

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC-3214-80/1 1 May 1980

MEMORANDUM FOR: See Distribution

FROM : National Intelligence Officer for Latin America

SUBJECT : Monthly Warning Assessment: Latin America

1. Attached is a copy of the Latin America Warning Assessment based upon our discussion of 22 April 1980.

2. The next warning meeting will be held on 20 May 1980 at 1100 hours in roon 5G00, CIA headquarters. Tentative agenda for the meeting is as follows:

-- El Salvador -- Honduras -- Nicaragua -- Cuba -- Jamaica -- Brazil

Please call by noon on 19 May to give her the name of the individual participating from your office.

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Att: (1)

Downgrade to CONFIDENTIAL when separate from attachment.



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Na	ational Intelligence Officer	rs	1 May 1980
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F	FROM : NIO/LA		
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National Intelligence Officers

NFAC-3214-80 1 May 1980

MEMORANDUM FOR: Director of Central Intelligence Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment National Intelligence Officer for Warning

FROM : National Intelligence Officer for Latin America

SUBJECT : Monthly Warning Assessment: Latin America

- 1. Action Requested: None; for your information only.
- 2. El Salvador

There are some hopeful tendencies at work:

- -- The crisis over the Archbishop's assassination has been weathered.
- -- Venezuela is quietly providing political and economic advice and support.
- -- The junta government is more aware of its "image" problems and organizational shortcomings in regard to reaching decisions.
- -- The land-to-the-tiller (tenants, sharecroppers) phase of the agrarian reform--if enacted effectively--should increase the popularity of the government.
- -- Archbishop Romero's replacement seems committed to defusing (rather than exacerbating) tensions.
- -- The extreme left does not yet appear strong or confident enough to launch a major military offensive.

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On balance, however, the prospects for the present centrist, reformist government substantially to increase its effectiveness and popularity remain small.

- -- The government is still weakened by conflicts among junta members, and Christian Democratic officials continue to resign.
- -- International opinion still is broadly critical, and the extreme left is gaining ground with center leftists outside the government.
- -- Rapidly worsening economic problems, brought on by violence and uncertainty, could prove to be the junta's achilles' heel.
- -- The rightist terror campaign continues.
- -- Extreme leftist violence in rural areas is expanding.
- 3. Honduras

The elections for the constituent assembly brought out a large vote and may prove an important first step toward effective, reformist, representative government. The country's basic problems remain very large, however. Its civilian and military leadership is untested for the road ahead. Score: some short-term gains; still vulnerable over the medium term.

4. Cuba

Castro's decision to promote a major exodus of the discontented should work to relieve some of the building political and economic discontent. But unless the economic performance improves, any domestic benefits will be shortlived. Meanwhile, the refugee issue works to compound the loss of international prestige touched off by Cuba's support of the Soviet Union on Afghanistan. His goal of improving government-to-government relations with major Latin American governments has been set back, especially with Venezuela and Peru. Mexico is a key exception. Despite their usual skill in counterpunching on the refugee issue, Castro and his regime probably have lost a bit of their selfconfidence over the past five months, as well as of their international image.

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5. <u>Brazil</u>

Things are not going well for the Figueiredo government. Foreign lenders are increasingly wary about expanding credits and investment. Satisfactory rates of economic growth and acceptable levels of political peace both will come under challenge from the declining international confidence and from domestic tensions (skyrocketing inflation, labor militancy, growing business discontent with government restrictive measures). While not discounting a Brazilian talent for self-correction, there is a growing likelihood that Brazil will be visited with much greater public disorders, and with a decline of unity and confidence within the ruling elite.

6. Argentina

The increase in trade and other ties between Argentine and the Soviet Union indicates a coincidence of short-term interests. This should be studied more carefully; and the extent to which US-Argentine policy strains contribute, taken into account. But there seems only an outside chance that Argentina will seek, or accept Soviet overtures for, a close relationship--such as in terms of military equipment or training.

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