ATTACHMENT 2 21 March 1983

CENTRAL AMERICA/MEXICO -- OVERVIEW

Ι. Democratic trends in Latin America

23 of 32 countries with 70% of population are democratic (17) or liberalizing (6).

Soviet Bloc/Cuban/Nicaraguan support for guerrillas/subversion - Targets include democratic as well as authoritarian regimes II.

-- recall 1960s Marxist Leninist guerrillas against Venezuela, Uruguay

since 1978 a massive increase and targets include democratic Colombia, Costa Rica - Large scale of Cuban support for subversion illustrated by actions on three continent Africa - 70,000 military and other personnel; active in 14 countries

Middle East - working closely with Libya, South Yemen, PLO

Latin America - 8,000 Cubans in Nicaragua; Cubans helping dictatorships consolidate power in Grenada, Nicaragua, Suriname...plus current major subversive operations in Central Ámerica, Colombia, Dominican Republic, Haiti, Chile

Conclusive evidence of Soviet Bloc/Cuban support for the violent left in Central America

Capture of safe houses, arms supply cars and trucks in Costa Rica/Honduras; illustrat cooperation among regional Marxist-Leninist terrorists and Cuban/Nicaraguan support (example July 1982 Colombian M 19 member caught in Costa Rica with Nicaraguan embassy officers as his controls also caught in terrorism campaign against the anti-communist social democratic president, Luis Alberto Monge

IV. Nicaragua - the real situation

internal

- -- Marxist-Leninist Directorate in control with new secret police army, 8,000 Cubans, 50 or more Soviet Bloc, Libyan, PLO personnel
- -- genuinely democratic groups (parties, trade unions, church, business) still exist but have no power
- -- Sandinistas have broken the democratic promises made in July 1979 and OAS required -- FDN Sandinistas are NOT SOMOCISTAS, rather want to implement democracy
- -- full cooperation with Soviet Bloc/Cuba...treaties since March 1980 Moscow visit

-- massive military build-up and export of subversion continues Western economic aid has been generous and has had no moderating effect

- -- Since July 1979 Western aid \$1.6 billion of which \$1.2 billion bilateral
- -- all the rest of Central America received only \$750 million in bilateral aid
- -- European socialist international legitimation of the Sandinistas has been a major factor

٧. Three forces are competing in El Salvador

violent right - many large landowners angered by the land reforms plus non-governmenta groups, some elects of the ARENA party and no more than 10-15% of the military/security leadership

violent left led by the FMLN/DRU formed in Havana at Castro's initiative

- -- consists of six Marxist-Leninist groups including the Communist Party
- -- non-Marxist-Leninist component is very small (400 among 4,000-6,000 guerrilla fighters), has no real influence and is self-admittedly under the command of the Marxist-Leninists.
- responsible political forces ranging from Christian democrats, other centrists, conservatives
 - -- also includes democratic trade unions (UPD/UCS), most of the business community, Catholic Church leadership and 85% participation

continuing the battle against the violent left and substantially weakening the power of the violent right.

elections scheduled for late 1983