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TO IMMEDIATE F C O

TELNO 542 OF 7 MARCH 1983,

INFO ROUTINE MEXICO CITY, BELMOPAN, TEGUCIGALPA, HAVANA, SAN JOSE.

MY TELNO 498: US/EL SALVADOR

## SUMMARY

1. ADMINISTRATION CONCERN ABOUT EL SALVADOR HAS CONTINUED TO GROW. OPINIONS IN WASHINGTON ARE ONCE AGAIN SHARPLY DIVIDED. THE ADMINISTRATION HAVE CONTINUED TO PRESS URGENTLY FOR DOLLARS 60 MILLION EMERGENCY MILITARY AID PROGRAMME TO ENABLE THEM TO MAINTAIN BROADLY THE CURRENT LEVEL OF MILITARY ASSISTANCE. BUT THERE IS AN UNDERCURRENT OF SUPPORT OUTSIDE THE ADMINISTRATION AND EVEN, TO SOME EXTENT, WITHIN IT, FOR ENCOURAGING A DIALOGUE BETWEEN THE SALVADOREAN GOVERNMENT AND THE GUERRILLAS.

## DETAIL

2. THE ADMINISTRATION ARE TAKING AN INCREASINGLY GLOOMY VIEW ABOUT THE MILITARY SITUATION IN EL SALVADOR. SENIOR PENTAGON OFFICIALS HAVE TOLD US THAT THEY ARE WORRIED AT HOW INTERNAL DIVISIONS WITHIN THE ARMY (D'AUBUISSON VERSUS DEFENCE MINISTER GARCIA) HAVE RESULTED IN A DRAMATIC CHANGE IN STRATEGY: THE REGIME'S FORCES HAVE NOW BEEN FORCED INTO A DEFENSIVE POSTURE INVOLVING RESPONSE TO ATTACK RATHER THAN SWEEPS AGAINST GUERRILLA STRONGHOLDS. IT IS ASSUMED HERE THAT THE REBELS CAN ONLY BE DEFEATED OR HELD OFF THROUGH THE USE OF AN OFFENSIVE COUNTER-INSURGENCY CAMPAIGN, AND THERE IS GROWING CONCERN LEST THE LOSS OF INITIATIVE TO THE GUERRILLAS PRECIPITATE A SUDDEN COLLAPSE OF MILITARY AND CIVILIAN MORALE. A REPORT ON THESE PROBLEMS BY MRS KIRKPATRICK FOLLOWING HER VISIT TO EL SALVADOR LAST MONTH IS SAID TO HAVE PARTICULARLY DISTURBED MR REAGAN. WHAT MAKES MATTERS WORSE IS THAT THE ARMED FORCES ARE NOW SAID TO HAVE ONLY 30/40 DAYS' SUPPLY OF AMMUNITION. THE ADMINISTRATION ARE THEREFORE MAINTAINING PRESSURE IN CONGRESS FOR INCREASED MILITARY AID (PARAGRAPH 2 OF TUR).

3. THEY STILL FIRMLY RULE OUT ANY IDEA OF INVOLVING US PERSONNEL IN COMBAT IN EL SALVADOR, BUT THE PRESIDENT INDICATED AT THE WEEK-END THAT THE NUMBERS OF US MILITARY TRAINERS MAY BE INCREASED ABOVE 55. IT IS ALSO POSSIBLE THAT THE TRAINERS WILL BE ALLOWED CLOSER TO ACTUAL COMBAT SITUATIONS. PROVIDED THEY DO NOT TAKE PART IN ACTUAL MILITARY OPERATIONS, THESE CHANGES WILL NOT (NOT) REQUIRE FORMAL CONGRESSIONAL APPROVAL BUT THERE IS LIKELY TO BE STRONG OPPOSITION ON THE HILL.

4. THIS SITUATION HAS LED TO A HARDENING IN ADMINISTRATION RHETORIC. THE PRESIDENT HAS MADE A NUMBER OF STRONG STATEMENTS ABOUT THE NEED TO RESIST SUBVERSION IN EL SALVADOR. 'EL SALVADOR IS ON THE FRONT LINE IN A BATTLE THAT IS REALLY AIMED AT THE VERY HEART OF THE WESTERN HEMISPHERE AND EVENTUALLY AT US'. THE DOMINO THEORY HAS RESURFACED. EVEN SHULTZ HAS TESTIFIED BEFORE CONGRESS

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IN TERMS REMINISCENT OF HIS PREDECESSOR AND WAS AT ONE STAGE DRAWN INTO IMPRUDENT CRITICISM OF CHURCH LEADERS, SOME OF WHOM HE ACCUSED OF WANTING "TO SEE SOVIET INFLUENCE IN EL SALVADOR IMPROVED". THIS HAS TRIGGERED A CERTAIN AMOUNT OF CRITICISM OF HIM IN THE US PRESS WHICH HAS UNTIL NOW GIVEN HIM AN EASY RIDE.

5. THIS HEIGHTENED RHETORIC, COUPLED WITH THE BRINGING FORWARD OF ELECTIONS IN EL SALVADOR, IS DESIGNED TO PERSUADE CONGRESS TO SUPPORT THE ADMINISTRATION'S AID PROPOSAL. THE PRESIDENT IS DUE TO LOBBY CONGRESSIONAL LEADERS AGAIN TOMORROW, THE SECOND SUCH MEETING IN TEN DAYS. BUT OUR CONTACTS ON THE HILL POINT OUT THAT NOT ONLY MOST DEMOCRATS BUT A NUMBER OF REPUBLICANS HAVE EXPRESSED STRONG RESERVATIONS. THERE IS WIDESPREAD SUPPORT FOR A PROPOSAL BEING CIRCULATED IN BOTH HOUSES WHICH WOULD MAKE THE PROVISION OF FURTHER AMERICAN MILITARY AID CONTINGENT ON THE BEGINNING OF NEGOTIATIONS BETWEEN THE SALVADOREAN AUTHORITIES AND THE GUERRILLAS, WHICH THE ADMINISTRATION STRONGLY OPPOSES. AS SHULTZ PUT IT SUCCINCTLY, THE REBELS SHOULD NOT BE ALLOWED TO SHOOT THEIR WAY INTO GOVERNMENT. THEY ARE PRIVATELY CONCERNED THAT IF THE SALVADOREAN REGIME ALLOWED GUERRILLA PARTICIPATION IN A COALITION GOVERNMENT, EITHER IT WOULD BE SWEEPED AWAY BY THE RIGHT WING OR THE GUERRILLAS WOULD PROGRESSIVELY DRIVE OUT OPPOSITION AS THE SANDINISTAS DID SO SUCCESSFULLY IN NICARAGUA.

6. THE ADMINISTRATION COULD IN THEORY GET ROUND OPPOSITION IN CONGRESS BY DRAWING ON A SPECIAL CONTINGENCY FUND OUTSIDE CONGRESSIONAL CONTROL. THEY ARE UNLIKELY TO TRY THIS BUT THEY MAY HAVE TO ACCEPT LESS AID THAN THEY ARE SEEKING AND A GREATER DEGREE OF CONGRESSIONAL OVERSIGHT OF ITS POLICY IN EL SALVADOR. IN THE MEANTIME THE US ATTITUDE TO REGIONAL ATTEMPTS AT MEDIATION REMAINS QUIETLY SCEPTICAL.

7. THERE HAS BEEN SOME SPECULATION THAT THE ADMINISTRATION'S TOUGHER LINE REFLECTS A DECLINE IN STATE DEPARTMENT INFLUENCE. ENDERS' BUREAU PREPARED A DISCUSSION PAPER WHICH CONTAINED THE IDEA OF DIRECT NEGOTIATION BETWEEN THE SALVADOREAN GOVERNMENT AND THE REBELS AS ONE POSSIBLE OPTION, PROVIDED THE GUERRILLAS, COMMITTED THEMSELVES TO THEMSELVES TO THE DEMOCRATIC PROCESS. SEVERAL STATE DEPARTMENT BRIEFINGS AT THE WHITE HOUSE HAVE PRESENTED A ROSIER PICTURE THAN THAT BROUGHT BACK BY MRS KIRKPATRICK LAST MONTH, BUT IT SEEMS TO HAVE BEEN THE LATTER WHICH CAUGHT THE PRESIDENT'S ATTENTION AND REIGNITED HIS PERSONAL CONCERN.

8. THERE ARE ECHOES OF VIETNAM IN ALL THIS. PEOPLE HAVE NOT FORGOTTEN THAT THE PROCESS OF US INVOLVEMENT THERE BEGAN WITH INCREASING NUMBERS OF MILITARY ADVISERS. THE PENTAGON ARE TRYING TO REDUCE THIS EFFECT BY DESCRIBING THE US PERSONNEL IN EL SALVADOR AS "MILITARY TRAINERS". BUT THIS WILL DECEIVE NO-ONE. THE STAKES HAVE BEEN SUBSTANTIALLY RAISED BY THE ADMINISTRATION'S INSISTENCE

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THAT THE FUTURE OF EL SALVADOR IS A MATTER OF US NATIONAL SECURITY. THIS ISSUE WILL BE AN IMPORTANT TEST OF THE PRESIDENT'S ABILITY TO GET WHAT HE REGARDS AS A VITAL ELEMENT OF HIS FOREIGN POLICY THROUGH THE NEW CONGRESS.

WRIGHT

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