.—The National Revolutionary Movement is a small Social Democratic oriented party headed by former JRG Junta member Guillermo Ungo.
7. MPSC.—The Popular Social Christian Movement was formed in March 1980 by dissident Christian Democrats and is headed by Ruben Zamora Rivas.
8. FD.—The Democratic Front is a coalition of left-of-center parties, the MNR and MPSC, as well as professional and labor groups formed in early April 1980.
9. FDR.—The Revolutionary Democratic Front is a coalition of the CRM and the FD formed in mid-April 1980. It is headed by Enrique Alvarez.
10. CRM.—The Revolutionary Coordinator of the Masses is the umbrella group for leftist organizations which was formed in January 1980.
11. DRU.—The Unified Revolutionary Directorate is the recently formed control board for leftist organizations and comprises the leadership of the principal terrorist/guerrilla groups, the PCES, the FPL, the ERP, and the FARN. The DRU has declared that it will guide the revolution, and thus appears to have superseded the CRM.

## APPENDIX IV(a)

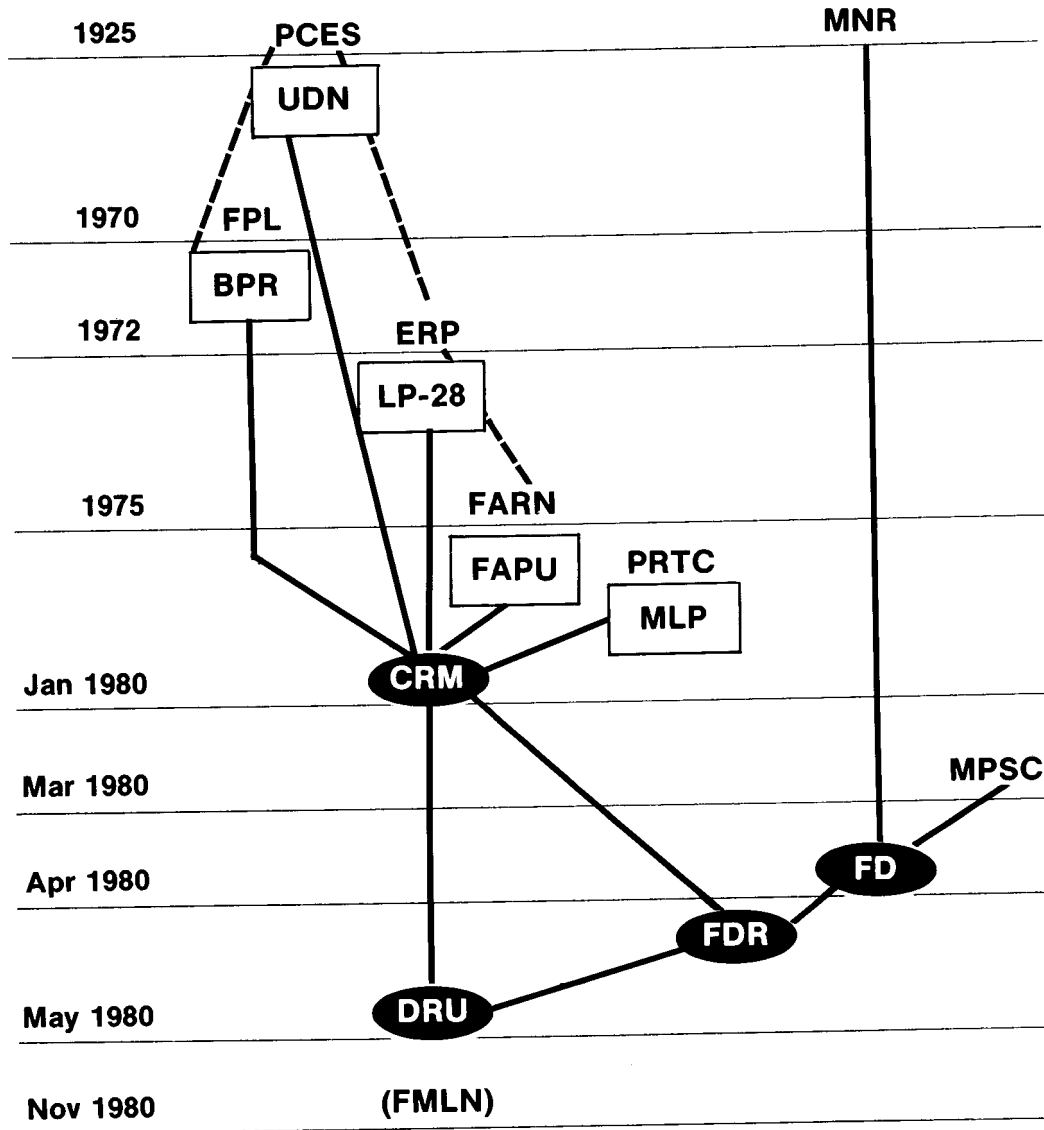
## FPL RECOUNTS ACTIVITIES OF PAST FEW MONTHS

(Special PRELA service by Mario Menendez Rodriguez)

The political-military offensive of the Farabundo Marti Peoples Liberation Forces (FPL)—which began in January of this year and intensified and widened during February, March, April and the first 2 weeks of May—has been effectively implemented through constant sabotage actions and bold, devastating attacks by the Revolutionary Peoples Army (ERP) and important operations by the Armed Forces of National Resistance (FARN) in the urban area as well as through the initiation of activities by the Armed Forces of Liberation (Fuerzas Armadas de Liberacion) of the Communist Party. This offensive was necessary to announce the threat of revolutionary war to the repressive corps of this small nation which is without government and which, since Tuesday 13 May, has been invaded by the regular Honduran and Guatemalan armies.

Amid the intense and prolonged crisis and the impossibility of finding a political solution favorable to the interests of the 14 families and the imperialists, the besieged and incompetent top military commands requested the genocidal intervention of the troops of Gen. Policarpo Paz Garcia and Gen. Romeo Lucas Garcia

## OPPOSITION ON THE LEFT: ITS ORIGINS AND RELATIONSHIPS



**Legend:**

- Break-away Group
- Front Organization
- Umbrella Organization

Proposals for a Negotiated Settlement in El Salvador--A Perspective  
from the Nicaraguan Experience, 1979 to the Present

Proposals for a negotiated settlement in El Salvador have been made by Mexico (21 Feb 82), by the extreme left (Washington Post, 8 Mar 82 interview), and by concerned US citizens, including Carter Administration NSC staffer for Latin America, Dr. Robert Pastor (New Republic, Mar 82). All of these share a number of common features, and all discussion so far has ignored the important historical lesson provided by the recent experience in Nicaragua. The following schematic outline attempts to put the El Salvador negotiation proposals in realistic perspective.

Note that the negative results in Nicaragua are even more probable in El Salvador both because the international momentum of the extreme left is now stronger in the region than in 1979 and because unlike Nicaragua where the Marxist-Leninists and genuinely democratic forces now totally excluded from power were allies against the far right, in El Salvador they are currently fighting each other.

<u>"Negotiated Settlement" Component for El Salvador</u>	<u>Similar Experience from Nicaragua</u>	<u>Result in Nicaragua</u>
Friendly countries, multi-national guarantees of a settlement--to include Mexico, perhaps France & others.	Anti-Somoza coalition supported by Mexico, Venezuela, Costa Rica, Andean Pact, as well as Cuba.	None acted with vigor to protest systematic repression of democratic forces or violation of OAS resolution and FSLN promises.  Only the new Christian Democratic government of Venezuela has exerted any pressure.
OAS might function as a guarantor.	OAS recognition of June 23, 1979, based explicitly on free elections, press, etc.	No OAS action to enforce or even publicize this resolution.  No OAS or other call for economic sanctions, etc.
Extreme left would promise to respect "pluralism" and territorial integrity of neighbors.	Sandinistas made explicit promises in writing, 12 July 1979.	No enforcement or even publicity.
US could be involved as negotiating partner and use economic incentives for compliance with terms.	US was involved in the negotiations June-July 1979, provided significant economic aid (about \$180M direct, about \$220M through IADB)	No impact.  Virtually no US effort to use economic transactions in order to help the genuinely democratic groups.  Congressionally mandated US cutoff of \$15M remainder for economic assistance 22 Jan 81 due to bipartisan finding that Nicaragua was in "totalitarian" reversion, but no impact on slowing of internal repression in Nicaragua.

Introduce the discussion of Miskito repression with a brief paragraph indicating the sequence of events since autumn 1979.

"Beginning in the fall of 1979, Cuban and other Marxist/Leninist 'teachers' were sent to the Atlantic Coast region for the purpose of indoctrinating the Protestant, English-speaking Indians who live there in settled communities with strong family ties. The Indians resisted passively--staging a large series of peaceful demonstrations in the summer of 1980, and this was met with a combination of temporary conciliation and the arrest of key leaders. Toward the end of 1981, several thousand Indians had fled Sandinista repression and gone to live in Honduras. In late December 1981, Sandinista repression of the Indians in the northeastern part of the country, especially along the Rio Coco, began to increase sharply (see map 2)."

Nicaraguan export of subversion -- reinforce our case both by quoting President Carter and his officials and by quoting the Sandinistas themselves.

In my view, we do not need to release [ ] other information to present a very accurate and credible case on this point. With a little bit of staff work, we can provide a chronological listing of public quotes to make this point.

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Carter Administration statements:

- On 17 January 1981 in approving lethal military aid for El Salvador the Carter Administration stated that its purpose was to "support the Salvadoran government in its struggle against left-wing terrorism supported covertly with arms, ammunition and training and political and military advice by Cuba and other communist nations."
- 15 January 1981, then US Ambassador to El Salvador, Robert White, was quoted as making the same accusation in the New York Times.\*
- March 1980, unclassified testimony of the Defense Department to the House of Representatives also stated that Cuban support for the extreme left in El Salvador and Guatemala includes "advice, propaganda, safe haven, training, arms" and "men and material which transit Honduras, aircraft landings at remote haciendas" with weapons from Cuba.

Sandinista statements:

- Washington Post, 8 March 1982, Rosenfeld column (page A13) - indicates Foreign Minister of Nicaragua D'Escoto admitted "on the record" that Nicaragua is giving help to the guerrillas. "All he denied was that there is a substantial flow and that it is authorized."

\*Quotation by Amb. White in the NYTimes of 15 January 1981: "It is my personal conclusion that there has been a change in the amount and sophistication of weapons coming to the guerrillas, and I think they are coming from Nicaragua." He noted that large numbers of Soviet and Chinese-made weapons had been captured in recent days by Salvadoran forces.

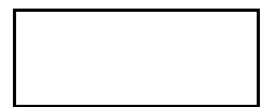
Central America/Mexico: the pattern of action by the extreme left

<u>Action</u>	<u>Nicaragua</u>	<u>El Salvador</u>	<u>Guatemala</u>	<u>Mexico</u>
1. Communist and Insurgent groups/modest Cuban/USSR support	1962-78	1964-79	1960-79	1960-Present
2. Cuban pressure/incentives for unification	1978-79	1979-80	1979-80	
3. Catalytic and dramatic violence	Jan 78 murder of P. Chamorro	Jan 80 seizure of embassies, hostages Mar 80 murder of Bishop Romeo	Jan 80 seizure of Spanish embassy	
4. Unity and expanded political-military actions	Mar 79 FSLN Directorate	Jan 80 CRM formed (later DRV)	May 80 Guatemalan Patriotic Liberation Front	
5. Expanded international propaganda against target government as leftist terror grows	Spring 79	All 80 Jan 80 FES conference in Costa Rica*	May 80 FES conference in Costa Rica*	
6. Endorsement for extreme left by foreign democratic socialist groups	May 79	Mar 80 Socialist International Conference Santo Domingo		
7. Formation of "broad coalition" including moderate left and others	Spring 79 formation of FAO under FSLN leadership	Apr 80 FDR formed under DRV/CRM leadership	May 80 FES supports establishment of FDCR - "Democratic Front Against Repression"	
8. Establishment of government in exile	May 79 JRN established in Costa Rica	Summer 80 reports of government being organized in Mexico		
9. Campaign to obtain international support and recognition for government in exile	May-Jul 79 May 79 Mexico breaks relations with Somoza	Nov 80 planned Socialist International Conference in Madrid		

\*FES - Frederich Ebert Stiftung - the political action staff of the German Socialist Democratic Party.

<u>Action</u>	<u>Nicaragua</u>	<u>El Salvador</u>	<u>Guatemala</u>	<u>Mexico</u>
10. Final political-military offensive and extreme left victory	Jun-Jul 79	fall/winter 80*		
11. Post revolutionary consolidation of power (a) establishment of inner communist group and (b) outer coalition groups	Jul 79-present (a) Directorate (b) JRN Council of State	early 81*		
12. International deception campaign--				
-recognition by governments	Jul 79-present	81*		
-foreign aid from west	Jul 79-present			
-Socialist International approval	Jul 79-present			
-German SPD/FES support	Jul 79-present			
-muted, subtle support from communist nations	Jul 79-Mar 80			
-covert help for other revolutionary groups	Aug 79-present			
13. Establishment of overt links with Cuba, USSR, etc.	Mar 80	summer 81*		
14. Termination of the phase of "bourgeois transition" ending last vestiges of non-communist power	Dec 80* (following the left victory in El Salvador)			
15. Overt alliance or coordination with Cuba/USSR	early 81*			

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\*Projected estimate

## OPINION AND COMMENTARY

### Mexico's Central America strategy

By Constantine C. Menges

The most important and least understood issue in the current United States-Mexican relationship is the communist threat in Central America and the correct response to it.

Currently the Mexican strategy is to support the "leftist coalition" in Nicaragua, El Salvador, and Guatemala without seeking or urging any guarantee of free elections, political liberties, and the like. Mexico's hypothesis is that, given the failure of the Carter administration to halt the Sandinista victory in Nicaragua in 1979 and the growth of the revolutionary forces in El Salvador and Guatemala through 1980, its only successful strategy must be to "moderate the extremist left by supporting the revolutionary groups."

Examples of this discreet but officially sanctioned support will illustrate how active and assertive Mexico has become in Central America.

● **Nicaragua.** During the revolution against Somoza, starting in late 1978, Mexico contributed money to buy weapons for the FSLN (Sandinista Liberation Front) and permitted its territory to be used for facilitating the flow of guerrillas, weapons, and propaganda for the FSLN. In May 1979 Mexico broke diplomatic relations with Somoza. Lopez Portillo personally called for the overthrow of "that horrendous dictatorship," terminated all sale of petroleum products, recognized the "provisional revolutionary government of Nicaragua" then based in Costa Rica, and worked with Cuba and others to coordinate expanded practical help from many sources during the final military offensive in June and July 1979.

After the revolution Mexico adopted a policy of "unconditional support" for the Nicaraguan government of National Reconstruction, making absolutely no distinction between the Marxist-Leninist groups and the genuinely democratic elements who combined to overthrow Somoza and never mentioning the promises for free elections, parties, press, and trade unions made by the FSLN to the OAS. Following the Carter/Reagan accusations of Nicaraguan help for the revolutionary groups in El Salvador, the then president of the Mexican government party, the PRI, visited Nicaragua to pledge complete solidarity.

● **Guatemala.** President Lopez Portillo cancelled a scheduled visit in 1979 and since then has followed a generally consistent policy of keeping an official distance from the Lucas government. In 1980 the Mexican ambassador was recalled but relations and oil sales continued. In March 1980 Mexico promised the Salvadoran communist party that during the final offensive against the government Mexico would send troops to the Guatemalan border to prevent the Guatemalan army from helping the Salvadoran army.

Those maneuvers were announced on Dec. 5, 1980, and conducted just before and during the final offensive in El Salvador (January 1981) with observers from the Guatemalan army invited ostensibly to verify that there were no camps for the communist guerrillas from Guatemala in Mexican territory. In fact, there are strong allegations of tacit Mexican approval for the establishment in Mexico of networks which provide money, medicines, food, and perhaps even weapons to the revolutionary forces in neighboring Guatemala.

Since a revolutionary Guatemala might become a sanctuary for guerrillas and terrorists operating in the southern oil-rich regions of Mexico, the consequences of Mexico being wrong about its strategy could be very severe for its people

and for the United States as well.

● **El Salvador.** During 1980, Mexico gave consistent support to the armed revolutionary groups. This was done by the PRI, acting for the government, and involved permission for the "Revolutionary Democratic Front" (FDR) to use Mexican territory as its propaganda base and to facilitate help for the guerrillas. There are reports that in the summer of 1980 the president of the PRI promised the communist coordinating leadership of the El Salvador guerrillas (the DRU, Unified Revolutionary Directorate) extensive, clandestine support through the PRI apparatus (funds, propaganda, safehouses), action against any Honduran support for the El Salvador government, and the holding of a conference on world solidarity with the revolution in El Salvador.

Following the US election in November 1980 preparations began for the final offensive in El Salvador. Mexico then took the following actions: in late November 1980 a "demand" by the Mexican trade union federation that the government stop selling oil and break diplomatic relations with El Salvador, the conference on world solidarity with El Salvador, in December 1980 the ambiguous military maneuvers on the Guatemalan border and an enormous increase in Mexican government and media support for the Salvadoran guerrillas, along with additional funds for propaganda and permission for a "government in exile" to be based in Mexico.

The United States must communicate to Mexico that it understands the Mexican strategy but believes it is mistaken because of the fundamental differences in outlook and power between the hard-core communist groups which control the "leftist coalition" in Nicaragua, El Salvador, Guatemala and the moderate reformist left which Mexico hopes to encourage.

A better way to promote reform, stability, and constitutional government would be an approach which consists of support for the center as well as democratic left forces and which condemns equally the violence of the extreme left and extreme right.

Mexico, as a sovereign state, will of course pursue its own policy. However, it would be advisable to discuss the facts and alternatives in Central America at greater length in follow-up meetings at a senior level in the wake of the Reagan-Lopez Portillo summit. Ambassador John Gavin has impressed Washington with his intelligence, serious dedication, and knowledge of Mexico. Combine these qualities with his close relationship to President Reagan, and the prospects for effective diplomacy are excellent.

Constantine Menges is a foreign policy analyst currently with the Washington office of the Hudson Institute.



By Gordon N. Converse, chief photographer  
Mexico City's Monument of Revolution



Next 1 Page(s) In Document Exempt

THE SAN DIEGO UNION, SUNDAY, AUGUST 5, 1979



# Mexico

## THE IRAN NEXT DOOR?

By **CONSTANTINE MENGES**  
For The San Diego Union

Last February, the president of Mexico bluntly told President Carter that both countries "have not decided what we are willing to make of our relationship." Those words reflected frustration felt by the Mexican leaders because they had hoped to use the Mexico City summit for comprehensive negotiations on major issues. Unfortunately, preoccupied by the fall of the Shah in Iran, the United States was prepared for little more than cordial ceremony.

There has been virtually no progress in the months since that visit. Instead the White House and State Department undermined the current ambassador by telling the press of his impending recall. A promised special ambassador who would coordinate and lead the many federal agencies involved in our negotiations with Mexico has not yet been appointed by the President. Nor has much sustained attention been given to Mexican issues by our top leadership.

Relations with Mexico involve millions of individuals, billions in transactions, vital sources of scarce energy and basic elements of our national security. As in the case of Iran under the Shah, there is a widespread complacency about political and economic trends in Mexico which could create very serious problems. Now is the time for a closer look at the realities underlying past, present and future relations between our two nations.

Most Americans are unaware that normal relations with Mexico were only restored in 1940 after a century of sharp conflict about territory and economic issues. A legacy of mistrust and suspicion was the result of three wars — the most recent in 1917 — the loss of substantial Mexican territory and differences in national development and cultural traditions. Within both

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*The Mexican revolution of 1910 is in many respects a metaphor and precedent for the dangers facing both Mexico and the United States in the early 1980s.*

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nations, but for different reasons, there is a dualism of feeling about the other which contains strong elements of attraction and hostility.

The Mexican revolution of 1910 is in many respects a metaphor and precedent for the dangers facing both Mexico and the United States in the early 1980s. That revolution came after many years of political dictatorship, massive foreign investment and overall economic growth which had left the majority of the Mexican people in deep poverty. It brought three decades of internal conflict, the expropriation of foreign investments and a foreign policy of anti-capitalist and especially anti-American rhetoric and action. Today there are elements of similarity which suggest that some groups in Mexico might be working for a second revolution.

During the last four decades, especially since the 1950s, there has been enormous economic growth in Mexico, along with a return of foreign investment and credit from public and private sources. Economic growth per person was 7.3 percent during the 1960s and 5.5 percent during the 1970s, among the highest in the world. There have also been substantial gains in social benefits, including from 1960 to 1975 a three-fold increase in secondary and higher education enrollments, a doubling of the population covered by social insurance and substantial increases in literacy (to 76 percent) and life expectancy.

Unfortunately, these positive changes have been accompanied by an enormous increase in population and the inability of the current government

MEXICO: THE IRAN NEXT DOOR?

2

to improve income distribution: Mexico's population increased from 36 million in 1960 to 70 million this year and, even under optimistic assumptions, would reach 95 million by 1990. The distribution of income in Mexico is among the most unequal in Latin America. The upper fifth of the population receives 58 percent of the total while the bottom 40 percent (28 million people) must struggle to survive on a yearly income of \$200.

Nearly 1 million young people become old enough to work each year, but the economy has not been able to provide nearly enough new jobs. The result is that 40 to 50 percent of the active labor force is unemployed or underemployed. This in turn creates the desperate pressure for immigration to the United States. During the 1970s, an estimated 4 million Mexicans became illegal residents in this country. At current rates, this population is expected to increase by 1 million a year during the next decade, which would mean a total illegal Mexican population of roughly 12 million by 1985.

The economic benefits from the newly discovered Mexican oil and gas reserves, along with expanded trade, could offer a new opportunity to cope with the ever-growing economic and social pressures. Yet the experience of Iran demonstrates that this new wealth might also raise expectations, increase inflation and internal conflicts, disrupt established social patterns and highlight institutional weaknesses such as corruption without providing much tangible help for the very poor.

It is probable that the wealthy, established groups will try to squeeze every financial advantage out of the new oil money while the powerful, radical left will bend every effort to bring about a repetition of the Iran experience. The professed goal of the radical left will probably be to replace the "corrupted" semi-authoritarian system of the Institutional Revolutionary Party (PRI) with an "authentic renewal" of the revolution of 1910, with special emphasis on the egalitarian and anti-American aspects.

On the surface, especially from a distance, the current Mexican political system appears stable. However, some observers and some Mexican leaders understand that there are significant forces of radical left opposition. These forces include influential elements in organized labor (especially among oil and transport workers), peasant groups (most active in the northwest states), most of the activist university faculty and students and many other intellectuals. After the success of Fidel Castro in 1959, Mexico saw large scale peasant and labor disturbances, the formation of a radical left coalition in 1961 and large student uprisings in 1968 and 1968.

A number of Soviet KGB officials were expelled by Mexico in 1959 for their role in organizing those anti-government demonstrations and again in 1968 because they had provided funds and training for a large network of urban guerrillas who were to launch "red brigade" type attacks. In fact, more than five terrorist groups of the communist and radical left are currently active.

The example of Iran, the war against Somoza in Nicaragua and the real prospects for success might tempt the various Mexican radical groups to establish a broad coalition which joins all dissatisfied elements together in a coordinated effort to overthrow the current system.

*As . . . United States-Mexican negotiations intensify, the radical left will probably try harder to intimidate the Mexican government into a hyper-nationalist position by accusing it of bowing to "imperialist pressure" if it makes reasonable demands and compromises.*

A preview of the fragility of Mexico was provided by President Luis Echeverria (1970-1976). Unable to overcome the resistance of wealthy Mexicans to his attempt to raise tax revenues from them, Echeverria tried to obtain support from the powerful left by a foreign policy of Third World and anti-imperialist symbolism which pleased their anti-American sentiments. The end result of his hyper-nationalism was a succession of lost international economic opportunities, mounting inflation, a devaluation which hurt the

poor most, near civil insurrection in a number of rural areas, and strained relations with the United States.

The converging stresses of the next few years will put ever greater pressures on the stability of the Mexican political system. Private

foreign bank loans soared from \$3.2 billion in 1970 to \$22 billion by 1977. The growing debt repayment burden could act as one catalyst for anti-American feeling. At the same time, the Mexican leadership will undoubtedly continue to find negotiations with the United States difficult. It may decide to use nationalism and anti-imperialist postures as a means of keeping the radicals quiet and getting concessions from the United States.

But the end result of this approach in the two-year-long controversy

# The Search For U.S., Mexico Rapport Is Crucial To Both

over the natural gas price was that Mexico literally burned up nearly \$1.5 billion in revenues it could have had in 1978. The natural gas impasse illustrates the dangers posed by the bargaining style adopted in both countries.

As the pace and scope of the United States-Mexican negotiations intensify, the radical left will probably try harder to intimidate the Mexican government into a hyper-nationalist position by accusing it of bowing to "imperialist pressure" if it makes reasonable demands and compromises.

Thus, a dilemma faces both governments. If Mexico adopts unreasonable positions which prevent agreement, it will undermine stability by further increasing the social and economic difficulties of the nation. And, if the United States gives in to unreasonable Mexican demands on one or two issues which involve large costs, the likely effect would be a mobilization of American economic interest group pressures that would make compromise more difficult in other areas. Traditional-

ly, American economic interests are concerned with only their own, specific financial results and they will use all their resources to prevent any concessions on political grounds. Thus, it will be a large task for either government to overcome the limitations imposed by recent history and domestic political forces.

Yet the effort to reach fair agreements with Mexico must be given top priority by our government now. Time is running short because the American elections will distract our leadership in 1980. In addition, this is the moment to search for ways to bring about a genuine breakthrough toward far greater realistic mutual understanding. This should include arrangements for encouraging individuals in many fields to meet each other and share information about both nations' values, institutions and accomplishments. The ultimate stake in this delicate interplay of domestic and foreign politics may well be in the survival of the current Mexican political system or its replacement by a revolutionary regime hostile to the United States.

Examples of Sandinista Repression-1979 to Present

- 14 November 1979 - Interior Minister Borge, in press conference, admits abuses, including torture, under Sandinista rule.
- 25 January 1980 - Security forces close down newspaper "El Pueblo"; Bayardo Arce warns that other media could receive "same medicine".
- April 1980 - FSLN unilaterally changes composition of Council of State, giving itself a majority, moderates Robelo & Mrs. Pedro Chamorro resign in protest.
- 23 August 1980 - Violating an agreement with the OAS and private sector, Sandinistas unilaterally announce "elections to improve the revolutionary government" will not be held until 1985.
- 27 August 1980 - Sandinista-controlled Council of State issues three decrees that greatly constrain the media and proscribe activity relating to the promised 1985 elections.
- 7 November 1980 - Regime forbids opposition Democratic Movement Party political rally.
- 17 November 1980 - Sandinistas pull off sophisticated entrapment plan, kill prominent businessman and arrest others for anti-regime plotting.
- 10 February 1981 - Government occupies and closes down the offices of Human Rights Committee in Managua; subsequently allows it to reopen (after international outcry).
- 13 February 1981 - Sandinista mob attacks persons assembled at airport to greet returning human rights activist.
- 10 March 1981 - Sandinista mobs invade national headquarters of Democratic Movement Party; police refuse to intervene.
- 7 July 1981 - Managua Archbishop prohibited from delivering traditional Sunday sermons on TV. after he had said Nicaragua is moving toward totalitarianism.
- 10 July 1981 - Independent newspaper, La Prensa, closed down for 48 hours.
- 19 July 1981 - FSLN issues a series of punitive decrees aimed at intimidating the opposition and extending state control over the economy.
- 9 September 1981 - Government declaration of "social and economic emergency" bans labor strikes and further restricts freedom of press and of expression.
- 21 October 1981 - Four business leaders and several extreme leftists arrested by security forces for criticizing the regime.
- 25 October 1981 - Sandinista mobs attack the home of major opposition leader.
- 26 October 1981 - Four democratic political leaders have their passports taken and are in detention (Washington Post, 10/27)

24 November 1981

POLITICAL COMMUNICATIONS STRATEGY FOR CENTRAL AMERICA -- BRIEF SUGGESTIONS

It is widely recognized that the truth about events in Central America has not been effectively communicated and that much more needs to be done on an urgent basis. An effective communications effort must inform both US domestic audiences and a variety of international participants on the Central American events. In each case, there is a need for factual information which can reach key leadership groups as well as the general public through the communications media.

This brief outline will summarize a number of themes and suggest a linkage between key audiences and private institutions which might have an interest in participating on a voluntary basis.

I. Essential Communications Themes

A. Nicaragua

1. The Marxist/Leninist Directorate virtually controls the society with its:
  - a. new secret police
  - b. large and well-equipped military forces
  - c. dominant Sandinista Party
  - d. mass organizations (e.g., Sandinista Defense Committee)
  - e. large foreign communist and radical Arab presence and help
2. Moderate and democratic forces still exist and include:
  - a. two trade union federations (35,000 members)
  - b. five democratic political parties
  - c. business associations and cooperatives (75,000 members)
  - d. Catholic and Protestant Churches
  - e. Atlantic Coast Indian communities of 150,000 -- Protestant and English-speaking
  - f. one newspaper and two radio stations
3. The Sandinista Government is violating its promises to the OAS
  - a. 23 June 1979 OAS resolution called for free elections, press, trade unions, media

- b. 12 July 1979 Sandinista letter to OAS affirmed its intention to establish democracy and implement the above resolution

B. El Salvador

1. The Extreme Left

- a. history, purpose, tactics
- b. estimated number of people killed and kidnapped by the extreme left, 1976-81
- c. the strategy of economic destruction and the human consequences
- d. propaganda and false claims of the extreme left, e.g., May 1980 claim that Israeli and US troops invaded El Salvador

2. The Extreme Right

- a. history, purpose, tactics
- b. estimated number of victims, 1976-81
- c. efforts to overthrow the current Salvadoran government (three coup attempts 1980-81)
- d. some degree of collaboration from minorities in some government security forces (mafia, big city police department analogy)

3. Moderate Groups Ranging from Democratic Left to Conservative

- a. moderates include most of the military, anti-communist labor unions, most of the Catholic Church, most of the business community -- tangible accomplishments of the moderate civil/military coalition including
  - a-1. surviving against both extremes
  - a-2. major demonstrations of public support
  - a-3. land reform of 1980 benefitting more than one million peasants among 1.8 million formerly landless
  - a-4. other reforms

C. Transnational Forces

1. For the Moderates in Central America

- a. Venezuela, Costa Rica, Colombia, other Latin democracies
- b. Christian democratic parties of Latin America and Europe

- c. free trade unions of the US, Latin America, and Europe
  - d. the US
  - e. social democratic parties of Costa Rica, Nicaragua, and important factions in other European and Latin American parties have condemned the extreme left in Central America
2. For the Extreme Left
- a. Cuba, other communist states
  - b. Libya/Palestinian terrorist groups
  - c. Mexico-signs of second thoughts outside the government
  - d. Social Democrats--some divisions

II. Linking Possible Communicators with US Leadership Groups

Better understanding about Central America can be encouraged both by the direct communications efforts of the US Government and by better informing various private organizations, which in turn have credibility with different leadership groups. The following schematic outline suggests some possible linkages by designating with an X those organizations which might inform different leadership groups.

Possible Communicators	<u>Leadership Groups to be Informed</u>						
	Congress	Media	Religious Groups	Intellectuals & Colleges	Liberal Civic Groups	Conservative Civic Groups	Veterans & Business Groups
<u>US Govt.</u>							
State	X	X	X	X	X	X	X
Defense	X						
CIA	X					X	X
AFL-CIO/AIFLD	X	X	X	X	X		
Council of the Americas (bus.)	X					X	X
Freedom House	X	X	X	X	X	X	X
Instit. for Religion & Democracy	X	X	X		X	X	
Committee on the Present Danger	X	X		X		X	X
Natl. Strat. Info Center	X	X					
Land Council (NY)	X			X	X		
Comte for the Free World		X		X	X	X	



III. Improving the Information Available to Influential International Participants in Central America

The participation of the US free trade union movement (AFL-CIO and AIFLD) provides an opportunity to reach into the Social Democratic parties of Europe and Latin America through their links with their own independent trade unions and the various anti-communist international confederations. This and other such communications linkages are suggested by the following schematic outline.

Leadership Groups to be Informed

<u>Possible Communicators</u>	<u>Intl Trade Unions-e.g. ICFTU, OR-IT</u>	<u>Chris.Dem. Trade Unions</u>	<u>Soc. Dem Trade Unions, Parties, &amp; Soc. Int.</u>	<u>Democratic Socialist Government</u>	<u>Latin Govts.</u>	<u>Mexico</u>
<u>US Govt.</u>						
State ICA/Labor Defense	X	X	X	X X (NATO)	X X (Rio)	X X (military)
AFL-CIO/AIFLD	X	X	X			X (labor)
ICFTU/ORIT		X	X			
Freedom House			X	X	X	X
Soc. Dem. Parties of CR, Nic			X	X		X (parties)
Venezuela	X	X		X	X	X
Chris. Dem. Parties & Federations	X	X			X	
Committee for the Free World		X	X			

## OPINION AND COMMENTARY

### Mexico's Central America strategy

By Constantine C. Menges

The most important and least understood issue in the current United States-Mexican relationship is the communist threat in Central America and the correct response to it.

Currently the Mexican strategy is to support the "leftist coalition" in Nicaragua, El Salvador, and Guatemala without seeking or urging any guarantee of free elections, political liberties, and the like. Mexico's hypothesis is that, given the failure of the Carter administration to halt the Sandinista victory in Nicaragua in 1979 and the growth of the revolutionary forces in El Salvador and Guatemala through 1980, its only successful strategy must be to "moderate the extremist left by supporting the revolutionary groups."

Examples of this discreet but officially sanctioned support will illustrate how active and assertive Mexico has become in Central America.

● **Nicaragua.** During the revolution against Somoza, starting in late 1978, Mexico contributed money to buy weapons for the FSLN (Sandinista Liberation Front) and permitted its territory to be used for facilitating the flow of guerrillas, weapons, and propaganda for the FSLN. In May 1979 Mexico broke diplomatic relations with Somoza. Lopez Portillo personally called for the overthrow of "that horrendous dictatorship," terminated all sale of petroleum products, recognized the "provisional revolutionary government of Nicaragua" then based in Costa Rica, and worked with Cuba and others to coordinate expanded practical help from many sources during the final military offensive in June and July 1979.

After the revolution Mexico adopted a policy of "unconditioned support" for the Nicaraguan government of National Reconstruction, making absolutely no distinction between the Marxist-Leninist groups and the genuinely democratic elements who combined to overthrow Somoza and never mentioning the promises for free elections, parties, press, and trade unions made by the FSLN to the OAS. Following the Carter/Reagan accusations of Nicaraguan help for the revolutionary groups in El Salvador, the then president of the Mexican government party, the PRI, visited Nicaragua to pledge complete solidarity.

● **Guatemala.** President Lopez Portillo cancelled a scheduled visit in 1979 and since then has followed a generally consistent policy of keeping an official distance from the Lucas government. In 1980 the Mexican ambassador was recalled but relations and oil sales continued. In March 1980 Mexico promised the Salvadoran communist party that during the final offensive against the government Mexico would send troops to the Guatemalan border to prevent the Guatemalan army from helping the Salvadoran army.

Those maneuvers were announced on Dec. 5, 1980, and conducted just before and during the final offensive in El Salvador (January 1981) with observers from the Guatemalan army invited ostensibly to verify that there were no camps for the communist guerrillas from Guatemala in Mexican territory. In fact, there are strong allegations of tacit Mexican approval for the establishment in Mexico of networks which provide money, medicines, food, and perhaps even weapons to the revolutionary forces in neighboring Guatemala.

Since a revolutionary Guatemala might become a sanctuary for guerrillas and terrorists operating in the southern oil-rich regions of Mexico, the consequences of Mexico being wrong about its strategy could be very severe for its people

and for the United States as well.

● **El Salvador.** During 1980, Mexico gave consistent support to the armed revolutionary groups. This was done by the PRI, acting for the government, and involved permission for the "Revolutionary Democratic Front" (FDR) to use Mexican territory as its propaganda base and to facilitate help for the guerrillas. There are reports that in the summer of 1980 the president of the PRI promised the communist coordinating leadership of the El Salvador guerrillas (the DRU, Unified Revolutionary Directorate) extensive, clandestine support through the PRI apparatus (funds, propaganda, safehouses), action against any Honduran support for the El Salvador government, and the holding of a conference on world solidarity with the revolution in El Salvador.

Following the US election in November 1980 preparations began for the final offensive in El Salvador. Mexico then took the following actions: in late November 1980 a "demand" by the Mexican trade union federation that the government stop selling oil and break diplomatic relations with El Salvador; the conference on world solidarity with El Salvador; in December 1980 the ambiguous military maneuvers on the Guatemalan border and an enormous increase in Mexican government and media support for the Salvadoran guerrillas, along with additional funds for propaganda and permission for a "government in exile" to be based in Mexico.

The United States must communicate to Mexico that it understands the Mexican strategy but believes it is mistaken because of the fundamental differences in outlook and power between the hard-core communist groups which control the "leftist coalition" in Nicaragua, El Salvador, Guatemala and the moderate reformist left which Mexico hopes to encourage.

A better way to promote reform, stability, and constitutional government would be an approach which consists of support for the center as well as democratic left forces and which condemns equally the violence of the extreme left and extreme right.

Mexico, as a sovereign state, will of course pursue its own policy. However, it would be advisable to discuss the facts and alternatives in Central America at greater length in follow-up meetings at a senior level in the wake of the Reagan-Lopez Portillo summit. Ambassador John Gavin has impressed Washington with his intelligence, serious dedication, and knowledge of Mexico. Combine these qualities with his close relationship to President Reagan, and the prospects for effective diplomacy are excellent.

Constantine Menges is a foreign policy analyst currently with the Washington office of the Hudson Institute.



By Gordon N. Converse, chief photographer  
Mexico City's Monument of Revolution

Proposals for a Negotiated Settlement in El Salvador--A Perspective  
 from the Nicaraguan Experience, 1979 to the Present

Proposals for a negotiated settlement in El Salvador have been made by Mexico (21 Feb 82), by the extreme left (Washington Post, 8 Mar 82 interview), and by concerned US citizens, including Carter Administration NSC staffer for Latin America, Dr. Robert Pastor (New Republic, Mar 82). All of these share a number of common features, and all discussion so far has ignored the important historical lesson provided by the recent experience in Nicaragua. The following schematic outline attempts to put the El Salvador negotiation proposals in realistic perspective.

Note that the negative results in Nicaragua are even more probable in El Salvador both because the international momentum of the extreme left is now stronger in the region than in 1979 and because unlike Nicaragua where the Marxist-Leninists and genuinely democratic forces now totally excluded from power were allies against the far right, in El Salvador they are currently fighting each other.

<u>"Negotiated Settlement" Component for El Salvador</u>	<u>Similar Experience from Nicaragua</u>	<u>Result in Nicaragua</u>
Friendly countries, multi-national guarantees of a settlement--to include Mexico, perhaps France & others.	Anti-Somoza coalition supported by Mexico, Venezuela, Costa Rica, Andean Pact, as well as Cuba.	None acted with vigor to protest systematic repression of democratic forces or violation of OAS resolution and FSLN promises.
OAS might function as a guarantor.	OAS recognition of June 23, 1979, based explicitly on free elections, press, etc.	Only the new Christian Democratic government of Venezuela has exerted any pressure. No OAS action to enforce or even publicize this resolution. No OAS or other call for economic sanctions, etc.
Extreme left would promise to respect "pluralism" and territorial integrity of neighbors.	Sandinistas made explicit promises in writing, 12 July 1979.	No enforcement or even publicity.
US could be involved as negotiating partner and use economic incentives for compliance with terms.	US was involved in the negotiations June-July 1979, provided significant economic aid (about \$180M direct, about \$220M through IADB)	No impact. Virtually no US effort to use economic transactions in order to help the genuinely democratic groups.

Congressionally mandated US cutoff of \$15M remainder for economic assistance 22 Jan 81 due to bipartisan finding that Nicaragua was in a reversion, but no impact on slowing of internal repression in Nicaragua.