

DCI

President's Foreign Intelligence Advisory Board

9 May 1984

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SA/DCI/IA

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MEMORANDUM FOR: DCI

You are scheduled for your bimonthly session with PFIAB next Wednesday, 9 May. Attached is a draft presentation prepared by Hal Ford's people. There are some blanks that will be filled in after next week's Central American elections.

Let me know if we can do anything else to help prepare you for this session.



P. S. I will get a back up book to you.

Date 4 May 84

FORM 5-75 **101** USE PREVIOUS EDITIONS

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8 May 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM: SA/DCI/IA

SUBJECT: Your Meeting with PFIAB, 9 May 1984

1. You are scheduled to meet with the President's Foreign Intelligence Advisory Board on Wednesday, 9 May, from 9:30 to 11:00. PFIAB has indicated, and then only informally, that it would like to hear about Central America.

2. This book includes the following materials for your use:

- DCI Briefing. The presentation, at TAB A, was prepared by Hal Ford's people; that presentation is an intelligence update and covers key items since your last appearance before PFIAB on 14 March. Among the items covered are the Central American scene and particularly the elections, the power struggle in Syria, the latest on the Iran-Iraq war and Lebanon, the Soviet offensive in Afghanistan, the recent major Soviet naval exercise, developments on the China-Vietnamese border, and the status of arms control efforts.
- At TAB B is a copy of the tentative agenda for the two-day session.
- At TAB C are talking points Bob Gates expects to use during his appearance at PFIAB.
- At TAB D is a copy of the actions accomplished by the Agency in response to PFIAB requests over the last two-month period.

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- At TAB G are talking points that summarize where the USG stands on the issue of Soviet POWs in Afghanistan.

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PFIAB Meeting

AGENDA

9 May 1984

- 0930-1100 Director of Central Intelligence*
- 1100-1200 Task Force Reports
- 1200-1415 Lunch with Secretary of the Treasury Regan
- 1415-1500 Task Force Reports
- 1500-1745 Bob Gates, DDI, brief on variety of analytical subjects *(See Tab C)*
- 1800 DDI - Unclassified talk with PFIAB spouses on intelligence

10 May 1984

- 0830-0930 Task Force Reports
- 0930-1100 Consultant Richard Helms - Variety of subjects
- 1100-1200 Task Force Reports
- 1300-1430 Larry Gershwin, NIO for Strategic Programs - "Offensive Threat" *(Larry does not have a formal written presentation)*
- 1430-1700 Executive Session

*No identified topics requested but anticipate high interest in Central America.

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SNOW'S VICE SNXU'S)

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TAGS: SREF, PREL, SHUM, PGOV, AF, PK, UR
SUBJECT: AFGHAN BITS AND PIECES

1. C - ENTIRE TEXT.
2. HA/HR OFFICER SNOW'S MARCH 27 MEETING WITH AFGHAN INFORMATION CENTER DIRECTOR PROF. B. MAJROOH PROVIDED OPPORTUNITY FOR WIDE-RANGING DISCUSSION OF AFGHAN-RELATED TOPICS (CONSUL WAS ALSO PRESENT). FOLLOWING ARE HIGHLIGHTS OF COMMENTS MADE BY MAJROOH.
3. SMUGGLING OF FOOD INTO AFGHANISTAN: ACCORDING TO MAJROOH, FOOD SUPPLIES ARE SMUGGLED INTO AFGHANISTAN FROM PAKISTAN BY BOTH PRO- AND ANTI-DRA FORCES. MUJAHIDIN TAKE FOOD TO THEIR COMPATRIOTS AND CIVILIAN SUPPORTS RENDERED, SUCH AS THE SHIA TURI TRIBE OF KURRAM AND SOME OF THE WAZIRS, ARE RUNNING A COMMERCIAL OPERATION AND SELLING TO DRA FORCES. IN PAKTIA, SAID MAJROOH, REGIME FORCES GET THE BULK OF THE FOOD, BUT IN NANGERHAR AND KANDAHAR SITUATION IS MORE BALANCED. ACCORDING TO MAJROOH, MUJAHIDIN GET THEIR FOOD FROM AFGHAN REFUGEES WHO SHARE THEIR EXCESS RATIONS WITH THEM WHILE THE CGKMERICAL OPERATORS BUY IN PAKISTANI BAZAARS (MAJROOH ACKNOWLEDGED THAT SOME OF THIS FOOD MAY ALSO BE DIVERTED FROM THE REFUGEE CAMPS). MAJROOH ALSO ADDED THAT REFUGEES OCCASIONALLY ARE ABLE TO BRING THEIR HARVESTS FROM AFGHANISTAN TO PAKISTAN TO SELL LOCALLY.
4. AFGHAN REFUGEES IN IRAN: MAJROOH SAID THAT THE SITUATION FACED BY AFGHAN REFUGEES IN IRAN IS NOT AS GOOD AS THAT IN PAKISTAN. HE ASSERTED THAT THE IRANIAN AUTHDRITIES RESTRICT THEIR MOVEMENTS AND FORCE THEM TO FIGHT IN THE IRAN-IRAQ WAR. HE CLAIMED THAT BETWEEN 300 AND 600 FAMILIES FROM

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TDR: 020622Z APR 84

WESTERN AND SOUTHWESTERN AFGHANISTAN FLED IRAN INTO BWLUCHISTAN ABOUT TWO MONTHS AGO BECAUSE THEY WERE BEING FORCED TO DONATE BLOOD. MAJROOH ALSO POINTED OUT THAT THERE ASA NO RELIEF ORGANIZATIONS ASSISTING HE REFUGEES IN IRAN.

5. REFUGEE-LOCAL RELATIONS IN PAKISTAN: MAJROOH CITED AN INCIDENT HE SAID OCCURRED LAST WEEK IN A REFUGEE CAMO NEAR KOHAT. HE SAID THAT ABOUT EIGHTY ARMED PAKISTANIS, LATER DETERMINED TO BE PPP SUPPORTERS, HAD CONFRONTED THE REFUGEES IN AN ATTEMPT TO FORCE THEM TO LEAVE THE AREA. SECURITY FORCES WERE SUMMONED FROM KOHAT AND CAPTURED THIRTY OF THE PAKISTANIS WHILE DISPERSING THE REST. NO INJURIES WERE REPORTED. IN GENERAL, HOWEVER, MAJROOH FOUND REFUGEE-LOCAL RELATIONS STILL TO BE GOOD, BUT HE EXPRESSED CONCERN THAT SOME OPPOSITION POLITICIANS WERE TRYING TO EXPLOIT THE REFUGEES AS AN ISSUE WITH THE CURRENT MILITARY REGIME.

6. SOVIET PRISONERS: MAJROOH THOUGHT THERE MAY BE ABOUT THIRTY SOVIET PRISONERS IN MUJAHIDIN HANDS. HE CLAIMED THAT THE SOVIETS SEEK TO MINIMIZE THE NUMBER OF THEIR TROOPS WHO ARE CAPTURED BY TRYING TO LOCATE THEM AND KILL THEM. HE MENTIONED THE CASE OF A DOWNED HELICOPTER, EXPLAINING THAT ANOTHER HELICOPTER HAD ATTACKED THE SITE AND KILLED THE FOUR OR FIVE SOVIET SURVIVORS.

7. AFGHAN RESISTANCE GROUPS: MAJROOH BELIEVES THAT THERE ARE SOME SHIFTS UNDERWAY IN THE RELATIVE STRENGTHS OF THE VARIOUS PESHAWAR-BASED AFGHAN RESISTANCE ORGANIZATIONS. IN HIS JUDGMENT, BOTH GUL BADEEN'S HEZB-I-ISLAMI AND MOHAMMAD NABI MOHAMMADI'S HARAKAT ARE LOSING GROUND. RABBANI'S JAMIAT-I-ISLAMI (WHICH IN HIS JUDGMENT HAS SOME OF THE BEST COMMANDERS INSIDE AFGHANISTAN) IS GAINING STRENGTH, ACCORDING TO MAJROOH, AS IS YUNUS KHALIS AND -- TO SOME EXTENT -- SYED AHMED GAILANI. MODERATE ALLIANCE CHAIRMAN MOJADEDI'S FOLLOWING IS ABOUT THE SAME AS IT HAS BEEN, ADDED MAJROOH.

8. REBUILDING THE AFGHAN ARMY: MAJROOH SAID HE HAD RECENTLY RECEIVED INFORMATION INDICATING THAT THE SOVIETS AND THE KHALQI WING OF THE PEOPLE'S DEMOCRATIC PARTY OF AFGHANISTAN HAVE REACHED AN AGREEMENT TO REBUILD A COMPLETELY KHALQI AFGHAN ARMY, LEAVING THE PARCHAM WING TO RUN THE POLITICAL SIDE OF THE REGIME. MAJROOH AGREED WITH CONSUL, HOWEVER, THAT SUCH AN ARRANGEMENT (IF IN FACT TRUE) WOULD NOT SEEM TO PROMISE AN IMPROVEMENT IN REGIME UNITY.

9. KABUL MINIMIZE CONSIDERED. LORTON
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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #02397-84
18 April 1984

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

THROUGH: National Intelligence Officer for USSR-EE

25X1 FROM:
Assistant National Intelligence Officer for USSR-EE

SUBJECT: Recommended Discussion Item for Meeting with Mr. McFarlane

1. Recommendation: Despite Western protests and Soviet avowals that they do not intend to change the rules in the Berlin air corridors, the Soviets continue unilaterally to impose restrictions and the West has not yet developed a strategy -- beyond continued talking with the Soviets -- to deal with the situation. ~~I recommend that you discuss this matter with Mr. McFarlane during your regular meeting with him.~~ Suggested talking points are provided as Attachment #1.

2. Background:

- Air access to Berlin is governed by a post-war agreement that established the three corridors;
- In the early 60's the Soviets unilaterally imposed a 10,000 foot flight ceiling in the corridors. The Allies rejected the ceiling in principle but accepted it in practice.
- In the fall of 1979 the Soviets began imposing minimum altitudes (usually around 5,000 feet) over some training areas. Despite Allied apprehension over the precedent a modus vivendi was developed for the sake of flight safety and the West accepted the Soviet restrictions. A joint CIA/DIA retrospective has shown that the Soviets have indeed used the reserved air space for air exercise activities.

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- On 20 February of this year the Soviets began periodically imposing minimum flight levels for the entire length of one or more corridors. The Soviets claimed that their intent was to ensure flight safety. But these reservations forced flights going into Berlin to use an undesirable landing pattern, as can be seen in the graphic that constitutes Attachment #2.
- Although objecting that the Soviets had no right to impose such reservations, the Allies have obeyed them in practice. They have continued to protest the Soviet reservations at various levels but have so far rejected the advice of US mission Berlin (given on 8 March) that "we should fly through the restricted area to demonstrate to the Soviets that we have no intention of simply acquiescing in their attempt to change the air regime."
- A retrospective study of the reservations since 20 February shows that the Soviets behaved prudently in that they initially did not fly in the air space they had reserved. Having established that the allies would not fly through the reserved air space, however, they have now begun to use that air space for air exercises.
- On 12 April Dobrynin (as well as the Soviet Ambassadors in Paris and London) was called in to be told that the "unilateral assertion of the primacy of Soviet flights cannot continue". Dobrynin averred that the Soviets had no intentions of precipitating a crisis or making a unilateral change to the air regime (see attachment #3 for the account of the Eagleburger-Dobrynin meeting).
- On 13 April State convened a meeting at which DAS Niles briefed the Dobrynin meeting and expressed the hope that the Soviets would now stop imposing reservations. I argued that that was an optimistic scenario and that we should develop a strategy to be implemented if the Soviets did not desist from imposing reservations. The rest of the meeting was inconclusive and no such strategy was developed (as can be seen in Attachment #4 - the State cable summarizing the meeting).
- On 16 and 17 April the Soviets once again imposed reservations.

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3. Current Situation: In sum, we keep protesting the reservations, the Soviets keep imposing them, and we have no plan for dealing with their tactic of sweet talk and tenacity on the issue. As you know, we are examining the possibility that the Soviet air reservations constitute but a larger pattern of activity, (bigger military exercises and the possible escalation in Afghanistan, etc.) designed to intimidate the U.S. But action on Berlin cannot await the completion of that examination. The longer the situation is allowed to develop as it has so far, the harder it will be to reestablish acceptable flight rules. I recommend that the USG rapidly develop a new approach, encompassing both a plan to fly through the air space reserved by the Soviets and a negotiating package of trade-offs intended to meet both allied and Soviet concerns.

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Attachments: As stated

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DIRECTOR OF CENTRAL INTELLIGENCE

Security Committee

SECOM-D-100

4 May 1984

MEMORANDUM FOR THE RECORD

SUBJECT: PFIAB Meeting on Unauthorized Disclosures, 3 May 1984

1. On 3 May 1984, DCI Casey met with the President's Foreign Intelligence Advisory Board. Members present were Vice Chairman Leo Cherne (presiding), Messrs. John S. Foster and Edward Bennett Williams and Dr. Albert Wheelon.

2. The DCI told the PFIAB of his mounting concern about unauthorized disclosures, using the list of 16 most serious intelligence leaks of 1984 to illustrate the gravity of the situation. He also cited the frustration of the Director of the Federal Bureau of Investigation with the apparent lack of resolve to follow leak investigations through to the identification of the perpetrators of unauthorized disclosures.

3. Mr. Williams commented that investigating leaks from the government side, which involves a large number of possible suspects, is unproductive. He suggested that it would be more effective to go to the one individual who obviously knows how the leak happened, the reporter. He pointed out that there is no legal basis for the alleged journalistic privilege to refuse to identify a source.

4. Mr. Cherne suggested that jailing a reporter for contempt tends to make a martyr of the journalist. Dr. Wheelon recalled that the New York Times had been assessed a daily fine of more than \$1000 in a case where a Times reporter had refused to identify a source. After several days, the amount of the fine was substantial and the Times reporter revealed to the court the identity of his source.

5. Mr. Foster suggested that some of the recurring proposals for combating leaks probably have merit, and should be tried, in conjunction with an effort to bring a reporter before a grand jury and require him to reveal the source of a classified disclosure.

6. There was discussion of the political risk involved in taking drastic action affecting the news media during an election year.

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7. Mr. Casey reminded the members of the collapse of NSDD-84 in the face of severe media criticism. He pointed out that the NSDD was the strongest presidential statement ever made against unauthorized disclosures, yet the Congress took action to disable it, after the media mounted a concerted attack upon it.

8. The remainder of the discussion on unauthorized disclosures centered around ways to marshal congressional support for measures to stop unauthorized disclosures, including possible legislation to make it illegal for newsmen to receive classified documents. Mr. Williams characterized such a transaction as the receipt of stolen property.



Chairman, DCI Security Committee

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Prepared by: SECOM  /mm/4May84


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ARTICLE APPEARED
ON PAGE A-1WASHINGTON POST
4 April 1984

U.S. Seen Assisting Duarte In Sunday's Salvadoran Vote

By Robert J. McCartney
Washington Post Foreign Service

SAN SALVADOR, May 3—As official campaigning ends for Sunday's presidential election, there are strong indications that U.S. government funds and diplomatic pressure have been used to improve the prospects of Christian Democratic candidate Jose Napoleon Duarte.

A significant increase in the past month in official U.S. involvement in organizing the voting has led Duarte's right-wing opponents in the Nationalist Republican Alliance, known by its Spanish abbreviation Arena, to charge that Washington is trying to engineer a fraud. There is virtually no evidence to support this accusation, but it appears likely to play a major role in rightist efforts after the election to discredit the vote, if Duarte wins as expected.

The United States has officially proclaimed its neutrality in Sunday's voting, but Duarte, considered a moderate, is clearly Washington's favorite, and evidence shows he has benefited from U.S. government involvement in the following ways:

- He has received critical campaign support from the nation's largest labor union, the Salvadoran Communal Union, which receives the majority of its operating funds from the U.S. Agency for International Development. Two-thirds of the peasant union's 600 grass-roots organizers have worked full-time in the past month going door-to-door to encourage peasants to vote for Duarte, the union's secretary general Samuel Maldonado said today. He said the organizers had been "lent" to the party and acknowledged that such union support violated a law prohibiting labor groups from participating directly in politics.

- Maldonado added that his union receives 75 percent of its operating budget from the American Institute for Free Labor Development, or AIFLD. An AIFLD spokesman in

Washington said that "virtually all" of its funds for El Salvador's farm-labor programs are provided by the U.S. government under a contract that AIFLD has with AID.

- The CIA covertly has supplied funds to a publicity agency, the Venezuelan Institute for Popular Education, that has done campaign work for Duarte free of charge, according to a knowledgeable source who has proved to be reliable in the past. The agency, known by its Spanish abbreviation IVEPO, has produced television and radio commercials for Duarte and has made available to him the results of its opinion polls, IVEPO officials said.

- The source said the CIA was "laundering" the money by giving it to a West German Christian Democratic foundation that then provided it to IVEPO. The Konrad Adenauer Foundation has close relations with IVEPO's principal fund-raiser, but the foundation denied giving money to IVEPO.

- IVEPO's director here, Jose Miguel Fritis, denied that any of IVEPO's funds came from the CIA

- or the U.S. government, saying, "The source is mistaken." He has said previously that foundations and individuals in West Germany, Belgium, Holland and Venezuela provide funds for the agency, but he and other IVEPO officials said their backers did not wish to be identified.

- Finally, the U.S. government since November has twice denied visas to Arena candidate Roberto D'Aubuisson in actions that Salvadoran politicians have described as a significant blow to D'Aubuisson's presidential hopes. Duarte's Christian Democratic Party repeatedly has referred to the visa denials in its advertisements, and the first visa denial in November even led to an effort in February by some of the

nation's wealthiest businessmen to try to replace D'Aubuisson as the candidate, diplomats said.

The U.S. government opposes D'Aubuisson because of persistent reports by U.S. officials and Salvadoran sources linking him to activities by right-wing death squads. The administration fears that if D'Aubuisson were president, Congress would be reluctant to approve aid to the Salvadoran government.

Arena already seems to be laying the groundwork to complain if it loses that it was the victim of U.S. interference, vote fraud or both. Party vice presidential candidate Hugo Barrera complained at a news conference yesterday about "strong U.S. influence" on the Central Elections Council, the body that is organizing the elections, and charged that the "interference" was "of a fraudulent type."

While Americans have played an expanded role at the elections council in the past month, their efforts appear to be designed primarily to help avoid the widespread disorder that marred the March 25 first-round vote.

In particular, the council is using a detailed plan, drawn up by the chief U.S. adviser to the elections council, for distributing ballot boxes and other voting materials to the nation's polling places, elections officials said. Salvadoran officials drew up the distribution plan for the first round, but because of major foul-ups the voting materials either were late or never arrived at hundreds of polling places.

The U.S. adviser, John Kelley of AID, was called back to El Salvador by the embassy because of fears of new organizational difficulties and particularly because of his expertise in handling the council's U.S.-funded computers, elections officials said. He had left the country April 14 after receiving a death threat from a telephone caller who claimed

to represent a rightist death squad. Arena leader Barrera singled out Kelley for criticism, accusing him of having issued death threats against Arena representatives on the council. Barrera declined to offer proof of his charge.

The elections council also is depending heavily on free assistance from IVEPO. Jorge Rochac, the council's elections project manager, said that IVEPO was paying salaries of a total of about 300 persons who were doing clerical work and staffing phone banks and information kiosks to explain to people where to vote. IVEPO agreed in writing to provide \$65,000 worth of manpower to the elections council in preparation for the second round, elections officials said.

"I don't know who the hell finances it [IVEPO]," Rochac said. "I stay up at night sometimes and wonder who is writing the checks."

Moderate got secret CIA funds for ad campaign

By NILES LATHEM
Bureau Chief

WASHINGTON — The Reagan Administration did everything in its power — including using covert CIA funds — to make moderate Jose Napoleon Duarte president of El Salvador despite an official stance of neutrality, The Post has learned.

Administration, Congressional and diplomatic sources told The Post the U.S. used a variety of methods to help the respected Christian Democratic Party leader win the election.

Covert CIA funds



JOSE DUARTE
Reagan backing.

helped pay for radio and TV ads for Duarte's campaign, the sources said.

The administration



ROBERTO d'AUBUISSON
Death-squad links.

firmly believed Duarte was more likely to bring democratic reforms to El Salvador and buttress President Rea-

gan's claim to an increasingly restless Congress that U.S. military aid is not being wasted on a government committing human-rights abuses.

Duarte was expected to defeat rightist military leader Roberto d'Aubuisson, and the White House was prepared to launch a major campaign with the U.S. public for the new president.

Senior administration officials said a Duarte victory over d'Aubuisson, who has been linked to rightist death-squad activity, would be a significant victory both for El Salvador and for Reagan's hotly contested Central American program.

Duarte, who during his first tenure as president was instrumental in beginning several economic and social reforms, is expected to be invited soon for a state visit to Washington.

The purpose of the visit, officials say, is to generate support for Duarte's regime in Congress.

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Mexico: Growing Challenges to Current Stability

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A Report by the Mexico Task Force
of the Directorate of Intelligence

~~Secret~~

DI 84-10017X
May 1984

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**Mexico: Growing Challenges to
Current Stability****Summary**

The forces for stability continue to dominate in Mexico; expressed discontent is well below expected levels. President Miguel de la Madrid Hurtado has skillfully sold his tough austerity program to the nation, and the resulting economic hardships have been moderated by the extended family system and the regime's emphasis on limiting unemployment and providing basic foods and services at minimal cost. Although the business classes are increasingly alienated by the government's "economic solutions," other major segments of the Mexican population retain confidence in the regime's ability to turn the Mexican economy around.

The nation is governed by a regime which clearly understands the problems facing Mexico; its power is respected and feared by the general populace. The stability of the system also is buttressed by the strong support of the Mexican military and, surprisingly, by the unsettled situation in Central America which causes many Mexicans to appreciate their time-tested political structure. Despite a violent Cuban-backed insurgency in Guatemala, southern Mexico remains stable. Moreover, there are no forces on the scene to replace the present government, which was set up in 1929 as a one-party system dominated by the Institutional Revolutionary Party (PRI).

If the status quo is maintained in Central America, the Soviets and Cubans would likely continue their current low-key posture in Mexico, concentrating on penetrations and influence operations, rather than sponsoring such active measures as agitation in the slums, guerrilla warfare, and student demonstrations. The USSR and Cuba maintain a large diplomatic and intelligence presence in Mexico, which would enable them to exploit political and economic tensions if they deemed it in their interest. Further successes by Soviet/Cuban elements in Central America would undoubtedly lead the two to reconsider their tactics in Mexico.

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The regime is undertaking a number of initiatives to improve the quality of its candidates, but continued economic problems, public concern over PRI corruption, party infighting, and a potential lack of candidates acceptable to both the party and the public raise serious doubts about the PRI's ability to maintain its preeminence in Mexican politics.

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As long as incidents remain scattered, we expect the Mexican Army along with other organized portions of the Mexican Government such as trade unionists to be able to maintain firm control. However, the military could find itself seriously tested if it had to face a wide variety of simultaneous disturbances—for example, disorders stemming from a new round of price increases for basic foodstuffs or from widespread fraud in next year's nationwide elections.

If current problems prove too vexing, de la Madrid could go against his personal preferences and opt for a strident anti-American posture. By striking out against US foreign and domestic policies, which many Mexicans feel work against Mexico's interests, the President could hope to diffuse public concern over economic hardship and mend numerous fences within his own party.

Even if Mexico avoids serious political dislocations over the next 18 months, it will face a series of persistent long-run difficulties that will impose still greater strains on the system. Of major concern will be economic stagflation, rising population, and Communist movements in Central America. Meeting these challenges will call for some tough choices by the Mexican leadership—and by US leaders as well.



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THE OUTLOOK FOR MEXICO

Information available as of 25 April 1984 was
used in the preparation of this Estimate.

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KEY JUDGMENTS

The Mexican political system is under greater stress today than at any time in the last 30 years. Ultimately, of course, the preservation of Mexico's stability will rest on the skill and competence of its leaders and on the strength of its political fabric. We judge that in the end the Mexican political system is likely to remain intact.

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During the last several years, Mexicans have grown increasingly dissatisfied with the [redacted] restricted nature of their highly centralized political system. As a result, the popularity and vitality of the ruling Institutional Revolutionary Party (PRI) have sharply diminished. Moreover, political leaders have been slow to adapt the PRI to the profound changes that have occurred in Mexican society. The two branches of the party that historically have been the most important—organized blue-collar labor and the peasants—have been shrinking in size relative to other social and interest groups. Meanwhile, most of the millions of people who have come from the countryside to fill the sprawling slums around all of Mexico's major cities—slumdwellers now constitute between 20 and 25 percent of the population—may not have been effectively brought into the system. Thus the informal patron-client relationships that have helped glue the system together are in danger of breaking. Not surprisingly, opposition forces have gained strength. [redacted]

[redacted]

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When he was inaugurated President in December 1982, Miguel de la Madrid inherited a crisis more encompassing than any since the late 1930s. Under conditions of harsh austerity, high unemployment and underemployment, double- or triple-digit inflation, widespread business failures, and a crippling shortage of capital, the economy in 1983 contracted by about 6 percent. Virtually all social and economic groups have had to accept declining standards of living, scale down their expectations, and compete for benefits and opportunities in a negative-sum economic environment. De la Madrid has struggled to preserve social equilibrium and to restore public confidence in the political system. In particular, he has worked to distance himself from [redacted] [redacted] President Lopez Portillo and other senior officials of the previous government. By pursuing an anticorruption campaign that has included the imprisonment of at least one former high official and revelations of abuses by others, and by projecting an image of fairness, competence, and probity, the President so far has provided generally effective and popular leadership.

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De la Madrid's most striking success has been in engineering a turnaround in Mexico's international economic accounts. In a little over a year, austerity has brought spending in line with available resources, inflation has begun to decline, and some confidence in the government's policies has been restored. By slashing imports and public-sector expenditures, raising the real costs of most goods, and making other tough adjustments the regime has met most of the stabilization requirements of the International Monetary Fund (IMF). Interest is being paid

[REDACTED]

on the more than \$85 billion foreign debt, and by the end of 1983 the current account surplus reached about \$4 billion. With some flexibility to increase imports of badly needed capital and intermediate goods, Mexico probably will be able to stem the decline in economic activity and may perhaps recover this year.

De la Madrid's impressive performance thus far has prevented an immediate unraveling of the system, but has not been sufficient to dissipate the long-term threat to Mexico's stability. Although many variables will be involved, *the outlook through this decade and into the early 1990s will be shaped largely by the interplay of the following factors.*

The most important is probably de la Madrid himself: his outlook, psychology, skills, and leadership qualities. [REDACTED]

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The economy and labor will also be key. Economic growth almost certainly will be insufficient to create enough jobs for the burgeoning labor force. Resources probably will not be adequate to maintain traditional programs that have subsidized working-class groups and helped to keep them quiescent. Labor has suffered under austerity, and indefinite sacrifice is not likely. Thus, the President will increasingly have to make difficult trade-offs among economic objectives that will tend to alienate some politically important sectors while helping others. In the unlikely event that economic activity were to continue declining for another four or five years, the prospects for regime-threatening instability would rise significantly.

Conservative opposition forces generally will be more assertive. These forces are concentrated in the center-right National Action Party (PAN). We believe that the rise of opposition sentiment in the northern border region reflects the spectacular economic and demographic expansion there over the last decade or so, as well as dissatisfaction with the regime's economic policies and statist philosophy and tampering with election results. These trends have been paralleled, moreover, by indications of dissidence in Mexico's poor and underdeveloped southern states where Communist, radical, and other opposition groups are organizing.



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Meanwhile, *extreme leftist groups are also active*. Leaders of the Unified Socialist Party of Mexico (PSUM), a Communist-dominated coalition, reportedly have decided to increase their recruiting and organizational efforts in the southern-tier states closest to Central America. Working through radical peasant, student, and labor groups, the PSUM could generate increased support for its causes, but it will most likely pose smaller and more containable challenges than the rightwing opposition.

Cuba and the Soviet Union maintain contact with and provide funding and other support to local leftists and revolutionaries from Central America and elsewhere, but with few exceptions they have been reluctant to support committed revolutionaries who would employ violent methods against the Mexican regime. Nonetheless, if levels of instability were to rise in Mexico, we believe it would be more likely that Cuba and the USSR would expand their subversive activities, and it would be easier for them to do so.

As long as relative stability continues, the military would be disinclined to intervene in the political process. Such intervention would violate rules that have governed their behavior since the 1940s.

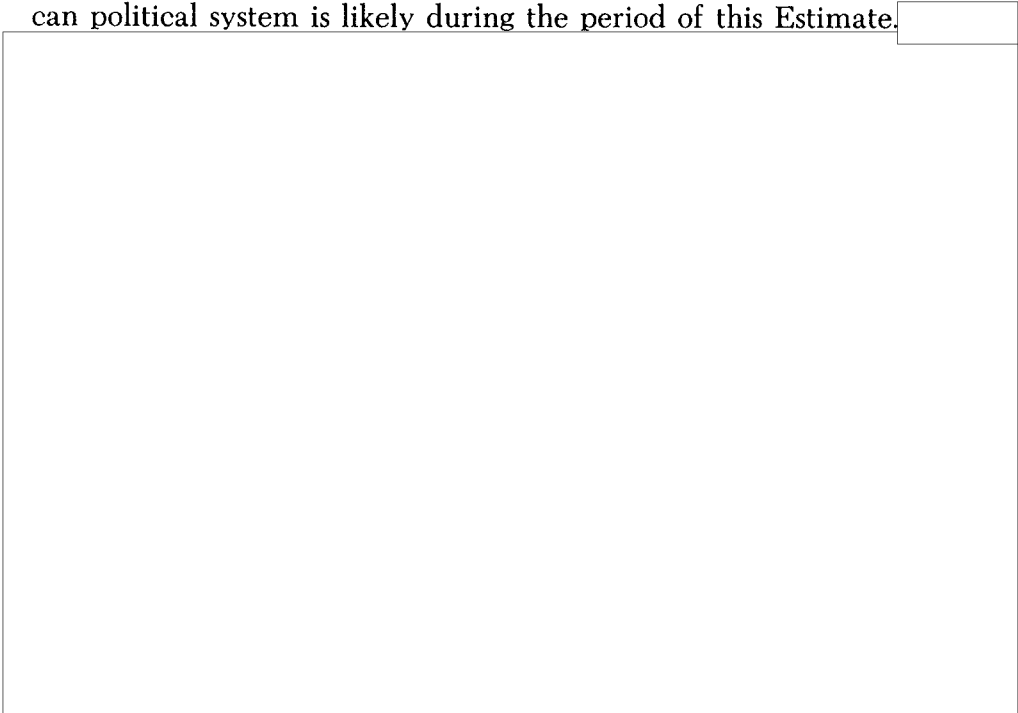


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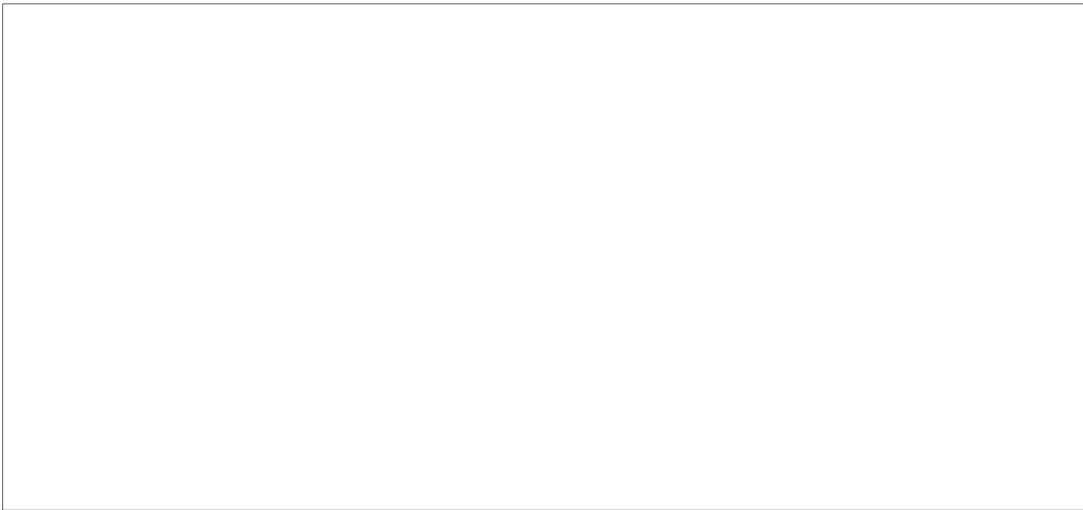
any significant increase in instability or external threat, military involvement in the policy process would rise as more areas of governmental concern took on a security dimension.

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We are reasonably certain that some transformation of the Mexican political system is likely during the period of this Estimate.



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Whatever the true course of events, US political and economic interests will be affected substantially by conditions in Mexico during the period of this Estimate. The security of the US southern border depends on the continued existence of a stable, united, and peaceful Mexican neighbor. Other core interests—such as the level of US influence on Mexican foreign policy, the flow of illegal migrants and drugs into this country, the availability of Mexican petroleum, bilateral trade and investment relationships, and Mexico's continued willingness to make payments on its foreign debt—will be affected by Mexico's success in dealing with the challenges facing it.



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Central Intelligence Agency

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U-30-84



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

17 April 1984

IMPACT OF A CUTOFF OF ASSISTANCE TO THE NICARAGUAN INSURGENTS

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Summary

A cutoff of US assistance to the anti-Sandinista insurgents in Nicaragua would be a major victory for the Sandinista regime. We believe it would strengthen the Sandinistas domestically and increase fears within the area over Nicaragua's aggressive policies. In our opinion, it would also reinforce the traditional Latin American view that the US is an unreliable partner, a perception that would have serious ramifications for US policy throughout the region.

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We estimate that a cutoff would effectively remove the military threat posed by the major insurgent group in Nicaragua within four to six weeks. The other two guerrilla organizations probably would continue their military operations at reduced levels.

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A cutoff would also have a negative impact on Honduras, where the military is currently uneasy following the recent removal of Armed Forces Commander Alvarez. The Hondurans view the

This memorandum was requested by the Director of Central Intelligence. It was prepared by the Central America Branch, ALA, with contributions from the Office of European Analysis, Office of Soviet Analysis, and the Office of African and Latin American Analysis. It was coordinated by the National Intelligence Officer for Latin America. It contains information available as of 17 April 1984. Questions and comments are welcome and should be addressed to Chief, Middle America-Caribbean Division, ALA.

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anti-Sandinistas as a buffer against Managua--in effect, their first line of defense--and any action perceived as strengthening the Sandinista regime would increase military anxiety. [redacted]

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In El Salvador, a cutoff would lead the government and Army to worry about the reliability of future US support to El Salvador. The action would boost morale of the Salvadoran guerrillas while simplifying the resupply effort of Nicaragua and Cuba. Assistance to the Salvadoran insurgents almost certainly would increase and lead to greater guerrilla activity. [redacted]

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The cutoff would also enhance the Sandinistas' bargaining position at the Contadora peace talks, thus dimming prospects of meaningful security and other guarantees. Elsewhere in the hemisphere, the reaction would vary from strong approval in Mexico to concern in Brazil regarding the ability of the US to implement a consistent foreign policy. [redacted]

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Outside of the region, most West European governments would endorse the cutoff, with Socialist elements seeing in the action some chance of weaning the Sandinistas from Moscow and Havana. The Soviets would view the cutoff as a possible sign that Washington would be less likely to use covert actions in the future to counter Marxist regimes in the Third World. The pace of Soviet military deliveries to Nicaragua probably would slow as insurgent activities waned, but they would not be discontinued. [redacted]

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* * *

MILITARY IMPLICATIONS

In the event of a cutoff of funds, we estimate the Nicaraguan Democratic Force--the largest of the three insurgent groups--would continue to pose a military threat for four to six weeks. This assumes that they would be willing to continue their operations, and that at the time of the cutoff they were fully supplied with food, clothes, ammunition, and weapons. [redacted]

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-- The FDN has not yet established an effective overland supply route, so it would be totally dependent on its own airdrops after the aid ended. The lone aircraft being used for resupply is owned by the FDN but is serviced by US personnel, and we believe it would not long remain operational without that maintenance support. If the FDN

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still had supplies in Honduras at the time of a cutoff, Tegucigalpa probably would not stop the insurgents from moving them into Nicaragua.

- The FDN has little or no capability of its own to obtain new supplies from other sources, so any resupply would be limited to whatever stocks remained on hand at the time of cutoff.

ARDE, on the other hand, probably can hold out much longer in sparsely populated southern and eastern Nicaragua. It has large caches of arms, ammunition, and supplies inside the country, engages in few pitched battles, and has an unknown amount of support from other sources. [redacted]

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- We know ARDE has contacts who can tap the international arms/ammunition markets, but it would have difficulty getting materiel into Nicaragua on its own.

ARDE leader Pastora, a hero of the Sandinista revolution, has publicly distanced himself from the US government. Because of this, he might gain in legitimacy as a result of a cutoff and might pick up additional manpower and other support from former FDN cadre. [redacted]

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The two Miskito Indian guerrilla groups that operate in indigenous territory in eastern Nicaragua probably could hold out indefinitely. Neither group would be likely to give up the fight completely. Without resupply of some type, however, their level of activity would be severely curtailed. The Misura group does have overland supply routes in the north, but it is dependent on the FDN for supplies. In the south, the other Miskito group, the Misurasata, depends on ARDE for supplies. ARDE probably would provide support at a reduced level if US assistance were cut off. [redacted]

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POLITICAL AND ECONOMIC IMPLICATIONS IN NICARAGUA

Managua's leaders would view a withdrawal of US support for the anti-Sandinista insurgents as a major political victory. The main impact of a cutoff, in our judgment, would be to remove what the regime sees as a major obstacle to its consolidation of control. No longer forced to channel its resources against the insurgents, Managua presumably would increase assistance to the Salvadoran guerrillas. [redacted]

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Economically, the result of a cutoff of support to the insurgents would be a modest plus for the Sandinistas. The Nicaraguan Army has taken first priority on food and clothing supplies, and some of these items could be redistributed to the public, thereby easing popular unhappiness over rationing. This psychological benefit probably would dissipate fairly soon, however, because the FSLN could no longer shift the blame for the country's poor economic performance onto the insurgents. Although some demobilized troops could return to jobs in producing sectors and a few delayed development projects might resume, we believe the overall economic gain would be small. [redacted] 25X1

HEMISPHERIC REACTION

Central America

We believe the reaction would be uniformly negative throughout Central America. Over the last two years, the general perception of most governments has been one of a growing US commitment to Central America--a view that was reinforced by the US action in Grenada last year. Nevertheless, many leaders have remained uneasy about the depth and duration of that commitment. They have seen some issues--such as the semiannual certification of human rights progress in El Salvador--as foreshadowing a lack of US resolve. Their anxiety has been increased by an inability to understand the political give and take in Washington. A cutoff of US assistance to the anti-Sandinistas would deepen these anxieties and reinforce traditional views about US untrustworthiness. [redacted] 25X1

Honduras

A cutoff of aid to the anti-Sandinistas would have grave military, political, and, above all, psychological implications for Tegucigalpa. It would come at a time of uneasiness within the military establishment caused by the recent removal of Armed Forces Commander Alvarez. The Suazo administration's strong identification with US policy in the region leaves it vulnerable to domestic political attacks and Nicaraguan aggression. Many Hondurans view the anti-Sandinistas as a buffer force, the first line of defense between the more powerful Sandinista military and their own forces. Should the anti-Sandinistas disintegrate, the Honduran perception of betrayal by the US would be strong and long lasting. President Suazo's left-of-center opponents, who have been critical of his close alliance with the US, would intensify their attacks and press for a more benign policy toward Managua. We believe, however, that Suazo and the high command would demand large amounts of military and economic assistance;

they would also press for an increased US military presence and more frequent joint exercises with US forces. [REDACTED]

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An immediate problem for Honduras would be coping with a large number of new refugees if the insurgents in Nicaragua were forced to withdraw. There are already some 50,000 refugees from Nicaragua, El Salvador, and Guatemala on Honduran territory. The addition of some 9,000 anti-Sandinista insurgents would create a very heavy burden for the Honduran government and international organizations. In addition, we believe this influx of armed men, who have little prospect for gainful employment, would lead to lawlessness and banditry; security forces, already stretched thin to patrol Honduras' borders, would have difficulty maintaining order. [REDACTED]

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El Salvador

The Salvadoran high command would be alarmed by a cutoff of US support to the anti-Sandinista insurgents. Tactically, Salvadoran military leaders would anticipate--probably correctly--an escalation in insurgent activity, as well as increased resupply of the guerrillas from Nicaragua and Cuba. They would also be worried that a cutoff might lead to reduced cooperation on the part of the Honduran military, which over the last two years has shown some willingness to participate in blocking and other occasional operations against the guerrillas. [REDACTED]

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The psychological ramifications probably would be greater. Despite continuing US military assistance, the Salvadoran armed forces have periodically vented suspicions that the US commitment is tenuous--anxieties that in the past reportedly have resulted in hoarding of supplies and an inclination to abandon offensive actions and adopt a traditional defensive mode. These tendencies would be reinforced by a cutoff. The reduction of US credibility attendant to the cutoff might also complicate the task of US advisers in the country. [REDACTED]

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On the domestic political front, a cutoff would give greater credibility to extreme rightist political leaders who have long questioned US resolve. While this would not in and of itself alter the likelihood that the Christian Democrats will prevail in the 6 May runoff election, growing anxieties on the part of the right could lead to increased polarization and renewed tampering with the military establishment. [REDACTED]

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Guatemala

Government leaders would be likely to mute their public displeasure over suspension of the program. They probably would direct any public criticism at the US Congress, which they also blame for a failure to restore military assistance to them. In private, however, Chief of State Mejia and senior military leaders would condemn the US as an unreliable ally. Termination of the program would reinforce the Guatemalans' belief that their counterinsurgency success has been achieved largely because they do not rely on US strategy, equipment, or training, and are not subject to political constraints imposed by Washington. We judge that any improvement in bilateral relations with the Mejia government would be made more difficult and that Guatemala's reluctance to become involved in regional military cooperation--particularly anything relating to problems between Honduras and Nicaragua--would be strengthened. [redacted]

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Costa Rica

We believe a cutoff of assistance would undermine efforts by President Monge to continue his tough stance against Nicaragua, a policy that is already under fire from left-of-center elements in his own ruling party. More conservative elements, meanwhile, would intensify pressure on Monge to obtain reassurances from Washington that it would protect Costa Rica from Nicaraguan aggression. Pastora's ARDE insurgents along the Costa Rican-Nicaraguan border would feel growing pressure from the Sandinista military, and some ARDE units might have to take refuge in Costa-Rica. [redacted]

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Panama

We believe most political and military leaders would react negatively to an aid cutoff. Nevertheless, President Illueca--whose strong leftist views sometimes place him at odds with his military colleagues--probably would hail the decision. Defense Forces Commander Noriega, who has been supportive of US policy in Central America, almost certainly would question Washington's commitment to the region. [redacted]

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Mexico

Because Mexican leaders oppose any outside military intervention in Central America, they would react favorably to a cutoff in US assistance to Nicaraguan insurgents. From the Mexican perspective, such a move would serve their interests in Contadora, ease mounting concern over the chances of US military intervention in the region, and enhance President de la Madrid's

domestic and international prestige. Mexico City's deep commitment to the survival of the Sandinista regime suggests that de la Madrid is unlikely to abandon his political and diplomatic support of Managua. A cutoff of aid, however, might cause Mexico to press Managua to comply with recently stiffened terms for petroleum deliveries. [redacted]

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South America

The reaction among South American governments to a cessation of US support to anti-Sandinista insurgents would vary largely along ideological lines.

- Colombia's Betancur and Argentina's Alfonsin--both of whom have demonstrated a strong interest in Central America--would applaud such a move as likely to strengthen the prospects for a Contadora-brokered regional peace settlement.
- In Venezuela, President Lusinchi would be more equivocal. He acknowledges that US pressure has been instrumental in wringing concession from the Sandinistas and would recognize the dangers of such a cutoff to achieving a balanced settlement in the region.
- Brazil, which has less of a direct interest in Central America, would praise the cessation as consistent with its belief in non-intervention. Privately, however, the views of Brazilian officials--like those of other moderate to conservative leaders throughout South America--would be tempered somewhat by a concern that a termination of US support to the anti-Sandinistas would fuel Cuban and Nicaraguan subversive efforts. Such a move would also spawn new anxiety about the ability of the US to implement a consistent foreign policy. [redacted]

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Impact on Contadora

Over the last few months, the Contadora peace negotiations have been increasingly dominated by Nicaraguan propaganda and firm Mexican diplomatic support for Managua. In contrast, the other Central American nations are haggling and failing to come up with proposals. Significantly, the recent debate in the UN Security Council over the mining of Nicaragua's harbors was accompanied by silence from three of the Contadora nations--Panama, Venezuela, and Colombia--while Mexico, the fourth Contadora country, endorsed the Sandinista resolution. We believe Nicaragua viewed the US veto of the resolution as a

diplomatic victory which it will attempt to propagandize in an effort to depict the US as the real aggressor in Central America. A cutoff of US aid to the anti-Sandinista insurgents would hand Nicaragua a victory and strengthen the Sandinista regime. This, in turn, would increase further Managua's growing effectiveness in dealing with the Contadora group. [REDACTED]

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Cuba

Cuba, in dire need of a victory after a number of important foreign policy setbacks in Africa and this hemisphere, would view a halt to US aid for the anti-Sandinistas as a sign that the tide was changing in Havana's favor. The use of US military power in Grenada had caused Castro to adopt a much more cautious approach in his foreign meddling. We believe Castro--sensing a major opportunity created by the cessation of US funding--would urge Managua to deliver a quick death blow to the insurgents; he might offer more Cuban military personnel to help the Sandinistas. His inclination to resolve Central America's problems through negotiations--never very strong--would virtually evaporate, although he probably would continue to pay lip service to the need for peace talks to deflect criticism of Cuba's role in supporting the Salvadoran insurgents. Moreover, he would expand his propaganda effort on Central America and would point out to Third World audiences that the US is an ally of dubious loyalty. [REDACTED]

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INTERNATIONAL REACTION

USSR

The USSR would publicize an aid cutoff as a victory for international opinion and a setback for the US Administration, but it would stress a theme that the US will continue to seek ways of thwarting national liberation movements. [REDACTED]

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The Soviets would be pleased with a cutoff because it might reduce the possibility of a confrontation with the US in an area distant from Soviet power. At the same time, it might reduce pressure on Moscow to be seen publicly as doing something to sustain a Marxist state--pressure that the Soviets have resisted so far with some apparent discomfort. It might reduce somewhat the Sandinistas' need--and the Soviets' expense--for military supplies that the USSR has been sending primarily through Cuba and Bulgaria. It also probably would make the Soviets believe that there is a lessened future danger of Washington's using covert means to try to counter Marxist regimes in the Third

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World, and thus partially offset the Soviet unhappiness over Grenada. [redacted]

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Moscow could be expected to continue military and economic aid to Nicaragua despite a cutoff. The Soviets' long-term goal is the consolidation of the Sandinista regime as an example for other potentially Marxist countries in Latin America and as a base for future Soviet and Cuban overt and covert operations. [redacted]

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The pace of Soviet military deliveries probably would slow as insurgent activities waned. Nonetheless, Moscow probably would continue some shipments--using intermediaries--in order to complete military buildup plans that presumably exist in secret agreements similar to those with the Bishop government in Grenada. [redacted]

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The Soviets would hope that a decline of insurgent activity would make Nicaragua better able to sustain itself economically, thus reducing pressure for Moscow to send economic aid. The USSR has in the past sought to avoid becoming responsible for sustaining the Nicaraguan economy in the way that it sustains Cuba, and we believe it will continue to do so. As they have with recent petroleum shipments, the Soviets will nevertheless remain ready to fill urgent needs on what they hope is only a temporary basis. [redacted]

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Western Europe

A decision to cut off US assistance to Nicaraguan insurgents would please most West European governments and might slightly improve Washington's flagging image among their publics. Socialist governments and opposition parties have maintained for some time that external pressure has impeded Nicaragua's progress toward democracy and has pushed the regime closer to the Soviet Union and Cuba. While conservative leaders acknowledge Washington's special interests in Central America and to some extent share US perceptions of the Communist threat in the region, they also are concerned that US covert action in Nicaragua hinders the Contadora peace negotiations. [redacted]

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Withdrawal of US support for the anti-Sandinista insurgents might alleviate West European worries about alleged US involvement in the mining of Nicaraguan ports and Washington's refusal to recognize the World Court's jurisdiction on Central America. It might also further weaken the West European peace movement, which increasingly has criticized US behavior in Central America to bolster its campaign against INF. [redacted]

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E. O. 12356: DECL: OADR

TAGS: HO, NU, XK

SUBJECT: PRESIDENT SUAZO ON SUBJECT OF CONTINUED
SUPPORT FOR ANTI-SANDINISTAS

1. SECRET - ENTIRE TEXT

2. SUMMARY: PRESIDENT SUAZO BELIEVES THAT CONTINUED AND INCREASED USG SUPPORT IS NEEDED FOR ANTI-SANDINISTAS. HE BELIEVES THAT FAILURE TO PROVIDE ADDITIONAL FUNDING COULD RISK "LOSING EVERYTHING" IN CENTRAL AMERICA. CUTTING OFF ANTI-SANDINISTAS NOW WOULD CONVEY IMPRESSION OF USG WEAKNESS AND LACK OF SUPPORT FOR FRIENDS IN WAKE OF LEBANON SETBACK. SUAZO SAID THAT COMMUNISTS ARE SEEKING TO DRIVE HOME HARDER THAN EVER MESSAGE THAT USG IS UNRELIABLE PARTNER. CUTTING OFF ANTI-SANDINISTAS WOULD PLAY RIGHT INTO THEIR HANDS. IT WOULD ALSO REINFORCE DOMESTIC CRITICS OF GOH WHO HAVE BEEN SAYING THAT GOH HAD NAIVELY ALLOWED ITSELF TO BE PUSHED INTO POSTURE OF SUPPORT FOR ANTI-SANDINISTAS AND WOULD SOON BE LEFT HOLDING THE BAG. END SUMMARY.

3. I CALLED ON PRESIDENT SUAZO MORNING MARCH TWELVE IN ANTICIPATION OF POSSIBLE VISIT BY MYSELF TO WASHINGTON ON CONSULTATIONS. PRESIDENCY MINISTER CARLOS FLORES

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WAS ALSO PRESENT. ONE SUBJECT WHICH CAME UP WAS THE SERIES OF RECENT REVERSES TO OUR CENTRAL AMERICA PROPOSALS SUFFERED IN THE CONGRESS, INCLUDING THE SENATE COMMITTEE ACTION ON THE REQUESTED ADDITION OF FUNDS FOR THE ANTI-SANDINISTAS. SUAZO WAS VERY DISTRESSED BY THIS LATTER ACTION. HE SAID THAT IF ADDITIONAL FUNDS ARE NOT PROVIDED AND SUPPORT IS THEREFORE CUT BACK OR CUT OFF, WE RISK "LOSING EVERYTHING". SUAZO SAID HE THOUGHT ANTI-SANDINISTAS HAD BEEN THE SINGLE MOST EFFECTIVE PRESSURE ON NICARAGUAN GOVERNMENT TO MODERATE ITS BEHAVIOR. IF GRN WEREN'T TIED DOWN FIGHTING FDN AND OTHERS, ITS HAND WOULD BE EVEN FREER TO CONDUCT MISCHIEF BEYOND ITS BORDER. CUT-OFF WOULD ALSO BE SOURCE OF "DEEP DISAPPOINTMENT AND FRUSTRATION" FOR THE NICARAGUAN PEOPLE WHO HAVE SO FEW WAYS OF EXPRESSING DISSATISFACTION WITH THEIR PLIGHT.

4. CARLOS FLORES INTERJECTED ANOTHER POINT. WHETHER WE LIKED IT OR NOT, JUST AS GRENADA HAD CAUSED A "POSITIVE WAVE" IN FAVOR OF THE UNITED STATES IN THE HEMISPHERE, OUR SETBACK IN LEBANON HAD CAUSED A VERY NEGATIVE REACTION. EVENTS IN LEBANON WERE BEING CONSTRUED AS A SIGN OF US WEAKNESS AND UNRELIABILITY. CUT-OFF OF ANTI-SANDINISTAS WOULD CONFIRM THIS IMAGE AND LET DOWN US FRIENDS. IT WOULD ALSO PLAY INTO HANDS OF CASTRO WHO CONSISTENTLY HARPS ON THEME OF US UNRELIABILITY WHEN SEEKING TO LURE OTHER COUNTRIES AWAY FROM A POSTURE OF FRIENDSHIP WITH USG. IT WOULD ALSO CONFIRM AND EXACERBATE CRITICISMS OF DOMESTIC HONDURAN CRITICS WHO ARGUE THAT GOH WAS PUSHED INTO THIS PROGRAM BY USG AND WOULD NOW BE LEFT HOLDING THE BAG. CUT-OFF WOULD PROVIDE REAL PLATFORM ("BANDERA DE LUCHA") FOR DOMESTIC OPPONENTS OF SUAZO GOVERNMENT.

5. FINALLY, RETURNING TO POINT ABOUT LEBANON, SUAZO LOOKED AT ME POINTEDLY AND SAID THAT "SYRIA IS NOW



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CAPITAL OF THE MIDDLE EAST", CLEARLY IMPLYING THAT
THROUGH LACK OF SUPPORT OF ANTI-SANDINISTA PROGRAM WE
WOULD BEGIN AN UNRAVELING PROCESS WHICH COULD WELL LEAD
TO NICARAGUA BECOMING THE CAPITAL OF CENTRAL AMERICA.
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E. O. 12356: DECL: OADR
TAGS: PREL, CS, NU
SUBJECT: PRESIDENT MONGE URGES INCREASED SUPPORT FOR
- ANTI-SANDINISTA FORCES

MOSCOW WAS JUST AS IMPORTANT. PRESIDENT AGREED. HE SAID ALFONSIN OF ARGENTINA AND HURTADO OF ECUADOR HAD BOTH TOLD HIM THEY HAD SUGGESTED TO NICARAGUANS (PRESUMABLY ORTEGA) THAT FOLLOWING IN YUGOSLAVIA'S FOOTSTEPS WOULD BRING PEACE WITH THE U. S. BOTH HAD RECEIVED EVASIVE AND AMBIGUOUS REPLIES, WITH NICARAGUANS DENYING THAT THEY WERE A SATELLITE OF HAVANA OR MOSCOW. "BUT," SAID MONGE, "OF COURSE THEY ARE." WINSOR

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FOREIGN MINISTER TO WASHINGTON TWICE TO URGE SUPPORT FOR THE ADMINISTRATION'S AID PROGRAM, WHICH HE REGARDED AS VITAL TO THE SURVIVAL OF DEMOCRACY, AND THE CHANCES FOR SPREADING ITS INFLUENCE, IN THE REGION.

3. HOWEVER, PRESIDENT EXPRESSED PARTICULAR CONCERN OVER ONE-VOTE DEFEAT IN SENATE COMMITTEE (OF WHICH HE WAS ALREADY INFORMED) OF ADDITIONAL FUNDING FOR ANTI-SANDINISTAS. HE ASKED DCM HOW THIS FUNDING WAS LABELLED IN THE PRESENTATION TO CONGRESS. DCM SAID HE THOUGHT IT WAS SIMPLY A LINE ITEM IN THE CIA BUDGET. PRESIDENT SAID IT OUGHT TO BE LABELLED "FUND TO COUNTERACT (CONTRAARRESTAR) THE ATTACKS OF NICARAGUA ON THE CENTRAL AMERICAN DEMOCRACIES." HE SAID THAT WAS IN FACT ITS PURPOSE AND FUNCTION AND WE OUGHT TO MAKE THAT CLEAR. HE SAID COSTA RICA'S POSITION ON THIS FUNDING WAS "CLEAR, WELL-DEFINED AND CATEGORIC (CLARA, DEFINIDA Y ROTUNDA)" - IT SHOULD BE CONTINUED AT WHATEVER LEVEL NECESSARY TO KEEP THE PRESSURE STRONGLY AND CONTINUOUSLY ON THE GRN. HE COULD NOT, OF COURSE, SAY THAT PUBLICLY, BECAUSE IT WOULD AMOUNT TO A DECLARATION OF WAR AGAINST NICARAGUA, AND THE PRESENT STATE OF UNEASY DETENTE WITH NICARAGUA WAS TO COSTA RICA'S ADVANTAGE. BUT NO ONE SHOULD BE UNDER ANY ILLUSION THAT THAT RELATIVE CALM WOULD LAST IF THE SANDINISTAS WERE FREED FROM THE NECESSITY TO COMBAT THE FDN AND ARDE FORCES. THE ONLY WAY, THE PRESIDENT SAID, TO MAINTAIN TRANQUILITY IN COSTA RICA IS TO KEEP THE SANDINISTAS OCCUPIED INTERNALLY. IF THEY DEFEAT THEIR DOMESTIC OPPONENTS, THEY WILL TURN THEIR ATTENTION TO UNDERMINING COSTA RICAN DEMOCRACY. "THE IDEAL SOLUTION WOULD BE TO FIND SOME WAY TO REMOVE THOSE PEOPLE FROM POWER. THERE WILL BE NO PEACE IN CENTRAL AMERICA AS LONG AS THEY CONTROL NICARAGUA. BUT THE NEXT BEST IS TO KEEP THEM

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CONSTRAINED BY KEEPING ALIVE THEIR INTERNAL OPPOSITION."

4. PRESIDENT NOTED THAT HE HAD MADE THIS POSITION CLEAR FROM BEGINNING OF EDEN PASTORA'S OPERATIONS INSIDE NICARAGUA. ONLY CONDITION HE HAD ATTACHED WAS THAT PHYSICAL RESUPPLY OF PASTORA'S FORCES NOT TAKE PLACE ON COSTA RICAN TERRITORY, TO AVOID COMPROMISING COSTA RICA. BUT ARDE WAS FREE TO USE COSTA RICA AS ITS HEADQUARTERS AND POLITICAL BASE, AND HE HOPED THEY WOULD GET ALL THE FUNDING AND SUPPLIES THEY NEED. PRESIDENT HAS TOLD THIS TO HIS FRIENDS IN AMERICAN LABOR MOVEMENT AND TO A NUMBER OF CONGRESSMEN WITH WHOM HE HAS TALKED. (PRESIDENT DID NOT MENTION NAMES, BUT EMBASSY RECALLS SENATORS DURENBERGER AND WILSON, AMONG OTHERS, AS AMONG THOSE TO WHOM MONGE HAS BEEN VERY CLEAR ABOUT THE IMPORTANCE OF THE ANTI-SANDINISTA EFFORT.)

5. DCM ASKED IF PRESIDENT THOUGHT ANTI-SANDINISTA MOVEMENT IS HELPING THE CONTADORA NEGOTIATIONS ACHIEVE A MEANINGFUL AGREEMENT. PRESIDENT SAID HE THOUGHT IT WAS. NICARAGUANS MAY HOPE TO GET THE UNITED STATES TO END SUPPORT FOR THE ANTI-SANDINISTAS IN RETURN FOR THEIR CUTTING OFF (OR PROMISING TO CUT OFF) SUPPORT FOR THE SALVADORAN GUERRILLAS. DCM SAID NICARAGUANS WERE MISTAKEN IF THEY THOUGHT THAT WAS ONLY U.S. CONCERN. REMOVING THE CUBAN AND OTHER SOVIET BLOC ADVISERS AND BREAKING THE MILITARY RELATIONSHIP WITH HAVANA AND

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Articles

Lebanon: The Failure of Rationality

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The standard explanation for the collapse of reconciliation talks and continuing violence in Lebanon is that the major confessional groups have conflicting political objectives. This explanation, although valid as far as it goes, ignores "irrational" factors that are an equally important part of the problem. Personal animosity among factional leaders, the desire for revenge, and the development of a culture of violence are playing an increasingly important role in thwarting efforts to achieve a political settlement. The rise in prominence of these factors suggests that genuine national reconciliation may be impossible in the near term and that Lebanon will remain unstable and vulnerable to foreign meddling for some time.

because Christian, Druze, and Muslim leaders could not agree on how to reform the Lebanese political system. The Druze and Muslims demanded that more of their coreligionists be appointed to key government posts and that the Prime Minister, a Muslim, be given greater power. In general, they sought to alter the distribution of political power to reflect the current demographic realities of Lebanon, in which Muslims now constitute a majority.

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Intelligence analysts tend to assume that political behavior is motivated by rational concerns. It is taken for granted that leaders make decisions on the basis of whether they advance rational objectives. Political actions are seen as calculated moves directed toward defined goals.

Christian leaders opposed major changes in the status quo. They refused to consider any weakening of the presidency, traditionally held by a Christian. They also rejected proposals at Lausanne aimed at balancing the representation of various confessional groups in the Lebanese parliament, which is dominated by Christians.

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In many cases, however, political decisionmakers behave in ways that do not further their stated goals. In the Lebanese case, factional leaders frequently seem to be working against the interests of their constituents. They often are motivated by personality quirks and hatred—factors on which analysts generally do not focus—rather than by rational calculations. These factors have effectively prevented the Lebanese from seriously addressing their rational grievances against each other.

The rational explanation for Lebanon's political dilemma postulates that factional leaders refuse to compromise because they are determined to gain the maximum political advantage for their coreligionists. Christians rationally pursued a policy aimed at preserving their political predominance in Lebanon, and Druze and Muslim leaders rationally sought to increase their share of the political pie. According to this explanation, reconciliation has proved impossible because no middle ground exists between the positions of the confessional groups.

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This explanation is valid in that it lays out the basic structural problem confronting the Lebanese political system. It does not, however, account for the petty quarrels that continually erupt between factional leaders or their inability to stop the internecine

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The Rational Explanation

According to US Embassy reporting, the reconciliation conference at Lausanne broke up

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27 April 1984

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Lebanon: a dire prognosis

G. H. Jansen Jim Muir



fighting even temporarily—problems that have become key impediments to a political settlement. The rational explanation neglects the eccentric personalities and incompatibilities of key factional leaders as well as the uniquely violent social and political milieu that has developed in Lebanon since the civil war of 1975-76.

Incompatibility at the Leadership Level

Personal animosity has become a major obstacle to reconciliation between Lebanese factional leaders. Both the Geneva and Lausanne conferences were plagued by sarcasm and vituperative exchanges between the participants, most of whom have known and disliked each other for years. Some are barely on speaking terms after having spent their lives in blood feuds and in cheating each other.

Lebanese leaders believe they have good reason to hate each other. Former President Sulayman Franjiyah, for example, is driven by hatred for the

Gemayel family because they murdered his son and daughter-in-law in 1978. As a result, his emotions prevented him from dealing rationally with Pierre Gemayel at the Geneva conference. He flatly refused to speak to Gemayel.

There is also no love lost between Pierre Gemayel and rival Christian leader Camille Shamun, whose personal enmity resulted in several years of feuding between their private militias during the late 1970s. Fighters loyal to the Gemayels eventually decimated Shamun's "Tiger" militia in 1980.

Druze leader Walid Junblatt suspects the Gemayels were behind an assassination attempt against him in 1982. Both Junblatt and Shia leader Nabih Barri

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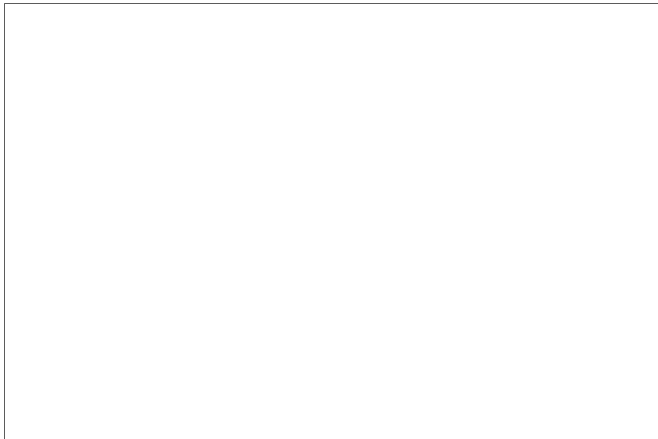
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have developed a strong personal aversion to President Gemayel, whom they blame for atrocities committed against their coreligionists by the Lebanese Army. Hostility between the President and the two militia leaders at the reconciliation talks discouraged any inclination to compromise. [redacted]

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Personal animosity also strained the working relationship between the younger militia leaders—Junblatt and Barri—and the older generation of politicians at the reconciliation conferences. Junblatt and Barri are openly contemptuous of the “old men,” such as Sulayman Franjiyah, Camille Shamun, Pierre Gemayel, and Saib Salam, who are all in their seventies and eighties. [redacted]

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A Culture of Violence

The civil war mentality that has developed in Lebanon during the past decade has become an integral part of the reconciliation problem and not merely a symptom of it. The relentless and often irrational cycle of violence has developed a momentum of its own—independent of the wishes of factional leaders—inevitably hampering attempts to settle their differences. The war psychology, moreover, has eliminated conciliatory attitudes among much of the Lebanese population. [redacted]

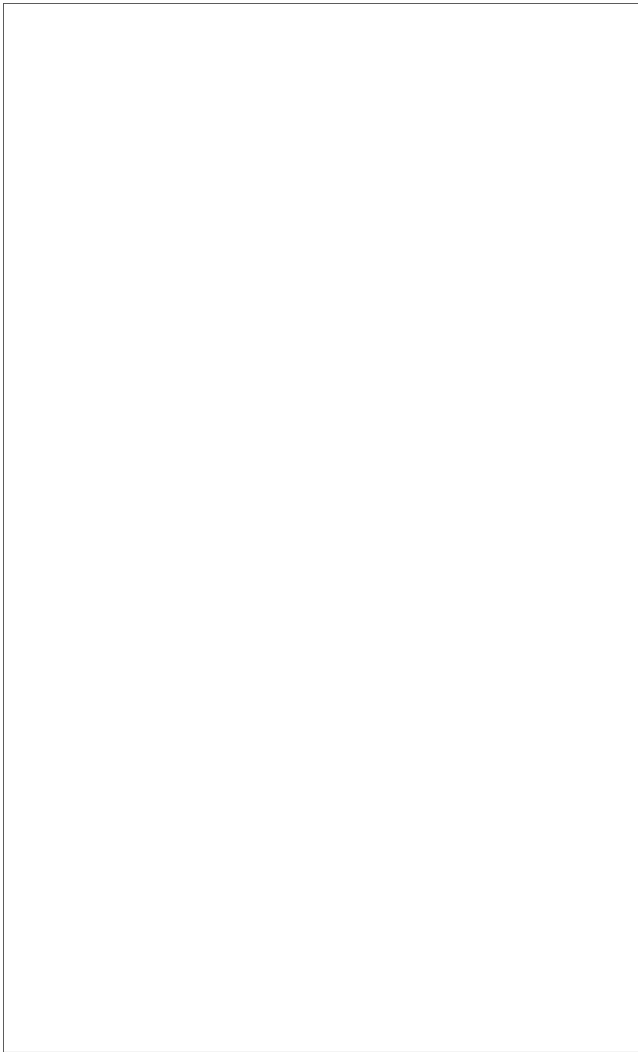
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Violence has become a way of life in Lebanon, particularly in Beirut and the heavily populated mountain areas in the center of the country. Most Lebanese have grown accustomed to settling their disputes by force of arms rather than by compromise. The desire for revenge and retaliation has become more important to many people than efforts to make peace. [redacted]

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Young street fighters and mountain militiamen have grown up believing that fighting is natural and unavoidable. They know no other way to deal with rival groups. Factional leaders declared cease-fires on numerous occasions before and after the reconciliation talks but could not stop their young supporters from participating in skirmishes. Junblatt recently admitted to the US Embassy that he was having great difficulty stopping his tank commanders from shelling Lebanese Army positions. [redacted]

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The decade of civil war has also institutionalized a psychology of distrust and fatalism among the Lebanese that impedes attempts to achieve a political settlement. Most Lebanese have grown bitter after losing close relatives and friends in the fighting. The massacres and countermassacres have deepened the suspicion of members of other confessional or regional groups and strengthened the clan mentality. Factional leaders do not believe in each other's promises.

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The endemic violence, moreover, has hardened the political outlook of most Lebanese into a fatalistic pessimism toward national reconciliation. The Lebanese have grown callous and cynical about prospects for peace, and, therefore, their leaders seem only to be going through the motions when they negotiate.

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Implications

The irrational dimensions of the problem are likely to prevent the current Lebanese leaders from reconciling their differences any time soon even if the rational grievances of each confessional group are adequately addressed. A lasting political settlement may at a minimum require new leadership.

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As long as the Lebanese remain unable to put their house in order, foreign pressure may be the only force capable of imposing even a temporary accord on the warring factions. The likelihood of continued instability ensures that Lebanon will remain vulnerable to foreign meddling for the foreseeable future.

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