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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

11 August 1987

Moscow Changes Its Tactics In Central America

Summary

Moscow apparently has concluded that the Contadora Peace Process¹ is not likely to achieve a political settlement in Central America and therefore poses little danger that the Sandinistas will have to accede to the plan's calls for democratization and demilitarization. At the same time, the Soviets reportedly have come to view the continuation of the peace process itself as a major impediment to direct US military intervention in Central America. When the Contadora talks seemed to stall early last year, Moscow initiated a series of actions aimed at creating the impression of movement in the process, apparently hoping to preserve the appearance of Contadora as a viable alternative to a military confrontation.

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In tandem with these moves, Moscow has assumed a more conciliatory attitude toward three of the "Core Four" Central American democracies--Guatemala, Honduras, and Costa Rica. In contrast to Moscow's previous condemnation of the Central

¹The Contadora Group was established in January 1983 by the foreign ministers of Mexico, Venezuela, Panama, and Colombia. Their aim was to draw up a treaty that would reduce tensions between Nicaragua and its democratic neighbors--the "Core Four" democracies of Guatemala, El Salvador, Honduras, and Costa Rica. The proposed treaty includes a ban on foreign military bases or installations and external aid to insurgent groups, calls for the reduction of armies and arms inventories in Central America, and advocates political pluralism for the region. In 1984 the Contadora Support Group, composed of Peru, Argentina, Uruguay, and Brazil, was formed to support the efforts of the Contadora participants.

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This memorandum was prepared in the Office of Soviet Analysis [Redacted] Comments and queries are welcome and may be addressed to the Chief, Regional Policy Division [Redacted]

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American democracies as willing pawns of the United States, Soviet media have commended the trend toward democracy in these countries and frequently excused their support for US policies as the product of poverty and economic dependence. Moreover, the Soviets have extended a number of diplomatic and commercial overtures, including an offer to renew diplomatic relations with Guatemala City and to develop trade with Tegucigalpa and San Jose. [redacted]

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Moscow appears to have chosen this course of action as a means to buy time for the Nicaraguans. It hopes to reduce regional responsiveness to Washington and the willingness of the Central American democracies to cooperate with the United States in activities against Managua. Moscow also hopes to foster a benign image of the USSR as a peacemaker both locally and internationally and eventually carve out a larger role for itself in regional affairs. [redacted]

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The Central American states may entertain Moscow's overtures, but they recognize that the Soviets are prepared to offer only token economic assistance. Regional leaders are also sensitive to the likelihood that developing significant ties to Moscow would expose them to strong domestic criticism and could endanger current levels of US economic and military assistance. [redacted]

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The Soviet Approach to Contadora

The Soviets initially were cautious about endorsing the Contadora process. Despite requests for support from Contadora's sponsors, Moscow demurred, declaring--according to various sources--that overt Soviet support might tarnish the legitimacy of the initiative for international audiences. Moscow may have hesitated because the initiative, if successful, could force the fledgling Nicaraguan regime to make important concessions, such as domestic democratization and limiting its ties with the Soviet Bloc and Cuba. The Soviets also may have been suspicious of the Contadora Group's sympathies; in 1980, for example, Panama withdrew its advisers from Nicaragua, and in 1984 Mexico cut off credits to the Sandinistas for the purchase of oil. [redacted]

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The US invasion of Grenada and growing assistance to the Nicaraguan insurgents, however, appears to have reinforced Moscow's perception of an increased US challenge to its interests in the Third World. Seeking ways to limit Washington's options in Central America, the Soviets apparently seized on Contadora as a useful forum for building regional nationalism and opposition to US influence. This assessment was reinforced as the negotiations proceeded and some of the Contadora and Support [redacted]

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Group nations began to characterize Washington as obstructing the peace process.

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Although the Soviets reportedly believe the Sandinista regime has a good chance of surviving if it can wait out the Reagan administration, the pressure of stepped-up US support to the insurgents apparently has increased Moscow's uncertainty regarding US intentions in the region. The Soviets have consistently tried to portray their military aid to the Sandinistas as defensive in nature, and have so far refrained from sending weapons systems--such as MIG jet fighter aircraft--which might provoke direct intervention from the United States.

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Last November the Soviets issued a rare Government Statement demanding an end to US preparations for direct military action against the Sandinistas--only the second Government Statement in support of Nicaragua.² An official of the Soviet Ministry of Foreign Affairs (MFA) told the US Embassy that the statement was prompted by US legislation approving aid to the insurgency. The Soviets had by then already initiated a series of actions, apparently prompted by the deadlock of the Contadora talks in early 1986, designed to create the impression of movement in the negotiations:

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²A Government Statement presents the official position of the Soviet government on a particular issue. Moscow issued its first Government Statement in support of the Sandinistas on the occasion of the US invasion of Grenada.

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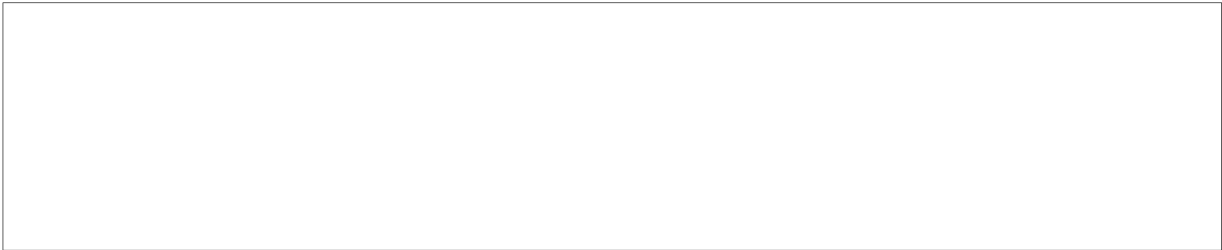
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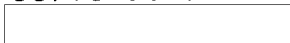
- o Also last November, Soviet UN envoys made an offer to their Honduran counterparts to hold bilateral talks on the region in either Moscow, Tegucigalpa, or a third country, according to the US mission at the UN.



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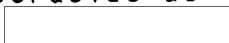
- o In January, Soviet Foreign Minister Shevardnadze hosted a meeting with ambassadors from the Contadora and Support Group nations, who presented texts of the Contadora declarations for Soviet approval. The meeting received extensive coverage in the Soviet press, and Izvestiya noted the apparent "reactivation" of the Contadora process.
- o In April, Soviet spokesman Gennadiy Gerasimov announced that the USSR expressed full solidarity with the efforts of the Contadora and Support Group foreign ministers, who were then meeting in Buenos Aires.

Moscow apparently hopes that the revitalization of the talks will serve as a subtle way to ease some of the pressure on Managua.



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Reaching out to the Central American Democracies

In addition to trying to portray itself as a regional peacemaker, Moscow has sought maneuvering room by assuming a more conciliatory attitude toward Guatemala, Honduras, and Costa Rica. Since early last year, Soviet press and academic publications have commended the transition to civilian democracies in Guatemala and Honduras. Soviet media have toned down their previous attacks on these countries, and instead now frequently characterize them as states whose growing poverty and economic dependence have placed them in "bondage" to Washington. In December a prominent Soviet journal sympathetically quoted a Honduran scholar's lament that the regional states assist Washington's policies "not because we are in sympathy but because we are poor," and referred to the new Central American democracies as "a success for the region's progressive forces." 

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Concurrently, Moscow has been pressing some of the Central American democracies to improve ties with Managua.



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- o Most recently, our mission at the UN reported that the Soviet UN First Secretary met with his Costa Rican counterpart to propose that the two missions set up a "permanent dialogue" aimed at improving Nicaraguan-Costa Rican relations.

The Soviets probably calculate that improved relations between Nicaragua and its neighbors will complicate US efforts to coordinate policies among the Central American states. They may also hope that improved relations might result in a more "trusting" atmosphere in which at least some of these countries would be less exacting in their demands for concessions from Managua during regional peace negotiations. [REDACTED]

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The clearest manifestations of Moscow's new tactics in Central America are its attempts to build direct commercial and diplomatic ties with several Central American states. [REDACTED]

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Honduras. In early May the chief of the regional Soviet trade mission, based in San Jose, met with the Honduran Minister of the Economy to discuss the beginning of permanent commercial relations. While the Honduran response has been mixed, Tegucigalpa has shown other signs of interest in maintaining some form of contact with Moscow. [REDACTED]

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Guatemala. Since last spring, the Kremlin has persistently tried to lure Guatemala into reactivating official ties which

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have been dormant since 1954. At ceremonies in Costa Rica in May last year, the leader of the Soviet delegation offered Guatemalan President Cerezo diplomatic ties and unspecified economic and military assistance, according to the US Embassy.

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Last February the Soviet Ambassador to Costa Rica made a "private" visit to Guatemala to explore economic and cultural ties. The timing of the visit--while both President Cerezo and the Guatemalan Foreign Minister were out of the country--probably was intended to avoid a Guatemalan rebuff. Strong opposition from the still influential Guatemalan military, as well as other conservatives, is likely to prevent Cerezo from responding to Soviet overtures

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In a statement probably calculated to preserve the appearance of Guatemalan neutrality, the Foreign Minister recently announced that diplomatic relations with the USSR had never been formally interrupted, but that there is no economic justification to open an Embassy at this time.

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Costa Rica. Moscow also has stepped up its efforts to strengthen ties with Costa Rica--the only democracy in Central America which has diplomatic relations with the USSR--since the inauguration of President Arias in May 1986. The Kremlin sent a relatively high-level delegation to Arias's inauguration, headed by the Chief of the MFA's First Latin America Department, who was formerly the Soviet Ambassador to San Jose. Perhaps hoping to play to Arias's aspirations as a regional leader, last November the Soviets invited him to Moscow, but Arias refused the invitation, according to the US Embassy.

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Commercial contacts between the two states have also increased over the past year. San Jose purchased 260 Soviet Lada vehicles for its security forces early this year, and the Soviets purchased 32,000 tons of Costa Rican sugar after the United States reduced San Jose's sugar quota by half to 17,000 tons. Although fear of endangering US economic aid will limit Costa Rica's trade with the USSR (as well as Soviet trade with other Central American democracies), San Jose probably is not above using Soviet contacts as pressure for increased benefits from Washington. Increased trade with Moscow also provides a non-threatening way for San Jose to demonstrate some independence from the United States.

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Soviet interest in Costa Rica has heightened since President Arias proposed his regional peace initiative in February. Initially the Soviet reaction reflected suspicion of Arias's motives and concern that the new peace plan might undermine the Contadora process. Early Soviet commentary, for example, referred to the initiative as barely differing from "US plans to remove the Sandinistas from power."

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The Soviets probably now calculate that the Arias proposal may serve to impede US policies in a way similar to Contadora. Moscow has praised the proposal, but has also expressed some reservations about its substance. For example, Arias received high marks from the Soviet media for adopting a neutral position "in defiance" of US pressure

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Such comments convey the impression that the Soviets will support any regional proposal that holds out the prospect of limiting US actions in Central America, but also indicates Moscow's desire to avoid alienating either the Contadora Group nations or the Core Four democracies.

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What's In It for Moscow

The Kremlin's new use of diplomatic activism in Central America is part of a larger pattern of attempts to reassert its importance as a player in regional conflict issues throughout the Third World,³ but it also appears to be tailored for specific goals.

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Buying time for Managua. Soviet officials have repeatedly discussed the need to buy time for the Sandinista regime--by preventing direct US military intervention or a drastic surge in aid to the insurgents--until the next US administration, when, Moscow is reportedly convinced, US policy toward Nicaragua will become less "aggressive."

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Despite their concern that a regional settlement might limit Sandinista

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internal prerogatives, the Soviets apparently believe that the ongoing negotiations act as a shield against possible US intervention. In February, for example, TASS approvingly noted a statement by the Chairman of the European Economic Community (EEC) that the EEC viewed the Contadora process as an "effective instrument for preventing military confrontation." Moscow seemed eager to try to create the illusion of movement in the talks when they appeared permanently stalled last year, lest Washington use the stalemate in the talks as a rationale for forceful action. Moscow has made similar use of the Arias plan by holding it up as evidence of Latin America's ability to pursue a settlement independent of the United States. [redacted]

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Fostering a Non-Threatening Image. The Soviets have an interest in altering Central American perceptions of their influence in the region as threatening. In addition to playing down their assistance to Central American insurgents, they have gone to some lengths to publicize their sensitivity to the "realities" of the region and the pressures faced by Central American leaders. [redacted]

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Promoting A Larger Soviet Role. Finally, the Soviets may hope that a higher profile in regional conflict negotiations will gain them some voice in the outcome, in the unlikely event that a settlement is concluded. For their part, the Central American countries may seek to include Moscow in the process as a signatory to a protocol obliging the Soviets to respect a regional accord because they believe Soviet compliance is necessary for any Central American settlement to succeed. Signs of this attitude are already apparent. For example, President Arias has stated publicly that the USSR and Cuba are parties to the Central American conflict and that it is advisable to hold a dialogue with them in order to achieve peace in the region. But while Moscow derives benefit by portraying itself as a regional peacemaker, there is no evidence that the Kremlin is willing to make substantial moves toward a settlement, such as pressuring Nicaragua to make political or military concessions. [redacted]

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Outlook

Moscow apparently hopes its new efforts will limit US options in the region and buy time for the Sandinistas until the [redacted]

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1988 US elections. The Kremlin will probably use this interlude to provide additional military and economic assistance, as well as political advice, aimed at guaranteeing the survival of the Sandinista regime and establishing a stable, pro-Soviet, Communist government in Managua. [redacted]

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The USSR almost certainly will be unable to wean the Central American states from their pro-US orientation in the near term. While these states may entertain Soviet overtures, the democracies recognize that Moscow is prepared to offer only token economic assistance. Regional leaders are also sensitive to the likelihood that developing significant ties to Moscow would expose them to strong domestic criticism--especially from the military--and endanger current levels of US economic and military assistance. They may use the prospect of limited commercial deals or diplomatic concessions with the USSR, however, as a bargaining chip for additional aid from Washington. [redacted]

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Latin American Affairs, NSC
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NSC
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The White House

DOD

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Secretary of Defense for Policy
Room 42E812, The Pentagon

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Inter-American Affairs
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17. [Redacted]
DIO for Latin America
Defense Intelligence Agency
Room 2C238, The Pentagon
18. [Redacted]
DIO for European and Soviet Political
and Military Affairs
Defense Intelligence Agency
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Department of Defense
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Room 2E872, The Pentagon
23. Vice Admiral Powell Carter, Director
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State

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Department of State

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Director of Central American and Panamanian Affairs
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Room 5258A
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Inter-American Affairs
Room 3248
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Executive Assistant to the Director, INR
Room 6531
Department of State

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Room 7637
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Director, Policy Planning Council
Room 7311
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Inter-American Affairs
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Inter-American Affairs
Room 6263
Department of State
48. Ambassador Morton I. Abramowitz
Director of Intelligence and Research (INR)
Room 6531
Department of State

NSA

49. GCO/NSA
PO 532
2W1111 Fort Meade, Md.
50. D/NSA Special Assistant
[redacted] Q42
Room 9A171, Fort Meade, Md.

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Other

51. DIA/RTS-2C2
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