

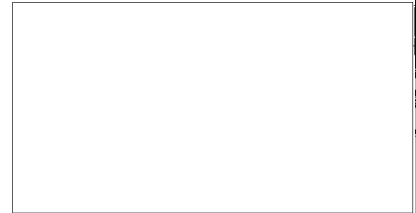


Director of
Central
Intelligence

OCO
Cable Editor

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National Intelligence Daily (Cable)

13 March 1982

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CO NIDC 82-060C

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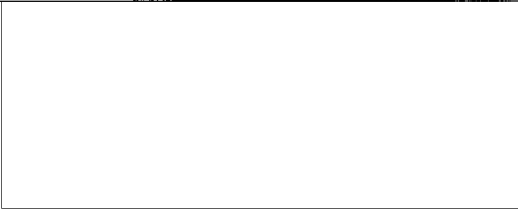
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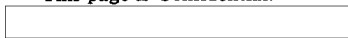
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The *National Intelligence Daily (Cable)* is prepared in the Central Intelligence Agency in cooperation with the other US foreign intelligence organizations for the purpose of informing senior US officials.



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Contents

El Salvador: *Status of Government Offensive* 1



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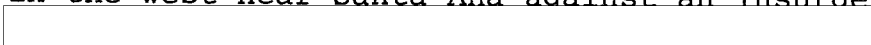
EL SALVADOR: Status of Government Offensive

//The large-scale Army operation launched early this week in central El Salvador has encountered only light resistance. The leader of one of El Salvador's major rightist parties has offered a plan for defeating the insurgents and fostering economic recovery.//



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//The Salvadoran military has begun another operation in the west near Santa Ana against an insurgent base area
Meanwhile,
the guerrillas have destroyed the bridge over the Torola River in northern Morazan Department. As a result, much of the sparsely populated area near the Honduran border is isolated from the regional capital.//



Meanwhile,

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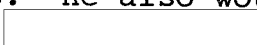
Comment: *//Other new Army campaigns also are likely against guerrilla base areas as the elections approach. As the destruction of the bridge in Morazan demonstrates, however, the insurgents can still score successes in hit-and-run raids. Establishing polling places in northern Morazan will now be difficult.//*



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Rightist Plan

Ultraconservative leader Roberto D'Aubuisson has informed US officials that he would immediately impose a "state of war" if his National Republican Alliance wins a majority in the elections. He contends that this would facilitate increased military action against the insurgents. He also would institute universal conscription.



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In addition, D'Aubuisson indicated that he would grant unconditional amnesty to all guerrillas and suggested that the US assist by offering temporary asylum. He advocated confiscation of property belonging to the immediate families of proved insurgents unless the owners cooperate with the government.



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[Redacted]

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D'Aubuisson believes economic recovery should be tied to a "free market" policy designed to encourage greater private sector investment and production. He noted that he would make additional low-interest credit available to businesses. [Redacted]

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Comment: A government headed by D'Aubuisson would further polarize the country, force some political moderates into hiding or exile, and almost certainly alienate international backers. He would ultimately face a greater guerrilla challenge more openly supported by foreign governments. [Redacted]

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Prospects for economic improvement will remain bleak until foreign and domestic lenders and investors become convinced that the insurgency is no longer a threat and that the political situation has stabilized. D'Aubuisson's proposed increases in low-interest credit would violate the terms of a recent agreement between San Salvador and the IMF, jeopardizing a key three-year aid package totaling \$300 million for 1983-85. [Redacted]

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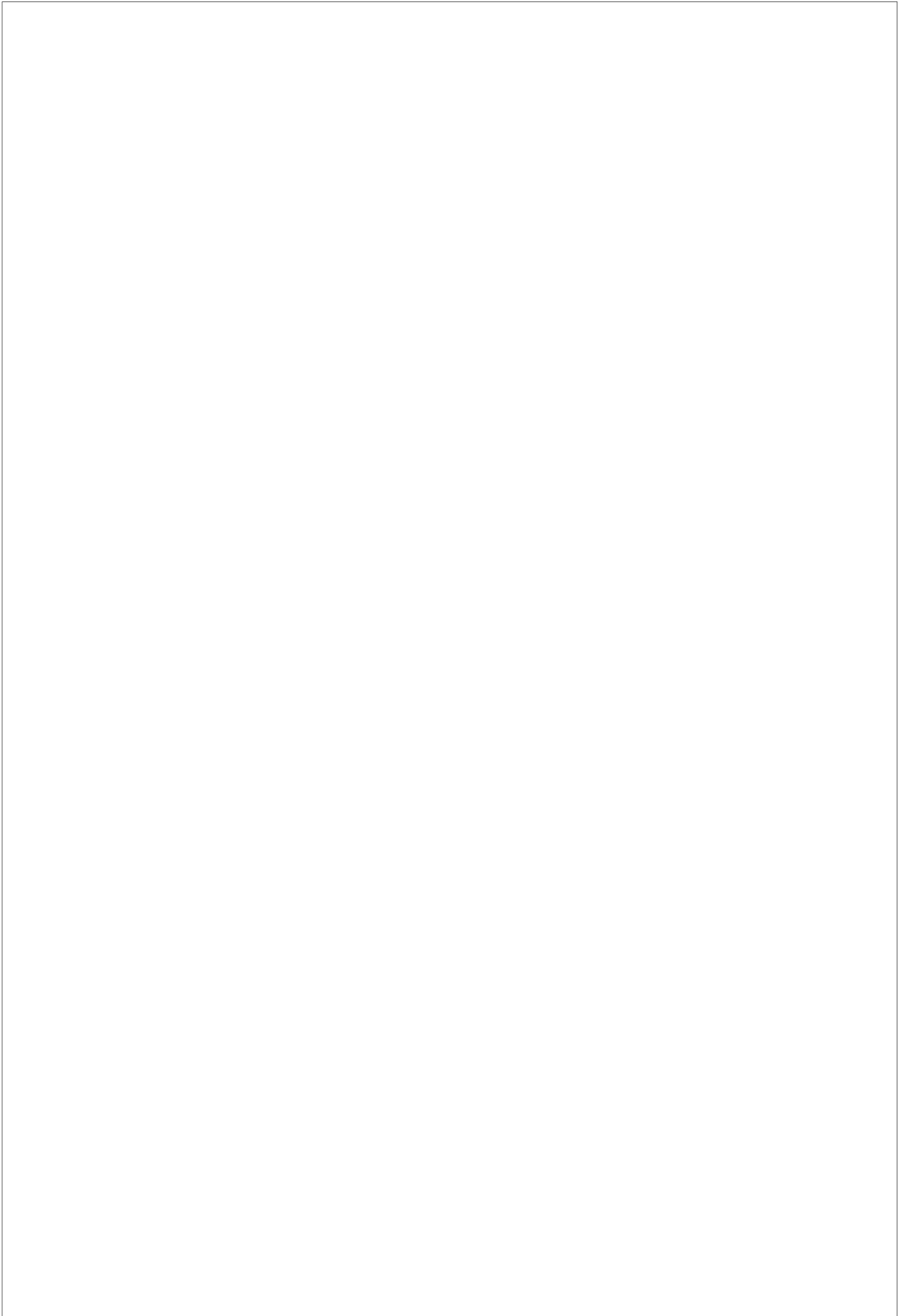
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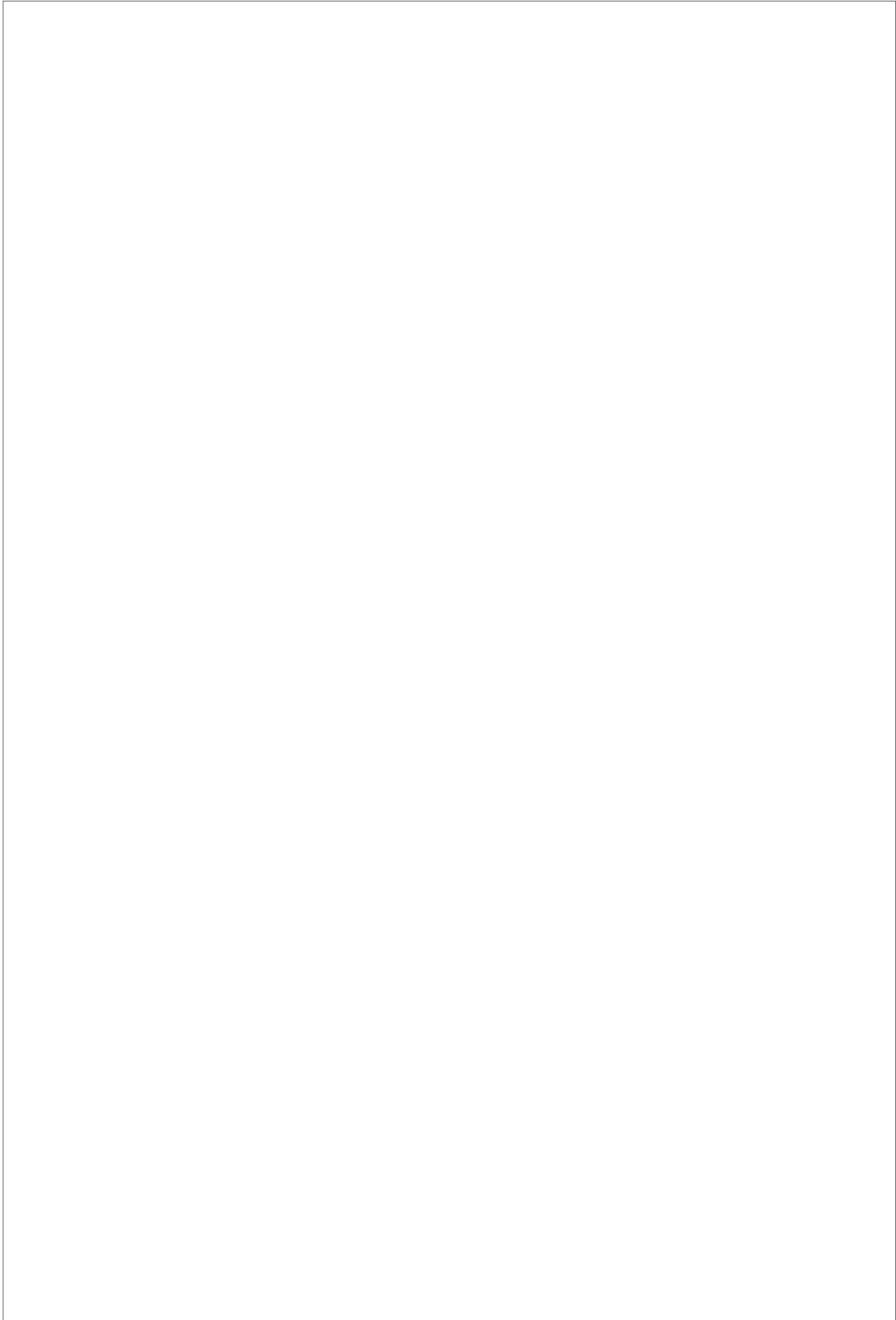














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