

[REDACTED]
Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

**El Salvador: Rightist ARENA
Party Election Frontrunner**

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[REDACTED]

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rebel leaders prior to the issuance of the peace proposal--may even win additional votes because of its flexible public position on dialogue. The party, however, remains adamantly opposed to delaying the election. [REDACTED]

ARENA has given only vague hints of what policies it would follow if Cristiani is elected. We doubt, however, that it would move quickly toward a wholesale undoing of President Duarte's economic and social reforms, although rollbacks in some areas are possible. An ARENA government would probably take a tougher position against the left, particularly if, as we anticipate, hardliners like Roberto D'Aubuisson dominate security policy. It may also be less inclined than the current administration to investigate alleged human rights abuses by government forces. At the same time, however, we expect ARENA would try to bolster its moderate credentials and avoid international criticism by initiating talks with the guerrillas and promoting market-oriented economic policies. ARENA, in our view, probably would try to establish a good working relationship with the United States, despite a strong nationalist strain in the party. [REDACTED]

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ARENA has run a well-funded and managed campaign in the runup to the 19 March election. Once an instrument of El Salvador's extreme right, the party has successfully projected a more moderate image while exploiting widespread disaffection with the ruling Christian Democrats. [REDACTED] indicates the message has been well received by voters, who, [REDACTED] indicate, will give ARENA a victory either in the first or second round of balloting. [REDACTED]

Election Issues

ARENA's reputation has been an important issue in the campaign. In an effort to ease concern that hardliners control ARENA, the party's extremist founder--and president-for-life--Roberto D'Aubuisson has allowed moderates, headed by presidential candidate Alfredo Cristiani, to assume a wider public role. As a result [REDACTED] shows that party moderates have attracted new support among moderate businessmen, many of whom had backed the Christian Democrats in 1984. [REDACTED]

ARENA has hit hard at the Christian Democrats' poor handling of the economy and alleged rampant corruption. The party's emphasis on economic themes has been particularly effective in

[REDACTED]

rural areas, where many residents feel neglected by the government and blame the Christian Democrats for the lack of jobs and development assistance. In contrast, ARENA's willingness to use its own resources to bring goods and services to voters has strengthened its image. ARENA's anti-corruption theme has struck a responsive chord countrywide. Although we cannot fully assess the pervasiveness of corruption under the Christian Democrats, the ruling party's poor image and its failure to act on allegations of official misdeeds have allowed ARENA to capitalize on the issue. [REDACTED]

We believe ARENA's hammering of the Christian Democrats for the government's seeming inability to provide public security in the face of growing leftist violence also has been a highly successful theme. In contrast to the perceived failure of the Christian Democrats to remedy the security situation, we judge that the public believes ARENA would adopt a tougher posture toward violent demonstrators and those suspected of terrorism and sabotage. [REDACTED]

Maneuvering on the Rebel Peace Proposal

ARENA began the campaign by portraying itself as the party that was willing to talk to the guerrillas and was most likely to bring peace to war-weary Salvadorans, and it retained that image even after the rebels introduced their "peace initiative" on 24 January. Despite attempts by the Christian Democrats to cast ARENA as anti-peace because of its refusal to postpone the election, we believe ARENA may have reaped the most benefits from the recent flurry of proposals and counterproposals. ARENA, in our view, largely has out-maneuvered other parties by maintaining a firm stand against the guerrilla demand to delay the election, which would have violated the constitution. In contrast to the government's wavering on that issue and on whether to conduct a dialogue with the guerrillas, ARENA appeared decisive by presenting a counterproposal on 31 January to meet with rebel leaders. ARENA leaders, in fact, had met secretly with guerrilla commanders before the proposal was announced. ARENA's repeated calls for a dialogue, in our view, have helped bolster the party's peace credentials. [REDACTED]

Who Controls ARENA?

We believe D'Aubuisson continues to be the most important policymaker in ARENA, although the jockeying between moderate and conservative factions of the party will likely intensify if ARENA comes to power. D'Aubuisson's public deference to Cristiani is largely cosmetic in our view, calculated to put a better face on the party. [REDACTED] that D'Aubuisson remains in firm control and that Cristiani often defers to him on party matters and decisions relating to the

[REDACTED]

campaign. We believe, however, that D'Aubuisson has grown more politically astute since he lost to President Duarte in the election of 1984 and almost certainly realizes that his party's past extremism is not appealing to an electorate weary of war and violence. [REDACTED]

D'Aubuisson's influence over the party would almost certainly carry over to an ARENA government, although the exact role he would play is still unclear. D'Aubuisson is not likely to hold a cabinet position, but he will have a direct impact on policy through his seat in the Assembly and his role in the party. D'Aubuisson will probably not be engaged equally on all issues. For example, we expect Cristiani--a prominent businessman--and other moderates to have a relatively free hand in formulating economic and social policies and in choosing a cabinet. D'Aubuisson, on the other hand, probably will have greater impact on security issues and policies toward the left. [REDACTED]

ARENA Looks Ahead

ARENA leaders probably will come under pressure from business men--who have largely funded the party's campaign--to roll back some social and economic reforms and reduce government management of the economy. ARENA does not appear inclined to move quickly, however, and [REDACTED] indicates that there is no party consensus on specific economic policies. Cristiani and others have said publicly that ARENA will relax state controls on marketing and banking, but party leaders are not advocating immediate abolition of INCAFE, the government's coffee marketing agency, or overnight privatization of the banking system. In addition, their public statements suggest ARENA leaders continue to view land reform as sacrosanct and are advocating a reassessment, rather than a dismantling, of inefficient government-run cooperatives. ARENA has hinted at possible structural changes, such as tax reforms and currency devaluation, to address the fiscal deficit, but it probably will move slowly to avoid straining relations with the private sector, whose backing will remain vital for the new administration. [REDACTED]

We believe ARENA in the near term will not take any drastic steps to alter the conduct of the war or resort to violent tactics to control the left. If frustrated by the course of the war, however, an ARENA government could seek dramatic gains against the insurgency by resurrecting death squads. [REDACTED]

[REDACTED] indicates that most ARENA officials, including D'Aubuisson, recognize the importance of US assistance--and its linkage to an acceptable human rights record. In addition, most ARENA officials probably realize that the military--which has made significant progress on the human rights front--will not

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sanction any initiatives that it believes could jeopardize US military and economic support. The armed forces, in our view, will continue to resist interference from civilians, even conservative ones, and will have a de facto veto over major changes in strategy--as well as political concessions to the guerrillas. [REDACTED]

We expect an ARENA government to reintroduce legislation--which lapsed in 1987--limiting civil liberties for suspected guerrillas. Such a move would facilitate operations by military and security services, which are increasingly frustrated by the current government's reluctance to deal aggressively with the insurgents. [REDACTED] suggest that an ARENA government is likely to crack down on guerrilla front groups, particularly the rebel-controlled university in San Salvador. Sensitive to international criticism, however, ARENA probably will try to balance these actions with attempts to initiate a dialogue with the insurgents. [REDACTED]

The emergence of an ARENA government--regardless of its security policy--is likely to encourage vigilante activity. For example, right-wing extremists may view an ARENA victory as a signal that death squad activity would be tolerated, even though ARENA would officially disavow such connection. ARENA, however, probably would be less inclined than the current government to investigate alleged political crimes by the right or to punish offenders. [REDACTED]

ARENA probably will seek a smooth working relationship with the United States, although there will almost certainly be more bilateral friction in their relationship than between Washington and the Christian Democrat administration. We believe that an ARENA government will be intent on retaining present levels of US aid and will temper its language accordingly, even though D'Aubuisson and others have in the past indulged in shrill anti-American rhetoric. Some party officials, for example, already have sounded out potential cabinet appointees with US officials in an effort to assuage concerns that ARENA will move to diminish US influence in El Salvador. [REDACTED]