



Directorate of
Intelligence

~~Secret~~



25X1

Western Europe and Central America: Influence But Not Power



25X1

An Intelligence Assessment

MASTER FILE COPY
DO NOT ERASE COPY
OR MARK ON

~~Secret~~

EUR 84-10066
April 1984

Copy

238

Page Denied



**Directorate of
Intelligence**

Secret





25X1

Western Europe and Central America: Influence But Not Power





25X1

An Intelligence Assessment

This paper was prepared by 
Office of European Analysis. It was coordinated with
the Directorate of Operations. 

25X1

25X1

Comments and queries are welcome and may be
directed to the Deputy Director, EURA, 


25X1

25X1

Secret

*EUR 84-10066
April 1984*

Secret
[Redacted]

25X1

**Western Europe and
Central America:
Influence But Not Power** [Redacted]

25X1

Summary

*Information available
as of 10 April 1984
was used in this report.*

West European interest in Central America has risen over the past few years, and at the same time the West Europeans have grown more skeptical about US policy toward the region. As a result, it often seems that the most the United States can hope for from its allies is a sort of pained silence; at worst, West Europeans seem inclined to take initiatives—albeit not very effective ones—that work at cross-purposes with the United States. [Redacted]

25X1

We think three factors go a long way to explain this attitude. First, the region is of marginal intrinsic interest to West Europeans and their influence is commensurately small. Second, however, Central America carries considerable symbolic, emotional significance in Western Europe—and not just for leftists. Third, the West Europeans know that the region is of great importance to the United States and that what they do there will come under close scrutiny in Washington. [Redacted]

25X1

Only the leftist Governments of France and Spain have actually attempted significant initiatives recently. The Mitterrand government's efforts produced a Franco-Mexican declaration in August 1981 calling for negotiations with the Salvadoran rebels and an arms deal with Nicaragua the following December. The French also developed a series of other ambitious but unsuccessful initiatives, each of which was criticized by one or more of the non-Communist participants. We think Paris will be more cautious from now on, but the urge to do something remains strong. The best the United States can look for from the French is passivity. [Redacted]

25X1

The record of Spanish activity is modest by comparison, partly, we think, because Prime Minister Gonzalez and his colleagues started with a clearer sense of what was possible. The principal Spanish initiative centered on Gonzalez's trip to Latin America in May and June 1983. [Redacted]

25X1

[Redacted]

25X1

We think West European socialists now acknowledge, as one of them put it, that they have influence but not power in Central America (and by implication that, without power, influence has little meaning when the chips are down). We believe the socialists have decided, therefore, that there is little point in jeopardizing their ties with Washington in the slim hope of furthering their goals in the region. Furthermore, in our view, they have become less starry-eyed about the Sandinistas and the Salvadoran

Secret



25X1

leftists. We think anyone reaching such conclusions is likely to be interested mainly in keeping out of controversy. Thus we think West European leftists will be more cautious than in the last couple of years.



25X1

But we believe sympathy for the left and dislike of the right in Central America, together with a belief that the conflicts in the region there should be resolved through negotiations, will remain the most common attitudes among West Europeans who focus on the region. We see very little chance that West Europeans of any political persuasion will actively support the military and paramilitary aspects of US policy in Central America. Their reticence will grow, we believe, in proportion to the scope of US activity. It could turn into outright criticism—even from sympathetic governments—if the United States were to send its own forces into action. The likelihood of criticism would increase further, we believe, if US involvement should be prolonged.



25X1

We believe that, if they do anything, the West Europeans—socialists more eagerly than centrists and conservatives—will keep pushing the United States toward negotiated solutions. But the net effect of all the pressures on them is to discourage rather than to encourage activity. As a result, we think the West Europeans will remain on the sidelines, keeping quiet most of the time and criticizing US policy more often than they praise it.



25X1

Secret

Secret

25X1

Contents

	<i>Page</i>
Summary	iii
West European Interests	1
Popular Attitudes and Historic Ties	2
Spain: A Partial Exception	2
The Symbolic Aspect	4
The Centrists and Conservatives	4
Leftist Concerns	6
Political Initiatives—and Noninitiatives	8
French Initiatives	8
Gonzalez Makes His Move	10
The US Factor	10
Appendix	
Western Europe and Central America: Economic Relationships	13

Secret

Secret

25X1

West European Aid to Central America

Nearly all the West Europeans' assistance comes in the form of credits rather than grants. US Embassy reporting suggests that the Central Americans have not found the Europeans generous when it comes to negotiating terms or repayment schedules—although, with a country like Nicaragua, socialist governments may in practice not hold the recipient to the letter of the contract. Thus, on the one hand, the US Embassy in Paris reports that the Mitterrand government has not been particularly forthcoming in the terms of its aid to Nicaragua, but, on the other, Spanish officials have told the US Embassy that they do not expect Managua will repay the \$45 million credit granted in 1983. [redacted]

To the official aid must be added the assistance flowing through unofficial channels, notably the West European political parties. Although again not great in absolute terms, this aid sometimes has a measurable political effect. The US Embassy in San Salvador reports, for example, that the Spanish Socialist party has been a principal source of support for the National Revolutionary Movement of Salvadoran leftist Guillermo Ungo. In the case of the West German parties, moreover, much of the money actually originates with the government. It is channeled through four foundations, each of them an affiliate of one of the four major parties. According to documentary evidence, the Christian Democratic and Social Democratic foundations each submitted proposals in 1982 valued at about \$30 million for the developing

world as a whole. The Free Democrats' foundation requested about half that amount and the Christian Social Union's foundation about a third. [redacted]

No comprehensive data are available on how much of this money goes to Central America, but the available information suggests that the amounts are small. [redacted] in 1982 the Free Democratic foundation was involved in projects in Nicaragua valued at a little under \$500,000. According to the Embassy in Bonn, in the same year the Christian Democratic foundation was providing about \$5,000 to the Nicaraguan Human Rights Commission. [redacted]

The West German foundations are required to account closely for their expenditures, and most of the money goes to such recipients as trade unions and study centers. [redacted]

[redacted] funds from the Social Democratic Party's foundation make their way to leftists like El Salvador's Ungo, and, [redacted]

[redacted] the Christian Democratic foundation was supporting Napoleon Duarte last year, and in 1982 the foundation provided aid to a Nicaraguan Social Christian exile. [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

25X1

Western Europe and Central America: Influence But Not Power

25X1

The West European approach to Central America has changed over the past few years. Concern about the area has risen, and West Europeans have become more critical of US policy. As a result, it often seems as if the most the United States can hope for from its allies is a sort of pained silence; at worst, West Europeans seem inclined to take initiatives—albeit not very effective ones—that work at cross-purposes with US policies.

Three factors go a long way to explain the West Europeans' attitude, in our opinion. First, the region is of marginal intrinsic interest to them and their influence is commensurately small. Second, however, Central America carries considerable symbolic, emotional significance for West Europeans—and for conservatives and centrists as well as leftists. Third, the West Europeans know that the region is of great importance to the United States and that what they do there will come under close scrutiny in Washington. The three factors pull them in different directions, and their reactions are diverse—not just between countries, but also across the political spectrum within a given country and over time as well.

West European Interests

Central America is of little intrinsic interest to Western Europe. Direct West European interests—defined as “economic involvement and historical ties”—are modest. On the economic side, trade with the region is a tiny fraction of total trade for every West European country, and Western Europe does not loom large in the trade of any Central American state (see table 1, appendix). We have not discovered any examples of West European companies that are dependent on Central American contracts. Ritual commitments are periodically made to increase trade in both directions, but we see no sign that West Europeans think of trade with Central America as an issue they must pay much attention to.

West European investment is similarly meager. Although the data are incomplete, it is clear that the West Europeans rarely seek investment opportunities in the region, and in no country is substantial West European capital tied up (see table 2, appendix). Nowhere are investments so extensive that a West European country is likely to feel a need to protect them, as the French and British do in much of Africa, for example. Most of the time, we believe, the West Europeans simply try to remain on good terms with the region's governments so as not to miss any economic opportunities. But this inclination is not at all strong and can be overridden when political factors seem to call for action (or, more often, inaction). Witness West Germany's dilatoriness between 1980 and 1984 over sending an ambassador to San Salvador or Spain's refusal to resume diplomatic relations with Guatemala four years after the sacking of the Spanish Embassy. Indeed, economic relations are so meager that neither side has much trouble keeping them divorced from politics. The US Embassy in Guatemala notes, for example, that Spanish exports increased markedly in 1981 and 1982 despite the suspension of diplomatic relations (see table 3, appendix).

25X1

25X1
25X1

The pattern of West European aid conveys a slightly different picture. The assistance provided by the Europeans is not terribly extensive on their own scale of values (see tables 4 and 5, appendix),¹ and in this sense it confirms Central America's relative unimportance. It sometimes has a significant effect on the much smaller Central American economies, however; according to our analysis, for example, Western Europe was the source of about one-fifth of the official aid disbursements to Nicaragua in 1983. Moreover, the provision or denial of West European aid may

¹ It may be worth noting, however, that the gap between US and West European economic aid levels before 1981 was narrower in some cases than might have been expected (see table 4, appendix).

25X1

25X1

Secret

convey a political message even if the amounts involved are small. It is clear from diplomatic reporting that the Sandinistas looked on their 1981 arms deal with the French as a political as well as a military boon, and we think the Salvadoran Government has been heartened by the announcement last December that West German assistance would be resumed. [redacted]

Aid, in other words, is valued as much for its symbolic as its practical impact. For the West Europeans the symbolism involves supporting (generally at little actual cost) those Central American groups with which they feel ideologically compatible; we would speculate that the Central Americans gain enhanced status and—in the case of leftists like the Sandinistas—access to a possible source of influence on US policy. [redacted]

Popular Attitudes and Historic Ties

Generally speaking, West Europeans know little about Central America and are not particularly interested in it. In a USIA poll late last summer, for example, fewer than half the respondents could name any of the countries involved in Central American conflicts. To be sure, mass surveys rarely show a high level of awareness on any foreign policy issue, but West Europeans have consistently proved more knowledgeable about other external topics than about Central America. [redacted]

Polls and diplomatic reporting indicate that awareness is gradually increasing, but it tends to be concentrated among elite groups whose influence is out of proportion to their numbers. We think there remains a core of validity in Spanish Prime Minister Gonzalez's comment to an interviewer in December 1982 that Latin America as a whole—let alone Central America by itself—"continues to be, for what the press calls the political class, the 'great unknown' as a continent." In our view, the lack of awareness means, first, that West Europeans sometimes take positions on the basis of rather superficial knowledge; second, that those who do care can often wield considerable influence; and third, that within certain limits West European governments can sometimes adjust their policies—in particular, pull back from unpromising initiatives—at little political cost. [redacted]

Ignorance of Central America and lack of interest in it are partly the result of history. Spain was the only

substantial colonial power in the region, but its influence has long since been superseded by that of the United States. Of the other West European countries, Britain has been working for years to reduce its commitment in Belize. The weakness of the United Kingdom's tie is symbolized by the government's unwillingness—stated all but explicitly when British officials talk with their US counterparts—to go to war over Belize and by a scarcely concealed belief that London is staying on for reasons that have as much to do with US as with British interests. [redacted]

Spain: A Partial Exception

To some extent Spain does not fit the picture of ignorance and lack of involvement in Central America. Spanish cultural links, particularly through the Catholic Church, are still pervasive, and Spaniards often speak of themselves as being unique among West Europeans in their Latin "vocation." Spaniards are heavily represented in the Central American clergy; the late cardinal-archbishop of Guatemala, for example, came from Spain.² According to the US Embassy in Madrid, ties through the church serve as a source of information on Central America for Spaniards, helping explain the strength of popular outrage in Spain over the assassination of Salvadoran Archbishop Romero by rightists in 1980. The cultural links almost certainly have sensitized Spanish leaders to developments there. [redacted]

But by and large, the record indicates that the historical connection by itself was not sufficient to galvanize the Spaniards into significant political activity. In our view, other factors were crucial, including:

- The Sandinista victory in 1979, which focused greater international attention on the region and raised the possibility of fundamental changes there.
- The growing civil war in El Salvador.
- The accession of an administration in Washington that was committed to devoting more resources to its side of the struggle. [redacted]

² Central Americans do not always look positively on the Spanish presence. The current archbishop, locally born, told the US Charge in January 1984 that American priests adapt more easily and that Spanish priests tend to retain a "Spanish" outlook and sometimes even act like "conquistadores." [redacted]

25X1
25X1

25X1

25X1

25X1
25X1

25X1

25X1

25X1

Secret

Poll Findings

In the late summer of 1983, USIA sponsored a survey of attitudes on Central America in six West European countries—the United Kingdom, West Germany, the Netherlands, Norway, Denmark, and Ireland. The results, in our view, give a striking profile of popular feeling. First, although between 63 percent (Ireland) and 85 percent (Denmark) said they were aware of conflicts in Central America, the percentage of those able to name one of the countries involved ranged only from 35 percent (the United Kingdom) to 55 percent (the Netherlands). Second, pluralities from both the entire group and the well-informed minority said they disapproved of US policy in El Salvador and Nicaragua. Those saying they “strongly disapproved” were consistently more numerous than those who merely “disapproved.” [redacted]

Because of the large number of people who were not well informed or had no opinion, however, those who disapproved of US policy were a minority in each country. In fact, USIA’s statistical analysis suggests that only very small percentages of the respondents could be considered “hardcore” opponents of US policy in Central America. The pattern of responses, however, suggests to us that the number of “hardcore” supporters is likely to be even smaller than the number of “hardcore” opponents. [redacted]

Only a fourth to a third of the respondents were willing to say whether they thought Cuba and Nicaragua were aiding the Salvadoran rebels, but, of these, a wide majority said they believed such aid was being furnished. On the other hand, those who thought the war would go on even without Cuban and Nicaraguan aid were three to four times as numerous as those who thought it would not. [redacted]

When those who disapproved of US policy in El Salvador were asked for their reasons, easily the most common type of response was that the United States was exceeding its proper role. Those who spoke of the danger of a wider conflict, who said the United States was on the wrong side, or who voiced general antiwar sentiments were far less numerous. Finally, surprisingly high percentages in some countries—33 percent in Britain, 50 percent in West Germany, and 69 percent in the Netherlands—said that what the United States does about Central America is the “Americans’ own business.” These percentages were actually a little higher among well-informed respondents than among the respondents as a whole. [redacted]

Results of a USIA poll on El Salvador, taken in France in late February 1981, generally parallel these findings. Two-thirds of the French respondents in 1981 said they had not “heard or read enough to comment” on the situation in El Salvador; and, even after being informed about the groups involved, 80 percent would not say which group would be “best for the people of El Salvador.” Among the 20 percent willing to express an opinion, however, 10 percent said they thought a leftist government would be best, compared with 6 percent who favored the Duarte regime. Very few looked favorably on the rightists. But responses to another question indicate that significant numbers believe the United States supports the Salvadoran right. When the respondents were asked who was receiving US military aid, 14 percent named the right, compared with 18 percent who named the Duarte government. [redacted]

The electoral victory in December 1982 of Felipe Gonzalez’s Socialist Party—ambitious, leftist, and knowledgeable about Central America—obviously was another element. But Spanish policy had begun to take a more activist turn under Gonzalez’s predecessors, and factors other than the Spanish “vocation” clearly played a major role. [redacted]

[redacted] then Prime

Minister Suarez’s new talk of a more active Central America policy was based on a positive evaluation of El Salvador’s Napoleon Duarte and a general sense of the region’s growing international importance. In the case of Gonzalez himself, voluminous reporting from

25X1
25X1

25X1

25X1

25X1

25X1
25X1

Secret

the US Embassy [redacted] since the late 1970s suggests that the events of the time played on his socialist predilections to impel him to action. We think it is similarly true for the other West European countries that they needed something besides economic and historic interest to get involved in the region.

The Symbolic Aspect

We believe ideological, emotional, or symbolic elements have triggered the greater West European activism of the past two or three years. Some of these factors, which predate the controversies of the past few years, remain fairly constant across the European political spectrum. Moreover, the low level of popular involvement and the region's minimal intrinsic importance, in our view, often allow the symbolic factors to take on even greater importance. [redacted]

The Centrists and Conservatives

We think the following vignettes illuminate nonleftist attitudes:

- In February 1981, a few months before the Socialists came to power in France, Foreign Minister Francois-Poncet told US officials that the Giscard-Barre government recognized there were some things that were important for France and some that were important for the United States, and when an important US interest was involved France could be counted on for support. Although France could not endorse the Duarte government in El Salvador, he said it would come out against outside interference and violence. He noted that, with a presidential election approaching in France, the government would have to handle the issue carefully.
- In February 1983 the Italian Ambassador in Washington worried aloud to a US official about the situation in Central America, particularly in El Salvador. He said he thought the Salvadoran Government's tactics were alienating the populace, and a guerrilla victory was possible. He asked for the US analysis because the United States would "of course" be playing a major role.

- British Foreign Secretary Howe said to Ambassador at Large Stone last October that he hoped the United States would not walk around Central America "in hobnailed boots." US pressure, he opined, must make it harder for the Sandinistas to moderate their policies. [redacted]

25X1

25X1

25X1

Except for Howe, all these interlocutors spoke in diplomatic language designed not to offend. Looking behind the words, however, we believe all the speakers were hinting that Central America will become a source of controversy in Western Europe and hence of political trouble. The Italian Ambassador's worried reminder that the United States would "of course" be a major actor seems to speak to this worry, and Francois-Poncet made the point explicitly when he spoke of the impending presidential election in France. [redacted]

25X1

Another concern is that pressure on the Nicaraguans makes it harder for them to pursue a moderate course. The tendency to question the effectiveness of pressure alone is common among West European leftists, but Howe's reference suggests the tendency is shared by some important nonleftists. Francois-Poncet's reference to condemnation of "outside" interference and violence echoes another formula common in leftist rhetoric but notable in a spokesman for a centrist government: by lumping together all "outsiders," he at least implicitly included the United States among the forces open to condemnation.³ [redacted]

25X1

25X1

Finally, we are struck by Francois-Poncet's distinction between things that are important to France and things that are important to the United States. He may have been saying that there were areas—for example, Central America—where the French Government may disagree with the United States but accepts the primacy of the US interest. If so, tactful acquiescence was disguising a continuing potential for friction. Notwithstanding Francois-Poncet's explicit commitment to back the United States, we believe

³ A resolution on Central America, issued in April 1984 by the heads of the Christian Democratic, Liberal, and Socialist Internationals, contained a similar formulation. [redacted]

25X1

Secret

Secret

increasing public controversy over Central America would have made it harder for the Giscard regime to give Washington its active support. Indeed, the limits to the French commitment were made clear in Francois-Poncet's refusal to back the Duarte government.

An extensive examination of the public and classified literature convinces us that these comments are representative of nonleftist attitudes in Western Europe. We think these attitudes include the following elements:

- Discomfort over the relationship between a superpower like the United States and the small states of the region. West Europeans like Howe and Francois-Poncet, steeped in a diplomatic tradition that prides itself on prudence and sophistication, are predisposed, we suspect, to see the United States as impetuous and none too subtle. We believe their prejudices are close to the surface on Central America, partly because their view of the region's history tends to picture the United States as a practitioner of political and economic imperialism. We think Europeans from this part of the spectrum are willing to accept that the United States is the most powerful influence in the region, but the acceptance does not come without a struggle. Their acceptance grows shakier, in our opinion, when they anticipate having to defend US actions that are unpopular in Europe. They worry that they will be caught between their principal ally and popular opinion on an issue of little real importance to them.
- A belief that Central America's problems are essentially home grown. West European centrists and conservatives, as well as leftists, tell US officials that Communist activity would have little impact were it not for indigenous social, economic, and political conditions. The US Embassy in Oslo reports, for example, that the Willoch government believes the United States underestimates the significance of indigenous problems and overemphasizes Soviet and East-West factors. British Ambassador Wright, in his speeches to US audiences, expresses concern that stressing the East-West aspect increases the danger of a wider conflict; conservative newspapers like the West German *Rheinische Merkur/Christ and Welt* argue that the possibilities for negotiating an accommodation have not been exhausted.

The Financial Times Agonizes Over the US Role in Central America

"... The [Kissinger] commission as a whole assumes that US strategic interests permit it to influence, if not determine, events in its backyard, and at the same time to decide what constitutes a friendly regime. This is perhaps understandable; but it is to be doubted whether this kind of thinking brings peace and stability any closer to the region.

25X1

Indeed the report does nothing to minimize the fears of those both inside America and outside who believe that sooner or later the US administration will be sucked into greater military involvement. . . .

The report proposes the creation of a new Central American development organization as a sort of expanded version of President Reagan's Caribbean Basin initiative. However, the value of this association risks being undermined, if created, by the criteria suggested. Only those countries willing to 'commit themselves to internal democracy' would be admitted. At present only Costa Rica should qualify. . . .

It is hard to argue with the central premise that Central America is vital to US security interests. But the report brings the US no closer to pursuing constructive policies that accommodate both its own interests and the legitimate aspirations of the countries in the region."

25X1

Financial Times
12 January 1984

-
- A sense that, in most of Central America (Costa Rica is always mentioned as an exception), Western concepts of democracy are of questionable relevance. The image of military dictatorships and banana republics seems to retain its strength.
 - Above all, a desire not to see the region become a topic of controversy. What centrists and conservatives want most, we think, is simply to keep Central America off the list of things they have to worry

Secret

Secret

about. We suspect, moreover, that they think the United States is as likely as anyone to do something that puts the region on that list. Indeed, we think they would agree with our assessment that the issue will become controversial in Western Europe only to the degree it does in the United States. On balance, these leaders probably view the region as an unlikely source of political benefit and a very possible source of some political damage. [redacted]

Leftist Concerns

West European leftists share many of these attitudes, in our opinion, but they differ from more conservative leaders in ways that sometimes have led them into controversy. A key question is whether this tendency has diminished in the past several months. [redacted]

Socialists and social democrats, for example, not only have a mind-set against many of the region's established regimes, they also regard support for the non-Communist left as a point of honor. Moreover, although as a group they have little sympathy for Communism, they do not think East-West issues are a major factor in the region's political dynamics. Finally, there is a strong tendency to believe that the United States systematically opposes the non-Communist left—a belief that colors socialist thinking about other parts of the world but is particularly clear, we think, in Central America. [redacted]

According to the US Embassies in Madrid and Paris, French and Spanish Socialists see Central America in the light of the Spanish Civil War of the 1930s, and we think other socialist parties share this attitude. To these groups the Civil War proved that, if democratic countries fail to provide enough support, the efforts of the non-Communist left will be eclipsed by the struggle between the totalitarian left and the totalitarian right. According to the Embassies, that lesson was reinforced by the overthrow of the socialist Allende regime in Chile. In public and private the Socialists tout Portugal's peaceful transition to multiparty democracy in the 1970s as an example of the way their approach can work. These mind-sets help account, we believe, for the leftists' emphasis on the need to defuse East-West tensions in Central America and for their insistence on maintaining contact with the Sandinistas. [redacted]

In addition, the socialists make it clear in their public statements—and in the policies they have adopted when in power—that they view the extreme (and not-so-extreme) right in Central America as posing a greater threat than the extreme left. Rightists are considered the “bad guys”; leftists, although given to excesses, are the agents of constructive change.⁴ Because the Sandinistas ousted the despised Somoza regime, the tendency to minimize or wink at their shortcomings is especially strong. According to US Embassy and press reporting, some Spanish Socialist leaders were even able to rationalize the discovery that members of the Basque terrorist organization ETA were being allowed to operate in Nicaragua and perhaps were receiving training from the Sandinistas. [redacted]

In August 1982 the US Embassy in Paris attributed the relative softness of French policy on Central American issues to a combination of three factors:

- Attitudes rising out of the general heritage of the West European left, notably the Spanish Civil War.
- A need to do something that offset both its tough line toward Moscow and its policies in Africa that were at odds with past socialist rhetoric.
- A need to demonstrate “independence” of the United States.

We concur; we would only add that, for the French and other West European socialists, the Communism issue is much less clearly defined in the Third World

⁴ There is a striking contrast between the way the French and Spanish Socialists treat the left in Central America and the way they deal with it closer to home: in the latter case they make a significantly sharper distinction between the non-Communist and the Communist left. The Mitterrand government's firm line on relations with the USSR is a matter of public record, as is the coolness of the French Socialists toward their Communist colleagues-cum-adversaries in the governing coalition. Gonzalez is equally explicit about the adversarial relationship between his Socialist Party and the Spanish Communists, and his acceptance of Spanish membership in NATO—in the face of wide opposition in his party—suggests he is correspondingly wary toward Moscow. (The dichotomy is less clear in the case of the West German Social Democratic Party. Many West German Socialists are inclined to conciliate domestic radicals and leftists rather than compete with them, and West Germany's unique international position has consistently encouraged the party to maintain fruitful relations with the Soviets.) [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

Secret

President Mitterrand on the US Role in Central America

"There are divergences, certainly. For example, I have serious reservations, not to say more, about US policy in Central America. The people of this area want to get rid of the oligarchies, which, relying on bloody dictatorships, exploit them; crush them into senseless conditions. A tiny portion of the population possesses the quasi-totality of the wealth. How can one not understand the popular revolt? It is not a question of Communist subversion, but the rejection of misery and humiliation. It would be wiser for the West to aid these people rather than force them to remain under the heel. When they call for help I would like that Castro not be the only one to hear them. But I believe in the capacity of the American leaders for reflection."

July 1981

than in the European or the East-West context. Even more than West European centrists and conservatives, the socialists see problems in Central America as springing from an "inheritance of social injustices, humiliations, and cultural and political segregations," to quote French Premier Mauroy. Thus they have been able to rationalize the Communist connections of a country like Nicaragua even while acknowledging that the Sandinistas are not living up to their commitments. Moreover, the socialists' own public statements indicate that they see the non-Communist European left playing an independent role between the two superpowers—using a mixture of aid, diplomacy, and persuasion to "wean" the Sandinistas away from the Soviets, for example, and perhaps even serving as mediators between the United States on the one hand and the Soviets and the Cubans on the other.

The US Embassy's third point—the Mitterrand government's need to demonstrate "independence" of the United States—also deserves elaboration. Public statements make it clear that the Socialists see US support as enabling the right to survive in Central America. We think a belief along these lines is common among leftists

The "Internationals"

The Socialist International, like similar groupings of Christian Democratic and liberal parties, serves as a forum where activists communicate with each other, often reinforcing each other's predilections in the process. The internationals have almost no money of their own to disburse, and they serve essentially as soundingboards—notably in the SI's generally laudatory statements on Nicaragua under the Sandinistas. Central American leftists put a high priority on maintaining the SI's support

throughout Western Europe.⁵ It sometimes combines with an emphasis on the power of the United States to produce a kind of paranoia:

[Redacted]

Distrust of the United States is one factor leading West European socialists to give Central American leftists the benefit of the doubt, in our opinion. Indeed the resolutions of the Socialist International on Nicaragua tend to emphasize the US angle rather than address the issue of the Sandinistas' merits.

⁵ The USIA polls cited earlier suggest that milder versions of the same attitude are common across a broader segment of the political spectrum. We think the comments of nonleftist spokesmen point to the same conclusion.

25X1
25X1

25X1
25X1

25X1
25X1
25X1

25X1

The obverse of the paranoia is a belief that the United States has the power to bring peace to the region if only it would. [redacted]

[redacted] the United States could buy Cuba out of the Soviet orbit but refuses to do so. The perceived refusal, we would speculate, merely confirms the socialist suspicion that US and leftist goals are fundamentally at odds with each other. [redacted]

To this set of attitudes, in our view, must be added the predictable tendency of any politician to look for ways of gaining points with his or her supporters through highly visible activity. Because many of the main actors on the socialist side are politicians first and foremost, their tolerance for behind-the-scenes activity, or for playing a secondary role in public, is bound to be limited. [redacted]

Finally, the socialists make it clear by their public rhetoric that they know they are not strong enough to influence events in Central America on their own. Thus they are constantly looking for ways to link up with others, especially states such as Mexico which they think share their goals and their skeptical attitude toward the United States. Often they get some encouragement from these states, but most of the time rivalries eventually crop up that help to stymie any initiative. [redacted]

Political Initiatives—and Noninitiatives

Neither conservative nor leftist West Europeans have taken many specific political initiatives in Central America. Inaction—often with political overtones—has been the rule. West Germany's refusal for nearly four years to send an ambassador to San Salvador is typical. [redacted]

[redacted] With far more urgent controversies to contend with, nobody in the coalition was interested in going to the mat over El Salvador. We think it is an indication of the outlook even a conservative government brings to Central American issues that the Kohl government took a year to name an ambassador and resume economic aid to the Salvadorans. Foreign Minister Genscher in February 1984 was still reluctant to let the ambassador leave for San Salvador, according to the US Embassy; the envoy finally departed in March. [redacted]

Only the leftist Governments of France and Spain have actually attempted significant initiatives in the past three years. The French effort produced some tangible results—a joint declaration with Mexico on El Salvador and an arms deal with Nicaragua. The ensuing criticism, however, forced Paris to back off. The Gonzalez government was less aggressive; its activity was no more productive. [redacted]

25X1

25X1

25X1
25X1

French Initiatives. The Mitterrand government took office in July 1981 at what seemed a critical and propitious time:

- A new US administration had made clear its determination to follow a more assertive line in Central America, one hostile to leftist interests as the French saw them.
- The Salvadoran Government was under heavy rebel pressure.
- Much of the bloom was still on the Nicaraguan revolution.
- The Mexican Government, flush with its oil wealth and a heightened sense of regional influence, was attempting to mobilize international support for a political settlement in Central America. [redacted]

25X1

25X1

French Socialist leaders clearly were predisposed to take action. Reporting from the US Embassy [redacted] indicates that Central America was an emotional cause for many in Mitterrand's inner circle, including Regis Debray, who had fought alongside Che Guevara in Bolivia in the 1960s and was influential with Mitterrand's wife. According to the Embassy, the activists believed they were on not just the right side, but the winning side. [redacted]

25X1
25X1

25X1

25X1

The French found Mexicans also eager. In the exchange of visits between Foreign Ministers Cheysson and Castaneda, which led to the declaration on El Salvador, the Mexican side was pushing for a strongly worded statement that would promote the cause of the Salvadoran radical left. But we think Cheysson was being disingenuous when he later told US officials that France had been swept along by the Mexicans. We suspect that individuals like Debray were as influential as the Mexicans in shaping the final

25X1

25X1

25X1

declaration, which recognized the rebels as a "representative political force," urged "free" elections, and asserted that international organizations, particularly the United Nations, should be involved. [redacted]

The seed for the Nicaraguan arms deal was planted at least as early as June, when a French Foreign Ministry official told the US Embassy that the Sandinistas were looking for "defensive" arms and that France might sometime grant their request. Again, Debray seems to have been involved. [redacted]

[redacted] Debray represented Mitterrand at a meeting in December when the government decided to go ahead. The French Defense Ministry apparently was cut out [redacted]

[redacted]

The deal included two Alouette helicopters, two lightly armed patrol boats, 42 heavy trucks, 7,000 air-to-ground rockets, and 100 rocket launchers. All apparently came on attractive credit terms. [redacted]

[redacted]

The reaction to the French activity was largely negative, particularly where it counted most—among Latin Americans with an interest in Central America, and in the United States:

- The French seem not to have anticipated the strength of the US reaction, and US Embassy reporting suggests they underestimated it even after they had received several US protests.
- Salvadoran Foreign Minister Chavez Mena told US officials that Venezuela was threatening to cut back its economic ties with France as a result of the Franco-Mexican declaration. He added that Cheysson had apologized to him for the declaration.

- According to press reports, Spain thought the French were meddling and the Mexicans were angered by the arms deal.

- When Cheysson gave a dinner for Latin American ambassadors in December 1981, most of them reportedly took him to task. Only the Nicaraguans praised French policy.

Furthermore, we think Paris came to regard the Sandinistas as less worthy of spending political capital on—to look on them as a group that, however noble its origins, had strayed far enough from its ideals that vigorous support was no longer warranted. [redacted]

For all these reasons, Paris made it clear beginning in 1982 that it would supply no more arms to the Sandinistas and would take no more initiatives like the declaration on El Salvador. We think the evidence makes it fairly certain that the French did pull in their horns, but they still were looking for ways to make themselves felt. In March 1982 the Chilean Ambassador in Paris told the US Embassy that a French initiative was in the works but had been delayed because of Colombian and Venezuelan objections. In April the government told the United States that Debray and a deputy of Cheysson would be visiting the region. The two Frenchmen did travel to the area, but nothing came of the visit. Paris returned to the issue yet again in April 1983, this time with a quickly aborted proposal in New York that the UN Secretary General undertake a good-offices mission in Central America. [redacted]

Two points emerge from this narrative, in our view: the persistence with which the French searched for some sort of workable initiative, and the questionable results of all their efforts from their own point of view. We think Paris now acknowledges the second point, albeit grudgingly. French diplomats in Central America have in fact told their US counterparts that Paris intends to keep a low profile there, and [redacted] the French representative at a Socialist International meeting in January 1984 was highly critical of the Sandinistas—even more so than the other delegates, most of whom showed considerable disillusionment. [redacted]

25X1

25X1
25X1

25X1
25X1
25X1

25X1

25X1
25X1

25X1
25X1

25X1

Secret

But we also think the urge to do something will remain strong. We suspect that passivity is the best the United States can look for from the French. Any action by Paris probably would cut across US policy—although it probably would also be as ineffective as what the French have done up to now. [redacted]

Gonzalez Makes His Move. The record of Spanish activity is modest by comparison, partly because Gonzalez and his colleagues had the French example to learn from, but partly, we think, because they started with a clearer sense of what was possible. Gonzalez, often working through the Socialist International, had been involved for years in Central American problems, and, according to US Embassy reporting, he had a reputation—in the context of an unquestionably leftist outlook—for pragmatism and clearheadedness. He has been more insistent than the French, for example, that no initiative will work without the support of the countries of the region, and we are impressed with the strength and consistency of his emphasis on the need to maintain good relations with the United States. [redacted]

Moreover, Gonzalez clearly has been in charge of his country's policy on Central America—unlike Mitterrand, who seems to have been subjected to pulling and hauling by various factions. A Venezuelan official told the US Embassy in Caracas, for example, that it does not matter what Foreign Minister Moran thinks; Gonzalez, he said, determines policy. Gonzalez also has benefited, we think, from the relatively broad interest in Central America among Spanish leaders and from the degree of consensus they have shown. [redacted]

Pragmatic reputation or not, Gonzalez has not been immune to the temptation to develop far-reaching proposals for Central America. After the Spanish Socialists came to power in December 1982, he proposed a "little Helsinki" conference on Central America, and in February 1983 he told then Assistant Secretary Enders that Venezuela, Panama, and Colombia had approached him with a proposal for a "regional" initiative—that is, one that did not involve the United States or Cuba. [redacted]

[redacted] the Panamanians had been developing a plan centering on Gonzalez; we think Gonzalez probably was encouraging them. Gonzalez

and the Mexicans reportedly were in touch as well. The Spaniards were not above putting out word that things were further along than they were. According to press accounts from Spain, rumors of a major initiative were common in Madrid at this point. Assistant Secretary Enders was said to know of the plan, and some of the rumors claimed Gonzalez's efforts had the tacit backing of the United States. [redacted]

This activity, we feel certain, was generated with an eye to the trip that Gonzalez took to Latin America and the United States in May and June 1983. But he was no more successful than the French in getting the Latin Americans united behind a plan. Moreover, we think Gonzalez and his colleagues, like the French, found it harder and harder to ignore the authoritarian tendencies and Communist connections of the Salvadoran leftists and the Sandinistas. [redacted]

Finally, we believe, the Spaniards ran up against two hard facts: Washington has more influence than they in Central America, and their ties with the United States are more important than their links with Central America. They themselves have told US officials that, whereas the United States has both power and influence in Central America, Spain has only influence—and implicit in the remark, in our view, is a recognition that influence has little meaning without power when the chips are down. Another Spaniard stated the problem this way: he told US officials that the Gonzalez government had to remain faithful to its ideological ties while not alienating the United States. Thus in the end the Spaniards found little to do beyond urging other West European governments to make explicit statements of support for the efforts of the so-called Contadora four (Mexico, Panama, Colombia, and Venezuela). [redacted]

The US Factor

The Spaniards' experience highlights the third important facet of West European attitudes toward Central America: The West Europeans know that Central America is of great importance to the United States, and that what they do there will come under close scrutiny in Washington. For West European socialists this means they must constantly gauge what

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

is worth attempting. This, we think, is a fair paraphrase of the Spanish Socialist's comment about balancing faithfulness to ideological ties against the need not to alienate Washington. We think the Socialists have decided it is not worth jeopardizing their ties with Washington in the slim hope of furthering their goals in the region—particularly because the images of the Nicaraguan and Salvadoran leftists have become tarnished. If so, the Socialists' conclusion is similar to that of their more conservative colleagues: that Central America is not likely to be a source of much political benefit to them and could be a source of political trouble. [redacted]

Thus, although it would be unrealistic to expect that West European leftists will never be heard from again on Central American issues, we think they will be more cautious than in the past couple of years. In our view, for example, Regis Debray is not likely to have the influence on French policy that he sometimes had in the first two years of the Mitterrand government. Embassy reporting indicates, moreover, that both the French and the West German socialists have recently been pressing the Sandinistas more strongly to fulfill their past commitments to democratic processes. We think they will continue to do so, although they will remain reluctant to take a strong stand in public and still will be inclined to give the Sandinistas the benefit of the doubt. They have praised Managua's decision to hold elections, for example, but many of them have been careful to leave the option of distancing themselves from the elections if the Sandinistas impose inequitable restrictions. By the same token, we believe they have been somewhat less vocally negative about the current round of elections in El Salvador than they were about the last. [redacted]

But we think sympathy for the Central American left and dislike of the right, together with a belief that the conflicts in the region there should be resolved through negotiations, will remain the most common attitudes among those West Europeans who focus on the region. A recent visit to Nicaragua by a Norwegian parliamentary committee is symptomatic: the committee came away favorably impressed by the Sandinistas and inclined to recommend an increase in Norway's modest aid program. [redacted]

We think the West Europeans will continue to support the Contadora process, part of whose appeal, in our view, is the diminished role assigned the United States. By the same token, we think there is little chance that West Europeans of any political persuasion will come out in favor of the military and paramilitary aspects of US Central American policy. Although some conservative leaders may express qualified support in private, no leader, in our opinion, will be eager to identify himself publicly with the United States in this regard. Their reticence will grow, we believe, in proportion to the scope of US activity. It almost certainly would turn into outright criticism—even from sympathetic governments—if, for example, the United States were to send its own forces into action. The likelihood of criticism would increase further, we believe, if US involvement should be prolonged.⁶ [redacted]

The reticence of West European leaders is in part a reaction to popular opinion, which (to the extent it is articulated at all) probably will remain at least potentially unsympathetic to the US effort in Central America and will tend to take its cue from public opinion in the United States. We think that in many cases, however, it also flows from the attitudes of the leaders themselves. In our view, moreover, not even relatively sympathetic governments will think the region important enough to use up their own political capital in trying to change popular attitudes in their countries. For instance, Belgian Foreign Minister Tindemans, one of the leaders most sympathetic to US policy, has told US officials that he cannot afford to be open in his support because public opinion is so strongly negative. [redacted]

Nor do we see much chance that the West Europeans will commit more of their own economic resources in the region. The Kohl government's decision last December to suspend its aid to Nicaragua and resume assistance to El Salvador probably is at the limit of what the United States can look for; French diplomats

⁶ We think it indicative of West European attitudes that, in the wake of the Grenada operation, Prime Minister Thatcher felt constrained to state publicly that she believed a US move against Nicaragua was unlikely. [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

say that Paris plans to make its aid to Nicaragua roughly equivalent to what it gives Managua's neighbors. And in many cases, we believe, the West Europeans will be trying mainly to balance their desire to fend off US criticism against residual sympathy for the region's leftists. "People-to-people" activity will continue to favor the leftists: "harvest brigades," we feel certain, will volunteer for Nicaragua, but not for El Salvador. In their bilateral relations with Central American countries, we believe West European governments will do their best to maintain the separation between politics and economic activity: they will hold the Mejia government in Guatemala at arm's length, for example, but will do nothing to discourage trade and investment. [redacted]

25X1

We believe that in their dealings with the United States the West Europeans—socialists more vocally than centrists and rightists—will keep trying to push Washington toward negotiated solutions. None will push too hard, however. Moreover, we think they will search for a genuine consensus among Central American states and the Contadora countries and make some effort at bringing their activities into consonance with those of the United States. Gonzalez reportedly stated last March that to move without such preparations would be like "making a jump without a safety net." We think Gonzalez is somewhat likelier than the other West European leaders to return to the issue, and, because he is politically adept and familiar with the issues, we think his chances of achieving significant progress would be marginally better than those of other leaders—although they still would be poor. [redacted]

25X1

But the net effect of all the pressures on them is, in our opinion, to discourage rather than to encourage activity. The West Europeans, we believe, either started with a strong inclination not to get involved in the region or learned the hard way that they got little benefit from trying. We think there is little chance that the United States can change this attitude. As a result, we believe that the United States will remain the only significant external actor on the Western side in Central America and that the West Europeans will remain on the sidelines, keeping quiet most of the time and criticizing US policy more than they praise it. [redacted]

25X1

Secret

Appendix

Western Europe and
Central America:
Economic RelationshipsTable 1
EC Exports to Central America

Million US \$

Partner	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Exports										
World	213,857	278,927	300,613	330,995	384,970	461,828	577,251	665,896	612,469	589,888
Latin America	1,247	1,848	2,021	1,963	1,814	2,674	3,235	4,150	4,894	3,592
Central America	442	695	782	826	833	959	1,003	1,054	1,296	1,111
Of which:										
Guatemala	73	107	111	129	164	205	190	180	186	124
Honduras	30	43	39	41	54	71	93	99	90	56
Nicaragua	49	95	56	63	86	68	33	51	66	76
El Salvador	58	91	81	94	117	135	125	84	91	70
Costa Rica	73	96	75	80	107	138	135	128	91	72
Panama	159	263	420	419	305	342	427	512	772	713
Imports										
World	220,658	300,291	307,127	351,154	397,029	468,151	611,147	729,116	644,756	615,620
Latin America	778	1,078	1,194	1,246	1,863	1,671	2,233	2,930	3,426	3,483
Central America	548	646	782	804	1,331	1,136	1,559	1,443	1,269	1,083
Of which:										
Guatemala	92	151	215	179	291	267	301	367	228	221
Honduras	62	57	61	83	129	141	177	174	136	133
Nicaragua	59	105	107	93	184	154	159	119	95	95
El Salvador	74	117	145	229	377	217	384	322	301	191
Costa Rica	121	141	138	105	202	222	260	255	250	219
Panama	140	75	116	115	148	135	278	206	259	224

25X1

Secret

Secret

Table 2
West European Investment in Central America
(Total Receipts Less Official Aid) ^a

Million US \$

Recipient	Donor	1978	1979	1980	1981	1982
Costa Rica	Total	17.9	6.3	63.1	22.6	-0.5
	France	-5.1	-4.2	17.5	6.6	4.8
	West Germany	2.0	-2.2	24.1	20.0	
	Netherlands	1.8	2.0	12.6		-4.1
	Norway	17.9	9.9	-0.1		0.2
	United Kingdom	1.3	0.8	9.0	-4.0	-1.4
El Salvador	Total	20.7	3.0	17.7	5.9	-6.8
	France	-1.1	-1.6	19.8	8.8	-2.2
	West Germany	0.9	3.8		0.2	-0.3
	Italy	18.9				-3.5
	United Kingdom	2.0	0.8	-2.1	-3.1	-0.8
Guatemala	Total	47.1	24.4	0.6	103.9	77.6
	France	4.8	25.1	7.8	93.2	77.7
	West Germany	5.1	10.1	0.1	-3.6	7.9
	Italy	13.1	1.3	0.3	19.4	-2.0
	Switzerland	23.5	-6.7	-3.9	0.3	
	United Kingdom	0.6	-5.4	-3.7	-5.4	0.6
Honduras	Total	-14.6	20.8	65.1	31.5	-25.0
	Denmark			17.3		
	France		4.7	1.6	6.9	-3.7
	West Germany	-0.2	14.6	-1.4	4.4	0.6
	Italy	-14.5	0.1	26.7	4.7	-21.3
	Switzerland	0.2	0.9	20.9	12.3	
	United Kingdom	-0.1	0.5		3.2	-0.6
Nicaragua	Total	-0.2	5.4	4.0	32.3	23.1
	France		0.8	1.4	1.0	26.0
	West Germany	-0.4	4.3	-5.4	0.6	-4.7
	Italy	0.2	0.3		34.9	1.8
Panama	Total	4.6	-1.5	284.1	98.7	32.9
	Belgium	10.9	39.2	-30.0	-29.9	2.0
	Denmark		1.0		0.1	-9.8
	France	36.7	-35.3	250.2	-19.5	44.3
	West Germany	-62.6	-29.3	48.5	89.0	-25.9
	Italy	-2.6	2.4	0.6	20.6	14.4
	Netherlands	14.1	14.0	-16.3	14.1	15.0
	United Kingdom	8.1	6.5	31.1	24.3	-7.1

^a Some minor investment flows omitted. OECD data do not include Spain. The US Embassy in Madrid reported in 1982 that the following amounts were known to have been invested by Spanish firms in Central America in 1979 and 1980 (in US \$):

Costa Rica	740,000	\$640,000
Guatemala	5,050,000	13,720,000
Panama	7,450,000	7,620,000

Secret

Secret

Table 3
Spain—Exports to Central America

Million US \$

Partner	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
World Exports	5,158	7,059	7,672	8,727	10,221	13,118	18,208	20,719	20,335	20,498
Latin America	97	116	141	194	185	226	374	516	676	728
Of which:										
Central America	42	55	81	131	118	116	123	99	143	202
Guatemala	6	7	8	12	14	14	17	17	25	86
Honduras	4	2	3	3	4	6	7	9	7	5
Nicaragua	2	4	5	9	40	28	4	5	7	21
El Salvador	3	5	6	17	10	11	12	10	15	10
Costa Rica	5	12	10	9	17	30	45	22	22	8
Panama	22	25	49	81	33	27	38	36	67	72
Imports World	9,591	15,380	16,234	17,462	17,834	18,713	25,437	34,077	32,153	31,465
Latin America	59	109	86	74	107	232	529	1,374	2,053	1,920
Central America	28	47	48	40	47	109	111	101	63	64
Of which:										
Guatemala	5	13	11	14	13	10	19	11	3	2
Honduras	6	7	4	5	8	9	20	18	20	27
Nicaragua	2	10	10	9	10	5	5	17	10	11
El Salvador	2	2	11	2	10	57	16	18	1	4
Costa Rica	4	2	1	3	1	0	9	4	5	6
Panama	9	13	11	7	5	28	42	33	24	14

25X1

Secret

Table 4
Western Europe: Economic Aid Disbursements
to Central America ^a

Million US \$

	Donor	1978	1979	1980	1981	1982
Western Europe	Total	143.4	218.3	340.1	297.2	457.8
Belize	Total	11.7	20.3	11.1	9.9	5.0
	Canada	4.5	4.8	1.1	0.4	0.2
	United Kingdom	7.2	15.5	10.0	9.5	4.8
Costa Rica	Total	16.0	22.8	19.8	33.4	60.6
	Canada	3.2	3.8	0.2	0.5	1.1
	West Germany	7.9	6.8	12.7	16.2	9.0
	Italy	0.6	0.3	0.2	1.8	1.8
	Netherlands	1.8	2.0	1.2	1.4	1.2
	United Kingdom	0.5	0.9	0.5	0.5	0.5
	United States	2.0	9.0	5.0	13.0	47.0
El Salvador	Total	25.8	38.7	46.3	105.7	175.0
	Canada	0.3	0.6	2.1	6.3	1.3
	France		7.4	0.5	0.2	—
	West Germany	1.6	2.2	1.4	1.4	1.3
	Netherlands	0.6	0.8	1.2	0.7	1.2
	Norway					1.2
	EC		0.1	0.7	0.1	
	United States	23.3	27.6	43.0	97.0	170.0
Guatemala	Total	31.6	26.4	72.9	30.3	32.6
	Austria		1.0	1.1	1.4	1.3
	Canada	3.1	-3.9	1.7	1.3	1.3
	France	5.6	3.8	44.6	0.3	0.1
	West Germany	4.2	6.3	7.8	6.8	8.5
	Netherlands	0.7	1.2	1.7	1.5	1.4
	United States	18.0	18.0	16.0	19.0	20.0
Honduras	Total	30.3	34.4	19.6	49.6	103.8
	Canada	7.5	3.6	9.5	10.3	5.8
	France			0.2	0.6	2.2
	West Germany	3.4	3.5	4.9	4.5	7.4
	Netherlands	0.9	1.7	6.9	2.3	3.9
	Switzerland	0.2	0.9	3.7	2.7	4.5
	United Kingdom	0.6	0.5	0.8	10.2	4.0
	EC	1.7	3.2	4.6	1.5	9.0
	United States	16.0	26.0	19.0	41.0	67.0

Secret

Table 4
Western Europe: Economic Aid Disbursements
to Central America ^a (continued)

Million US \$

	Donor	1978	1979	1980	1981	1982
Nicaragua	Total	28.0	70.7	134.4	68.3	80.8
	Austria		0.2	0.7	0.7	8.7
	France ^b			0.5	1.4	8.5
	West Germany	1.0	17.8	13.3	14.1	10.2
	Italy	0.2	1.1	1.1	5.0	2.5
	Netherlands	0.4	6.4	14.6	15.8	23.9
	Norway		0.9	0.5	0.4	2.1
	Sweden		8.1	7.7	3.9	9.3
	Switzerland	0.1	2.3	0.5	0.8	1.4
	EC	0.3	5.9	14.5	10.2	7.2
	United States	26.0	28.0	81.0	16.0	7.0

^a Spanish aid data are not included in OECD statistics. In May 1982 the US Embassy in Madrid, warning that the Spanish Government itself did not have definitive figures, reported that as of March 1982 Madrid had granted the following lines of credit to Central American countries (1982 exchange rates in US \$):

Honduras	800,000
Nicaragua	25,000,000
Panama	10,660,000

^b According to the US Embassy in Managua, French credit allocations totaled \$6.25 million in 1980, \$8.75 million in 1981, \$13 million in 1982, and \$13 million in 1983.

Spanish aid worldwide totaled a little less than \$1.2 billion, according to the Embassy; Latin America as a whole received 75 percent of the total. Spain extended an additional \$45 million line of credit to Nicaragua in 1983.

25X1

Secret

Table 5
Western Europe: Military Aid Allocations
to Central America

Million US \$

Recipient	Total Non-Communist Country Allocations 1954-83 (US excluded)	West European Allocations			Details (including dates)
		1981	1982	1983	
Total	312.1	18.7	39.7	8.3	
Belize	5.0			5.0	UK: patrol boats, transport aircraft (1983)
Costa Rica	3.1				
El Salvador	55.3	2.9			France: helicopters (1978-79) Spain: miscellaneous military equipment (1981)
Guatemala	79.1		34.7		Belgium: tanks (1982)
Honduras	85.5			3.3	UK: armored vehicles (1978-81) Spain: jet trainers (1983)
Nicaragua	65.2	15.8	5.0		France: helicopters, patrol boats, trucks, rockets (1981) Spain: transport aircraft (1982)
Panama	18.9				

25X1

Secret

Secret

Secret