

El Salvador

S E C R E T

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FM WASHINGTON 191820Z FEB 82

TO PRIORITY FCO

TELEGRAM NUMBER 546 OF 19 FEBRUARY

INFO TEGUCIGALPA, SAN JOSE, MEXICO CITY AND HAVANA

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MY TELNO 585 : EL SALVADOR

1. THE MILITARY SITUATION IN EL SALVADOR IS CAUSING INCREASING CONCERN IN WASHINGTON. SENIOR MEMBERS OF THE ADMINISTRATION ARE CONSCIOUS THAT THE SALVADOREAN GOVERNMENT FORCES CANNOT DEFEAT THE INSURGENTS WITHOUT MORE EXTENSIVE EXTERNAL MILITARY SUPPORT; AND THAT THERE IS LITTLE PROSPECT THAT THE LIMITED US TRAINING ASSISTANCE WILL TURN THE TIDE SOON (THE BATTALION BEING TRAINED AT FORT BRAGG WILL NOT BE READY FOR ANOTHER FOUR OR FIVE MONTHS).

2. FACED WITH CONGRESSIONAL OPPOSITION TO FURTHER INCREASES IN DIRECT MILITARY AID, THE ADMINISTRATION HAS BEEN SEEKING MORE INDIRECT WAYS OF HELPING TO CONTAIN THE SITUATION. MILITARY INTELLIGENCE LIAISON HAS BEEN SUBSTANTIALLY INCREASED (IN PARTICULAR A RADAR/PATROL BOAT SYSTEM HAS BEEN SET UP TO CONTAIN ARMS INFILTRATION ACROSS THE GULF OF FONSECA). SENIOR OFFICIALS, FROM THE PRESIDENT DOWN, ARE CONTINUING THEIR POLICY OF REFUSING TO DENY RUMOURS OF SUPPORT FOR THE NICARAGUAN EXILES. THE AIM IS TO KEEP THE CUBANS AND NICARAGUANS UNCERTAIN THAT THE AMERICANS HAVE RULED OUT ANY OF THE OPTIONS AVAILABLE TO THEM.

3. HAIG LAID EMPHASIS IN HIS SPEECH TO THE OAS IN ST LUCIA ON ORGANIZING REGIONAL OPPOSITION TO CUBAN SUBVERSION, AND THIS HAS BECOME A FEATURE OF US POLICY. ONE OF THE MOST SENSITIVE AREAS OF AMERICAN ACTIVITY HAS BEEN THEIR ENCOURAGEMENT OF DISCREET SUPPORT FOR DUARTE FROM OTHER LATIN AMERICANS. ENDERS MENTIONED TO ME THAT VENEZUELA WAS INVOLVED (WE HAVE SINCE LEARNED THAT THIS IS THROUGH MILITARY ASSISTANCE AS WELL AS FUNDING OF THE CHRISTIAN DEMOCRATS' ELECTION CAMPAIGN). ARGENTINA IS ALSO BELIEVED BY SOME HERE TO BE PROVIDING SOME COVERT SUPPORT AND IT IS HOPED BY THE AMERICANS THAT THE BRAZILIANS MAY ALSO JOIN THIS EFFORT, ALTHOUGH SO FAR THEY HAVE BEEN RELUCTANT TO DO SO. IN ADDITION, THE HONDURAN AND EL SALVADORAN ARMED FORCES ARE COORDINATING OPERATIONS TO CUT OFF GUERRILLA ROUTES INTO HONDURAS.

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4. THE ADMINISTRATION CONTINUES TO FACE SHARP DOMESTIC CRITICISM ON THE RISKS OF BEING SUCKED INTO CLOSER INVOLVEMENT AND PARTICULARLY THE QUESTION OF MILITARY ASSISTANCE. DOLLARS 60 MILLION HAS BEEN ALLOCATED FOR MILITARY ASSISTANCE IN FY 1983, BUT THERE IS A DISTINCT POSSIBILITY THAT MORE WILL BE NEEDED. OFFICIALS ARE PESSIMISTIC THAT CONGRESS WOULD APPROVE ADDITIONAL FUNDING, THOUGH ON HIS RETURN FROM SAN SALVADOR AND MANAGUA A REPRESENTATIVE OF SPEAKER TIP O'NEILL HAS ANNOUNCED THAT THE SITUATION OF SALVADORAN GOVERNMENT MERITS EXTRA US SUPPORT.

5. THE PRESIDENT WILL ADDRESS THE EL SALVADOR QUESTION IN A SPEECH AT THE OAS NEXT TUESDAY, WHEN HE IS DUE TO ANNOUNCE DETAILS OF THE LONG AWAITED CARIBBEAN BASIN INITIATIVE. STATE DEPARTMENT TELL US IN CONFIDENCE THAT THEY HAVE ARGUED IN FAVOUR OF ALLOCATING TO EL SALVADOR DOLLARS 100 MILLION OF THE DOLLARS 300 - 350 MILLION BEING SOUGHT FROM CONGRESS FOR THE PLAN. THEY ARE NOT SURE THAT THE PRESIDENT HAS ACCEPTED THEIR ADVICE, SINCE SOME OF HIS ADVISERS ARE ANXIOUS TO EMPHASIZE THE ECONOMIC ASPECTS OF THE INITIATIVE AND CONCERNED THAT SETTING ASIDE ALMOST A THIRD OF THE FUNDS AVAILABLE TO EL SALVADOR WOULD DETRACT FROM THIS EMPHASIS.

HENDERSON

[REPETITION TO TEGUCIGALPA REFERRED FOR DEPARTMENTAL DECISION, REPEATED AS REQUESTED TO OTHER POSTS]

[THIS TELEGRAM WAS NOT ADVANCED]

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