



Soviet Union

10 DOWNING STREET

Prime Minister.

Central America.

Further to your talk with
the Casey + in preparation for
the visit to Washington, I
attach :-

(1) a general political note
by the FCO. ;

(2) an assessment of Cuban +
Soviet activities there ; +

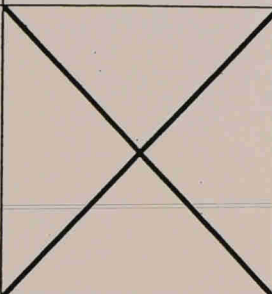
(3) a note (a year old but
still relevant) on Cuban
activities in the Third World
generally.

Prime Minister.

A further note from the FCO
is attached at frag "D".

Neil Mitchell
Duty Clerk 2012

- 2072

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3554</i> (one piece/item number)	Date and sign
Extract details: <i>Ja 01478</i> <i>Masey to Armstrong dated 20 February 1981</i> <i>with attachment</i>	
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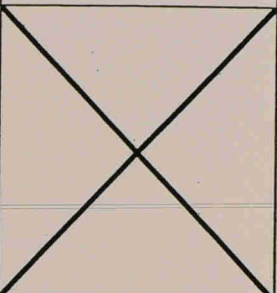
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DEPARTMENT/SERIES <i>ALM 19</i> PIECE/ITEM <i>3554</i> (one piece/item number)	Date and sign
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Foreign and Commonwealth Office

London SW1A 2AH

19 February 1981

Dear Michael,

CENTRAL AMERICA

In response to your request on the telephone I attach a short paper on the present situation in Central America for the Prime Minister's background information. As you know the Americans are exercised over possible differences of view between European capitals and Washington about the situation in the area, and the attitudes which should be adopted. They are particularly concerned about El Salvador. Mr Haig has sent Lawrence Eagleburger as his personal representative to European capitals to explain that the United States Government believe they have clear evidence of Cuban and Soviet intervention in insurgency and in the supply of arms to guerillas. The Lord Privy Seal saw Eagleburger today, and the outcome of that meeting will be reflected in briefing for the Prime Minister's visit to Washington.

Yours sincerely,
Alan Wood

A K C Wood

M O'D B Alexander Esq
10 Downing Street

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CENTRAL AMERICA

GENERAL POLITICAL BACKGROUND

1. Since the overthrow of President Somoza in July 1979 the left wing Sandinista regime in Nicaragua has become steadily more restrictive. The chances of a "pluralist" government have receded with the walk-out last November of the private sector from the Council of State, restrictions imposed by the Government on political reporting in the press, and the postponement of elections until 1985. Nicaragua is moving steadily closer to Cuba and the Soviet Union: there are probably more than 4,000 Cuban advisers in the country, possibly including 500 military. Nicaragua is however still dependent to a large extent on Western aid and is thus still open in some degree to Western influence.
2. El Salvador is currently most at risk. Government control of the situation there rests with the security forces and is still fragile. Right wing paramilitary forces have an almost free hand. The left wing guerillas (FMLN) have shown by their January offensive that they present a serious threat. This offensive seems now to have failed; the US has resumed military support for the Salvadorean Government. If the Salvadorean Government were to fall, left wing guerillas in Guatemala, who already pose a serious threat to the security situation there, would take heart, and it is unlikely that the present military regime in Guatemala could successfully defeat their challenge.
3. In Guatemala, the Government and military are increasingly preoccupied with internal insurgency. Guerillas have inflicted some local reverses on military units, and there has been the familiar pattern of indiscriminate retaliation by the soldiery, and assassination of selected individuals by extreme right wing paramilitary groups.
4. Of the other countries in the region Honduras is at a delicate stage in the return to democratic government. Costa Rica remains

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a reasonably stable democracy though economic problems have multiplied during the past year. Panama retains quite good relations with Cuba; there are as yet no signs that left wing insurgency is imminent in those countries.

EVIDENCE OF EXTERNAL SUPPORT FOR GUERILLAS

5. The Americans claim to have good evidence that the Salvadorean FMLN are receiving weapons and military training through Nicaragua from Cuba and from Eastern Europe. We have no direct evidence of our own to support this, but we believe it is likely to be true. The militant FMLN are generally sympathetic to the Cuban regime and the Cubans would no doubt be happy to see their influence in Nicaragua extended by the emergence of a sympathetic regime in El Salvador. The Americans also claim to have evidence of Cuban support for the left wing in Guatemala.

US POLICY

6. The policy of the Carter Administration was dominated by human rights considerations and a desire to encourage moderate politicians to enter into the governing process, notably in Nicaragua and El Salvador. The policy failed in its objective in Nicaragua. President Carter's resumption of military aid to El Salvador was a tacit admission that the policy had also failed there. The Reagan Administration seems to be taking a tougher line. They will step up support for the Salvadorean Government, probably believing that the alternative would be the emergence of an extreme left wing Cuban dominated government. They have also interrupted aid disbursements to Nicaragua on the grounds of alleged Nicaraguan support for the Salvadorean guerillas, The Americans will be hoping for understanding and support from us of their policies in an area of direct security interest to them. Secretary of State Haig has already asked the Foreign and Commonwealth Secretary for our support. Mr Eagleburger, the nominee for the position of Assistant Secretary for European Affairs, set out on 16 February to lobby in major capitals, including London, where he is due on 19 February. Haig has let it be known that the US regards this issue as a barometer of relations with the US for both the Soviet Union and the Allies.

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7. It seems likely that the provision of arms and ammunition and military advisers to the Salvadorean army will be sufficient for them to keep the internal situation under control. We should not expect the US to find it necessary to undertake more direct intervention. If US troops were to be committed to El Salvador, a Soviet invasion of Poland would be easier for Moscow to justify with a "sphere of interest" argument. A co-ordinated Western response to Soviet action would be the harder to organise.

EC ATTITUDE

8. There is much opposition in Europe, from all shades of political opinion, to the Salvadorean regime. At the United Nations General Assembly in December 1980, a resolution condemning the Salvadorean Government for human rights violations was passed by 70 to 12 with 55 abstentions; of our EC partners only France and Italy joined us in abstaining. The rest (including Greece) voted in favour. (We abstained not because we did not accept the case against the regime but because the resolution did not also condemn the extreme left). In these circumstances, there could be no question of EC aid to the Salvadorean Government. There may be some disposition on the part of other Europeans to send help to the opposition. We shall make clear our view that all EC relief for the victims of the violence should go through neutral and disinterested agencies.

9. European Governments have taken a generally more sympathetic attitude than the new US Administration towards Nicaragua. They continue to argue that the provision of aid is the best way of weaning Nicaragua away from Cuba.

BRITISH POLICY

10. We have very few interests in this area apart from the early and orderly disengagement from Belize, which is not considered in this paper. We share US concern at any spread of Cuban, and by proxy Soviet, influence. We should not favour the emergence of extreme left wing regimes in El Salvador or in any other Central American country. But there is great public and Parliamentary concern (not just on the left) at the repressive and brutal nature of the present Salvadorean Government, which

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stands in urgent need of reform. Our policy is therefore publicly to deplore the violence while avoiding one-sided condemnation of the Government or criticism of American policy. In private we shall seek to explain our concerns to the US Government and to ensure that they are aware of the international implications of over-commitment to the Salvadorean Government. We should aim to persuade both the Americans and the Europeans to show understanding of each other's position. Above all we wish to avoid damage to alliance solidarity at this early stage in the US Administration.

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20 FEB 1981