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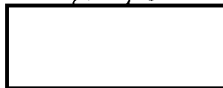
November 24, 1981

The Honorable Vernon A. Walters
Ambassador at Large (S/AL)
Department of State
Washington, D.C. 20520

Dear ~~Vernon~~: *Vik*

The paper you sent me on Honduras has been reviewed by CIA elements. Attached is CIA's view, written by the National Intelligence Officer for Latin America. If I may do more to assist you, please let me know.

Sincerely,



B. R. INMAN
Admiral, U.S. Navy

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Attachment

18 November 1981

HONDURAS: THE NOVEMBER 1981 ELECTIONS
AND FUTURE COOPERATION WITH THE US*

Summary

CIA does not believe that the leadership of the Honduran Liberal Party is controlled by persons aligned with the revolutionary left nor does CIA view the possible elections of its leader, Roberto Suazo Cordoba, as an obstacle to US foreign policy goals or a security threat to the region. There are influential Sandinista sympathizers in the Liberal Party, and their actions and strength must be closely monitored. The Honduran military shares this concern and can act as a political counterweight to the radical elements within the Liberal Party.

The Sandinistas are working actively with Cuba to destabilize Honduras and promote revolution, but they are relying on leftist subversive groups as their main allies, not the Liberal Party. It is our judgment that the majority of Liberals--including Suazo--are anti-communists and that a postponement of the election would be counterproductive.

I. Will the Outcome of the November 1981 Elections Endanger US Cooperation with Honduras

Among the two front-running parties, the Liberal Party is currently believed most likely to win the 29 November elections. Elements in two of the three Liberal Party factions which united just before the April 1980 constituent assembly elections are believed to have sympathetic political and financial relationship with the Nicaraguan Sandinistas.

In the view of some non-government observers, this raises two dangerous possibilities: that a Liberal Party victory will lead to the end of Honduran cooperation against the extreme left and that pro-communist sympathizers within the new government would weaken its capacity to resist the expanded destabilization and terrorism in Honduras which Cuba and Nicaragua are clearly prepared to support and encourage.

II. Importance of a Friendly Honduras

A friendly Honduras can play a major role in the containment and defeat of the revolutionary left in Central America by cooperating with other threatened governments to cut off the infiltration of guerrillas and weapons and by serving as a staging area for anti-Sandinista forces which might operate against the Nicaraguan export of subversion.

At the same time, a Honduras with a constitutional government resulting from a military-directed peaceful transition (1979-81) has a powerful symbolic appeal in the region for center and democratic left groups and important

*This paper was written by the NIO/LA and reflects the general consensus of NFAC and DDO.

international participants such as the major European and Latin American party and trade union federations. This would be in positive contrast to the systematic building of the Marxist-Leninist dictatorship in Nicaragua and the repeated extreme left statements that only armed revolution can end military rule.

III. Threat from the Extreme Left

In 1979 Castro described Honduras as the "funnel" through which Cuba and Nicaragua would send weapons and other aid for the guerrillas in El Salvador and Guatemala. Castro expects Honduras to fall automatically after communist victories in the rest of Central America.

In 1979 Cuba began training Honduran terrorists and guerrillas while aiding the Honduran Communist Party to build a special "apparat" which has worked successfully in smuggling aid to the Salvadoran guerrillas.

With Cuban and Nicaraguan backing, Honduran guerrillas held a mid-October 1981 unity meeting in Nicaragua. They agreed to strengthen preparations for guerrilla struggle while continuing to support the transshipment of arms to Salvadoran insurgents.

CIA estimates that the various extreme left groups have increased their armed strength from about 100 in 1980 to about 600-800 today which includes about 40 guerrillas reportedly training in Nicaragua and about 90 in Cuba for movement back to Honduras in January 1982.

Although the extreme left is not yet in reach of conquering Honduras, it could have the power to tie down the Honduran armed forces and prevent their cooperation with El Salvador or anti-Sandinista groups. It could also start enough violence to bring about polarization through counterterrorism and propel the already weak economy toward a politically destructive downward spiral.

IV. Moderate Groups

Except for 18 months in 1971-72, the military has governed Honduras since 1963. Corruption has been a problem for civilian as well as military leaders. Generals were removed from the presidency in 1975 and 1978 by their fellow officers after major financial scandals.

Nevertheless, military rule has been mild. The military took the lead in restoring democratic government and learned to work with the Liberal Party as well as its traditional partners, the National Party.

Therefore, the military has to be counted among the moderate political forces which also include strong anti-communist trade unions (which recently won a major victory against communists in the banana workers union), four political parties, various business and civic groups, the churches, and a pluralist media.

Despite a low per capita income, Honduras has made significant social and economic progress in the last two decades (life expectancy, school enrollments, income gains, and living conditions), and there is every reason to expect that this moderate coalition could defeat and counter the extreme left-- provided it avoids a major split and provided the US and others provide needed economic, intelligence, and military help.

V. Election or Coup

In October 1981, the military, led by President Paz, took steps to find semi-legal ways of postponing the 29 November election. These were unsuccessful both because the political leaders mostly opposed any delay and because some senior military officers have a working relationship with the Liberal as well as the National Party: for example, Col. Gustavo Alvarez, Chief of the Public Security Forces and intended next Armed Forces Commander. The military leadership itself decided that: "postponing the elections might stimulate leftist insurgency or even touch off civil war" (CIA, The Honduran Armed Forces, October 1981, ALA-10008X). International encouragement for elections by the US, Venezuela, and Mexico also had some impact on the military decision to go ahead.

The problem of Cuban/Nicaraguan penetration of and links with elements of the Liberal Party requires very close and careful monitoring and far better intelligence collection. Nevertheless, there is consensus within CIA that though "there are influential Sandinista sympathizers in the Liberal Party. . . the majority of Liberals, including (presidential candidate) Suazo, are anti-communists and that a postponement of the election would be counterproductive" (NFAC memorandum, ALA/MCD, 13 November 1981).

A coup at this time could threaten military unity, play into Cuban and communist hands by preventing the establishment of a new legitimate government that could work closely with Venezuela and other Latin American democracies and its neighbors in a more active regional and international effort against the extreme left.

VI. After the Election

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If the National Party wins, the well-known corruption of its leader together with his close ties to two senior military officers who are described by NFAC as "one of the most blatantly corrupt" and "corrupt and reputedly involved in drug traffic" suggests potential institutional weakness in terms of moderate support. As mentioned, the armed forces have removed two military

presidents in 1975 and 1978 for extreme corruption, and this possibility would certainly exist with respect to a civilian president if his behavior followed pessimistic predictions. Certainly, this potential issue of increased corruption could divide the civilian political groups and the military as well.

A Liberal Party victory poses the risk, first, that the National Party and its sympathetic officers would justly or not claim fraud and seek to undo the election. Second, the military will keep a very close watch on the Liberal Party in government, and it would be prepared to step in if the problem of pro-communist elements became more serious in fact or appearance. This means that both the extreme right and the extreme left might manufacture or exaggerate information about this real problem in order to stimulate a coup which each, for different reasons, might want. Therefore, accurate and timely information will be all the more important on this issue of pro-communist Liberal Party leaders and factions.

Risks which most CIA analysts see as much less probable but which nevertheless deserve some attention are that the pro-communist elements in the Liberal Party might secretly attempt to help the extreme left through actions such as:

- using the argument that Honduras would increase its international stature by staying out of the struggles in Central America and perhaps even adopting a Mexican-type political solution/mediation posture;
- using the real economic stringency as an argument to weaken the military by slowing down or subtly denying spare parts, equipment, and the like (as apparently occurred to some extent in Jamaica during early 1980);
- building "youth groups" which could serve as a nexus or cover for paramilitary forces to be armed by the Salvadoran guerrillas or Nicaragua at the time when full-scale guerrilla activities were to begin in Honduras.

The various non-government assessments of the situation in Honduras have, in my judgment, shown clearly that the US must monitor the post-election situation very closely and add to its very considerable information through increased collection and analysis in the next months.