

SECRET

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

NSC review completed.

National Intelligence Officers

30 September 1981

MEMORANDUM FOR: Director of Central Intelligence
FROM : National Intelligence Officer for Latin America
SUBJECT : Cuba/Central America Strategy Issues for Your Meeting with Secretary Haig, 1 October 1981

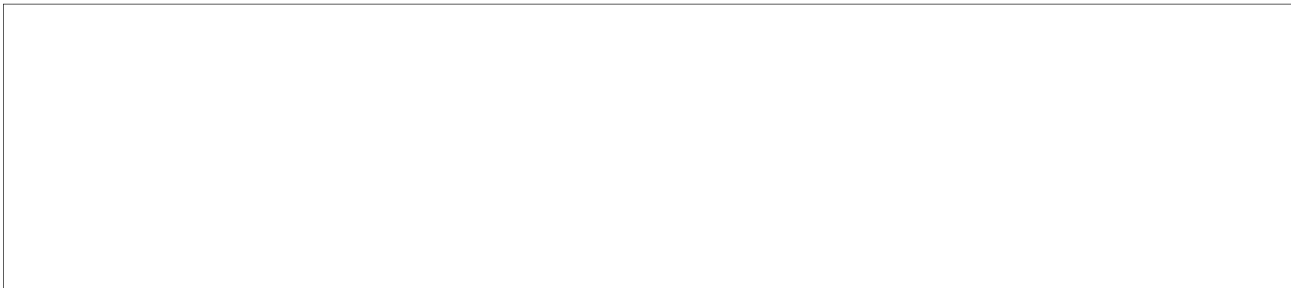
1. The Current Policy Alternatives Being Considered

I/ Increased US economic, military, intelligence support for El Salvador, Guatemala, Honduras ("fight defensively in Central America").

II/ As above plus increased pressure on Nicaragua to stop their aid for guerrillas including a naval quarantine between Cuba/Nicaragua (described to me as the "negotiating process approach", which leaves the Sandinista regime intact).

III/ As in I plus replacement of Sandinista Directorate by Third Force moderates to include the use of US forces to deter or interdict Cuban reinforcement of Nicaragua.

IV/ Direct pressure on Cuba in two phases -- (1) demonstration and threats/talks; (2) a series of coercive actions (oil blockade, etc.).



3. The Main Area of Current Disagreement Within State

There is virtual consensus among Defense, most of CIA and State that Alternative III makes the most sense. You expressed this view on Monday to me, and this is the position I took at the McFarlane meeting.



SECRET



SECRET

Those at State who favor Alternative II believe that US pressure on the existing Sandinista regime can bring an end to their support of revolutionary forces. The test of the Sandinista willingness to do this [redacted]

25X1

[redacted] was to be based on whether "our intelligence reports showed the arms traffic falling off". Documents at Tabs A, B are for the next meeting of this issue.

Tab A is a CIA compilation of evidence that demonstrates that Nicaragua has continued to provide help to the guerrilla forces in the region. It is also worth bearing in mind that these hopes for Sandinista restraint have been part of the US relationship with that regime since 19 July 1979 and that two weeks ago a member of the Directorate stated bluntly [redacted]

25X1

[redacted] "When will you Americans ever understand that nothing and no one will prevent us from helping our fellow guerrillas in El Salvador and Guatemala." [redacted]

Tab B is an interpretative CIA analysis of possible Cuban reactions to the four alternative US policies listed above. I concur with the views that Cuba will use covert and aggressive means to react against Alternatives I and II and that Cuba will not attack US military forces used as in Alternative III to protect those who are replacing the Sandinista Directorate.

However, I strongly disagree with the introductory judgment of NFAC that says, "We believe the approach having the best chance of success (30-40 percent) would be the presentation of a private ultimatum to Castro that he either cease his support for subversive movements or suffer specific consequences." This has been tried and it has failed again and again. And NFAC goes on to say that, "Such an approach would have only a temporary effect; Castro eventually would find an alternative method to pursue his revolutionary goals."

Tab C provides an overview of the help for guerrilla/terrorist forces in Honduras, El Salvador, and Guatemala that is coming from the following anti-US forces: Cuba, Nicaragua, Soviet Union, Democratic Front for the Liberation of Palestine (DFLP), and East Europeans. It is a synthesis of current intelligence knowledge and demonstrates that the entire network of support for the extreme left in the region is growing and becoming more diverse.

25X1



SECRET

SECRET

25X1

TAB A

CENTRAL INTELLIGENCE AGENCY  
NATIONAL FOREIGN ASSESSMENT CENTER

30 September 1981

MEMORANDUM

Nicaraguan Support for Central American Revolutionaries

25X1

The Sandinistas remain fully committed to supporting the Salvadoran insurgents, [redacted] Nicaragua is infiltrating arms into El Salvador by land, sea, and air. Because of interdiction efforts by Honduran authorities, the Sandinistas are again emphasizing air deliveries over land shipments. Nevertheless, while the ongoing supply effort appears to be sufficient to sustain the current relatively low level of guerrilla activity, we believe it would have to be increased significantly to support a major insurgent offensive. [redacted]

25X1

Meanwhile, Salvadoran guerrilla headquarters continues to coordinate the insurgency [redacted] In addition, Nicaragua is sending small numbers of military advisers to El Salvador. The Sandinistas also continue to support leftist extremists in Honduras and Guatemala. [redacted]

25X1

25X1

El Salvador

The Sandinistas are convinced that a leftist victory in El Salvador is essential to the security of their own regime and probably doubt that the US would resume economic assistance to Nicaragua even if they halted their support activities. National Directorate member Bayardo Arce recently told [redacted]

25X1

*This memorandum, covering the period from 13 August 1981 to 30 September 1981, was requested by the Director of Central Intelligence. It was prepared by [redacted] Latin America Division, Office of Political Analysis, and coordinated with the Clandestine Services. Questions and comments should be directed to Chief, Latin America Division, OPA, [redacted]*

25X1

PA-M-81-10391CX

25X1

SECRET

25X1

25X1

SECRET

25X1

[redacted] that nothing Washington can say or do will induce the Sandinistas to cease their assistance to the Salvadoran guerrillas.

25X1

25X1

During the past seven weeks, [redacted] reports--

25X1

[redacted] have attested to the continued operation of the Sandinista arms pipeline.

25X1

25X1

Three Salvadoran insurgent groups, supported by Honduran leftists, operate separate arms-distribution networks in Honduras.

25X1

25X1

25X1

[redacted] weapons continue to depart

Nicaragua's Pacific ports for El Salvador.

25X1

SECRET

25X1

SECRET [redacted]

25X1

Cuba and the USSR have supplied most of the weapons smuggled to the Salvadoran revolutionaries, but Libya apparently is taking a larger role.

[redacted]

In addition to channeling arms to El Salvador, the Sandinistas are now sending advisers.

[redacted]

Other Activities

Managua also is continuing its assistance to leftists in Honduras.

[redacted]

[redacted] we believe that Managua continues to provide small amounts of arms and other assistance to Guatemalan insurgents, and that revolutionaries from various Central American countries continue to receive paramilitary training in Nicaragua.

[redacted]

3  
SECRET [redacted]

25X1

TAB B -- Being prepared by NFAC, will be available  
*by noon on*  
~~the afternoon of~~ 1 October 1981, as originally  
requested.

**Page Denied**

Next 1 Page(s) In Document Denied