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82-45661

ROUTING AND RECORD SHEET

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SUBJECT: (Optional)

FROM: Director, Office of External Affairs
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DATE 10 MAR 1982

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. ~~Executive Director~~ *has copy*

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We received a call today from Jim Van Wagenen, House Appropriations Defense Subcommittee. He said that Chairman Joseph Addabbo (D., NY) and Representative Jack Edwards (R., AL) have asked that the Agency be prepared to comment at tomorrow's briefing on the article in the Washington Post today by Bob Woodward reporting on the Central American Covert Action program.

You may wish to address this in your opening remarks or respond to a question from the Chairman on the article

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WASHINGTON POST

10 March 1982

82-45661

U.S. Approves Covert Plan In Nicaragua

By Patrick E. Tyler
and Bob Woodward

Washington Post Staff Writers

President Reagan has authorized covert operations against the Central American nation of Nicaragua, which, administration officials have charged, is serving as the military command center and supply line to guerrillas in El Salvador.

According to informed administration officials, the president has ruled out the use of U.S. military forces in direct anti-Nicaraguan operations. But the authorized covert plan directs the CIA to begin to build and fund a paramilitary force of up to 500 Latin Americans, who are to operate out of commando camps spread along the Nicaraguan-Honduran border.

The officials stressed that it will take months for the paramilitary force to be recruited, trained, and positioned to begin operations. They did not say precisely when the cross-border operations are scheduled to begin.

As part of this plan, the commandos eventually would attempt to destroy vital Nicaraguan targets, such as power plants and bridges, in an effort to disrupt the economy and divert the attention and the resources of the government. CIA strategists believe these covert operations inside Nicaragua will slow the flow of arms to El Salvador and disrupt what they claim is a Soviet- and Cuban-controlled government in Nicaragua.

Operating under a \$19 million CIA budget, the planned 500-man force could be increased in size if

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necessary, officials said. The CIA force would be supplemented by another Latin American commando force of up to 1,000 men—some of whom currently are undergoing training by Argentine military officials.

This is the plan for CIA covert operations first reported in The Washington Post on Feb. 14 as part of the Reagan administration's strategy in the region. At the time, it could not be determined whether the president had authorized the CIA's plan to build a paramilitary force against Nicaragua.

Several informed sources now say that the president did formally authorize the proposal, but the precise timing of his authorization could not be determined. It may have occurred late last year.

The covert action proposal was developed by the CIA and first presented in detail to President Reagan by CIA Director William J. Casey at the Nov. 16 meeting of the National Security Council. It was supported by Secretary of State Alexander M. Haig Jr. and Defense Secretary Caspar W. Weinberger, according to knowledgeable officials.

Administration officials familiar with the CIA covert program stressed that the decision to focus on economic targets was based on a desire to disrupt the Nicaraguan arms supply line to El Salvador in a manner that is relatively inexpensive and least threatening to the civilian population.

"If you blow up a dam, you cause a lot of trouble, but you're not killing people," one high-level official said.

In his Feb. 18 press conference, Reagan was asked if the United States was planning covert operations in Nicaragua, but he declined to comment.

Nicaragua currently is ruled by the Sandinista National Liberation Front, whose guerrilla forces overthrew the government of dictator Anastasio Somoza in July 1979.

Honduras has a close military relationship with the United States, and Honduran officials fear that the political upheaval in El Salvador and Nicaragua will spill into their country. As a separate part of the U.S. strategy in the region, the U.S. military currently is engaged in two operations in neighboring Honduras to indirectly support anti-Nicaraguan efforts, informed administration officials said.

According to highly classified NSC records, the initial CIA proposal in November called for "support and conduct of political and paramilitary operations against the Cuban presence and Cuban-Sandinista support structure in Nicaragua and elsewhere in Central America." The CIA, in seeking presidential authorization for the \$19 million paramilitary force, emphasized that "the program should not be confined to that funding level or to the 500-man force described," the records show.

Covert operations under the CIA proposal, according to the NSC records, are intended to:

- "Build popular support in Central America and Nicaragua for an opposition front that would be nationalistic, anti-Cuban and anti-Somoza.

- "Support the opposition/front through formation and training of action teams to collect intelligence and engage in paramilitary and political operations in Nicaragua and elsewhere.

• "Work primarily through non-Americans" to achieve these covert objectives, but in some cases the CIA might "take unilateral paramilitary action—possibly using U.S. personnel—against special Cuban targets."

After the initial presentation, the CIA proposal was turned over to the national security planning group, a subcommittee of the NSC, as a draft "presidential finding," which states the need for specific covert operations. Under national security statutes, no funds can be expended for covert actions "until the president finds that each such operation is important to the national security of the United States."

Senior U.S. defense and intelligence officials have said in recent weeks that without a slowdown in the arms supply to El Salvador by air, land and sea routes from Nicaragua, the position of government forces in the war-torn country could deteriorate rapidly, potentially prompting an escalation of Salvadoran requests for U.S. military assistance. Such requests are likely to run into strong congressional and public resistance.

According to administration officials, the covert plan is part of a broader program through which the administration hopes to achieve long-term stability in Central America by creating, nurturing and supporting new political coalitions of centrist forces in Nicaragua and other key countries.

Central America currently is experiencing a series of armed rebellions, and officials here say U.S. intelligence has obtained detailed outlines of Soviet and Cuban long-term financial, military and political plans to support armed insurgencies in the region. This outline of Soviet intentions—along with intelligence of current Soviet and Cuban activity in the area—has alarmed the president's national security advisers and, according to officials, is a central reason for the administration's covert program.

Several senior officials argue that intelligence gathering efforts in Central America lapsed significantly under presidents Nixon, Ford and Carter and that each of those administrations underestimated the problems of Central American governments and the strength of opposition movements.

The CIA station in El Salvador, for example, was closed for about five years—roughly from 1973 to 1978—to save money, and the United States had virtually no intelligence sources there during that period.

"It takes a long time to develop this intelligence, spread money around and put people in crucial places and make the kind of friends we need," one official said last week.

Only in the past year, officials said, has the United States learned details of what the Soviets and Cubans hope to gain in the region. U.S. intelligence reports now show that in 1978 the Soviets and Cubans committed the money and resources for a major effort to support Cuban-style rebellions in Central America.

One senior official said, "If you look what the goals were in 1978 and realize how far they have come by 1982, then where they want to be in 1987 has to be taken seriously and that would concern anyone" in the United States.

Other officials said they are alarmed by convincing intelligence reports that one Soviet-Cuban goal in the region is the development of an active insurgency to destabilize Mexico during this decade.

Some intelligence reports reaching the president support the administration charge of an increased Soviet and Cuban threat in Central America. One recent report indicates that the Soviet Union is training Latin American pilots to fly the most advanced Soviet fighter, the Mig-25 Foxbat, which has a radar system capable of directing other planes in a large battle area.

The nationalities of the Latin American pilots being trained on the Foxbat are not clear. Cuba already has acquired a squadron of Mig-23 supersonic fighters, and previous intelligence reports have confirmed that Nicaraguans have trained on less sophisticated Mig fighters.

Further, Guatemala, potentially the most prosperous Central American country, is also being threatened by a leftist insurgency and the most current CIA estimate is that the government will undergo a major change of status within 18 months.

While some members of the administration remain skeptical about broad claims of spreading Soviet and Cuban influence in the region, knowledgeable officials say this is the interpretation that has been largely adopted by President Reagan.