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MEMORANDUM FOR MR. DONALD P. GREGG
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Executive Assistant to the Chairman
Joint Chiefs of Staff

MR. ROGER CLEGG
Special Assistant to the Attorney General
Department of Justice

SUBJECT: National Security Planning Group Meeting,
Thursday, February 24, 1983, 1:00 - 2:00 p.m.
in the Situation Room (S)

NSC review completed.

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Attached is the interagency paper drafted by the State Department to be used for the discussion to be held on Central America at the National Security Planning Group meeting on February 24, 1983 at 1:00 - 2:00 p.m. in the Situation Room. (S)

Michael O. Wheeler
Michael O. Wheeler
Staff Secretary

Attachment: (1)

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1. The Government of El Salvador needs to take the initiative politically -- to give the center in our Congress something to rally around. The occasion of the Pope's visit (March 6) is the right time to act. The Government is already considering some useful measures but jockeying among the factions is preventing a forceful breakthrough. The right wing (ARENA) is the principal, but by no means only, obstacle.

Proposal: We should use all means at our disposal, to include a special emissary, to obtain the following by March 6:

- A call for presidential elections to be held at the soonest practical date. (Elections are currently scheduled for March 1984; it may be possible to have them moved up to late 1983.)
- An offer by the Government of El Salvador to facilitate the participation of all parties -- including those affiliated with the guerrillas -- in the elections.
- Formation of a "Peace Commission" (as favored by President Magana) or another mechanism to promote the participation of all parties in the democratic institutions.
- Movement on Lopez Sibrian and the Hans Christ extradition, and extension of the land reform program, keys to obtaining Hill support for war-fighting resources. Timing is crucial -- can't get anywhere with security assistance until AFL/CIO is on board.
- Implementation of a serious amnesty program with the release of political prisoners and incentives to encourage defections from guerrilla ranks.

Pro: If it works, changes the question in El Salvador and here; might even result in the emergence of unified leadership. Picks up Papal support.

Con: Further manipulation by us of the government coalition (and that is likely to be necessary) can sap its self-respect and will to resist. Too bold an embrace of ARENA could demoralize the rest.

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2. We need to co-opt the peace issue, before it runs away with us in the Congress. A Latin peace initiative with a regional focus is now emerging. We need (a) to make sure it doesn't turn against us, and (b) try to turn it to use in the Congress.

As currently described, the Latin initiative will involve a meeting of the five Central American countries (including Nicaragua) in the presence of five others (Mexico, Venezuela, Colombia, Panama and the Dominican Republic), but without the U.S. or Cuba. The conference could be held as early as mid-March.

There are both positive and negative sides to this development. Its regional focus is an important step forward from previous Latin American peace moves, notably those from Mexico. By making clear that Costa Rica, El Salvador and Honduras all have problems with Nicaragua, it can spotlight the dangers of the Sandinistas' aggressive behavior for opinion-makers in Western Europe, the Socialist International, and in the United States.

But there are dangers. Despite assurances from Venezuelan President Herrera and from Costa Rican, Honduran and Salvadoran leaders that there are no anti-American implications in holding an exclusively Latin American conference, our experience with the Mexican Government and with Colombian President Betancur suggests the meeting may take on an anti-gringo slant. The non-Central Americans may try to situate themselves equidistant from the U.S. and Cuba, trying to exact supposedly "balanced" concessions from both. Our most vulnerable friends -- Costa Rica, Honduras and El Salvador -- will be exposed to pressure to make concessions. Furthermore, the non-Central American countries are generally opposed to the "secret war" in Nicaragua: the temptation to condemn it as proof of their own "evenhandedness" could prove overwhelming.

We must particularly be concerned about efforts that Mexico will undertake to push for power-sharing in El Salvador.

The effects of this Latin conference on Congress are similarly unpredictable. Congressional opinion is restless, and "negotiations" seem an easy way out of the war. Congress might seize on the Conference as a reason for postponing all increased assistance pending its outcome. On the other hand, depending on how the conference develops, near Latin American unanimity might become the grounds for persuading the Congress to provide increased assistance.

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Proposal: To try to take advantage of this development while minimizing these dangers, we propose:

- To reassure Presidents Magana, Monge and Suazo that the U.S. will not abandon them.
- To caution Costa Rica, Honduras, and El Salvador on the dangers of the process, and to insist on close coordination with us; we will also urge them to limit the initiative in time.
- To respond to Venezuelan President Herrera Campins' request to you through Ambassador Kirkpatrick that we not "torpedo" the initiative, saying that we wish him well, and believe it essential that the same principles of democratization, reciprocity and verification apply to Nicaragua as well as El Salvador.
- To try to make this into a positive development, when it occurs, supporting it in public, and interpreting it as demonstrating that the Central American problem cannot really be solved until Nicaragua changes.

Military Leadership

3. The Salvadorans must overcome their garrison mentality due mainly to the political divisions and infighting within the military. They are not conducting the war aggressively. Military commanders are chosen for personal loyalties, many are inept, some corrupt and not inclined to aggressively pursue the war. There is widespread dissatisfaction among field commanders and we may be seeing the beginning of a general "war weariness."

Proposal: A fundamental change in the military is needed. Garcia appears to be facing a loss of support within the officer corps and may be on his way out. We must be ready to work with a potential generational change in the military and we may have to help the process along (without leading it) if we do not want to see protracted infighting. An indication from us will carry weight, but may not be enough. We may need to bring about the desired results. In either case, we will have to be sure that the process is orderly -- no drastic changes all at once -- and that military unity is preserved.

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And we must attempt to make more effective discipline and avoidance of abuses by the military part of the deal.

Pro: There is really no alternative. The current leaders are good politicians but they aren't winning the war. If we can improve the army's leadership, the war can be won at FY 1982 levels of military assistance (\$80 million).

Con: Integrity of the military structure is critical. Tinkering with it is dangerous and the greater our role the more likely it is to come apart at the seams. Keeping the process of change orderly will not be easy.

Military Tactics

4. The military must overcome "sweep and scoot" tactics and put into effect a real counterinsurgency plan designed to take the war to the guerrillas and keep the pressure on them. They have not focussed on territorial security and bringing the government to the people. The Guatemala experience shows what can be done.

Proposal: Launch a full scale regionally-focussed counter-insurgency effort, including civic action and psy-ops. Proper organization and staffing (intelligence, logistics, command & control, fire control) are a must. But the U.S. must also organize and gear up for the effort. Trainers must operate at the brigade level. Civilian advisors will be needed at the Departmental level to assure an integrated political/military approach, and to keep us informed on what is going on. This will require some more resources but mostly slight adjustments and changes in deployments and tactics. An effort to start such a program is now underway in the key area of Usulután/San Vicente.

Pro: The Government would seize the initiative in the war and put the guerrillas on the defensive. Small units would keep the pressure on. This would be a low technology/low resource tactic.

Con: We would have to apply some muscle to the Salvadorans to get them out of the current frame of mind. As our role increases they may adopt a "let the gringos do it" mentality.

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5. We must develop the kind of relationship with the Salvadoran military that allows us to influence the way they conduct the war. The Salvadorans have kept us at arms length and uninformed on their operational plans. This close relationship must also be used to push for more control on abuses by the military.

Proposal: We need to augment our military group and move it into closer contact with the high command and to augment our defense attaches, using them more actively to travel in the field and report on the war. (The development of these new relationships, and the kind/quantity of resources needed to do so are not agreed. Department of Defense has provided an illustrative outline of steps which might be considered for implementation; these are at Tab A. Defense has also estimated personnel needs to carry out its proposals. These are at Tab B.)

Pro: Would help us avoid the kind of improvisation that led to the loss of Berlin, while promoting a shift to small unit tactics.

Con: We risk a nationalistic reaction from the Salvadorans. There will be greater risks for our defense attaches as they travel more extensively in conflicted areas. There could also be a U.S. public reaction.

Military Resources

6. We must obtain for El Salvador \$60 million in additional military resources in the next 60 days. The \$25 million provided in the CRA for FY 83 has been totally expended. The intensity of recent fighting has increased ammunition usage rates. At present the armed forces have approximately only 90 days of small arms ammunition and 30-40 days of bombs. Should the guerrillas launch another offensive, these times will be shortened even more. These ammunition shortages, coupled with the uncertainty of US resolve and support, are reinforcing the "cuartel mentality" of the armed forces. The husbanding of resources limits offensive operations, thereby permitting the guerrillas to maintain the initiative.

Proposal: Immediate provision of \$60M in Section 506a emergency drawdown, which will include \$9M in ammunition. Additional request of Congress for MAP supplemental of \$106.7M

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which will permit development of long range war winning strategy. (Details as provided Department of Defense are at Tab B.)

Pro: Provision of 506a will redress current under-funding, help to reverse deteriorating military trends, and permit the armed forces to seize the initiative. The MAP supplemental will provide resources to enable the government to defeat the guerrillas, and restore confidence of US commitment in El Salvador and throughout region. Failure to provide funds could result in a guerrilla victory and a setback region wide for US policy.

Con: 506a will probably result in a strong reaction in Congress, as will MAP supplemental. Congress may attempt to deprive the President of his 506a authority.

Congressional rejection of a MAP request could create a crisis of confidence in El Salvador.

7. We need to maximize the effect of U.S. training in the Salvadoran Army, using the existing ceiling more effectively, or, possibly, exceeding it.

Proposal: We managed to average 37 U.S. personnel in-country in 1982, although 55 is the agreed current ceiling. We should (a) use third-country contract personnel for such logistic tasks as helicopter maintenance, while (b) programming every possible MTT in-country, notably to regional headquarters. Once the battle for additional military resources is over, we should consider whether the ceiling should not be removed.

Pro: The most sensitive issue in the struggle is the presence of U.S. personnel. If we remove the ceiling now, we risk having a lot of Americans in El Salvador, and no resources for them to work with.

Con: An additional 20-40 trainers within the ceiling won't make more than a bite in training needs. SOUTHCOM identifies a requirement of 160 to 200 trainers over the next several months to address the full training requirement.

8. Civic Action training leading to a coordinated program could enhance the Armed Forces' image, solidify popular support, and roll-back guerrilla-controlled areas.

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Proposal: USSOUTHCOM conduct a series of small civil action exercises within current DOD budget which will train Salvadoran military forces in civic action-oriented activities.

Pro: Civic action is a non-hostile, necessary humanitarian activity to successfully counter insurgency campaign.

Con: Possible adverse US domestic reaction if viewed as an increase in US military involvement. Could be perceived as military attempt to displace civilian government elements.

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10. We need to find a way to step up the pressure on the Sandinistas this year, (a) to encourage negotiations by Managua, (b) to improve interdiction of support for the Salvadoran insurgents, and (c) to give our friends in the area hope.

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Economic

11. We need special treatment on sugar for all friendly countries in Central America (including Panama) -- all of which send over 90% of their sugar exports to the U.S. -- while cutting back on Nicaragua.

Proposal: Increase their sugar quotas for FY 1984 by about 130,000 short tons (worth about \$35 million), while halving Nicaragua's quota to about 29,000 tons. If the worldwide quota goes up sufficiently, increase by 240,000 tons (worth \$66 million). El Salvador, Costa Rica and Honduras would be able to ship at historical peak levels, with the remaining increment distributed to the others. In order to compensate non-Central American producers, who would then be giving up 100,000 to 210,000 tons, reduce the present U.S. sugar tariff from 2.8¢ per pound to 0.625¢ (the legal minimum). (See Tab D for more details.).

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Pro: Would help Central American friends, particularly the key front-line countries, in an important sector where they have stressed the need for change. Vital psychologically and in maintaining employment.

Would minimize objections of other sugar suppliers because of their gains from the tariff cut.

Con: We would face some legal risk domestically (possible suit by U.S. importers or refiners) and more substantial risk of international legal challenge (from other sugar exporting countries in the GATT and the International Sugar Organization).

We would get strong objections from a number of important countries that we are politicizing the sugar quota program and not addressing their special needs.

12. We need to get more economic resources into El Salvador, to offset the effects of the "guerra prolongada".

Proposal: Increase non-military assistance to El Salvador by \$27.1 million, \$9.1 million in PL 480 and \$18 million in development assistance. (See Tab E for more details.)

Pro: Helps meet critical needs in agricultural credits, commodities, medicines and maintenance of public services, most of which have resulted from guerrilla actions.

Con: Allocating \$9.1 million from the PL 480 reserve would preclude increases in several other programs which also have high priority and would reduce the reserve by 25 per cent. Increasing development assistance is likely to meet Congressional resistance which could delay provision of the assistance and provoke congressional retaliation on other important programs.

U.S. Command and Control

13. We need to make sure that our own means for executing the war are as efficient as possible; that is that they make use of all our capabilities without confusing or overwhelming the Salvadorans.

Proposal: The Core Group, in consultation with the Ambassador, CINCSOUTH and the relevant agencies, should produce within 15 days an analysis and recommendations on appropriate division of tasks and channels of command.

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