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MONTHLYC 30862DIRR 2	54557 Subject: EL SALVADOR SECTION, JANUARY 1985 CENTRAL AMERICAN 254557 ASR85-6441673 MIDB DIR-254557C0285 1 7 UPID SECRET FRP:
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	(b)(3) NatSecAct EL SALVADOR SECTION, JANUARY 1985 CENTRAL AMERICAN
MONTHLY	THE PROPERTY OF A STATE OF THE PROPERTY OF THE
	(b)(1)
1. FOLLOWING, BET	WEEN(b)(3) NatSecAct EL SALVADOR (b)(1)
	985 CENTRAL AMERICAN MONTHLY. THE (b)(3) NatSecAct
MONTHLY IS PREPARED BY	NCLUDES HPSCI AND SSCI. THE
CLASSIFICATION/CONTROLS	OF THE FOLLOWING ITEM ARE (D)(1)
, M	ay share the item with heads of (b)(3) NatSecAct
	TIONS, ON A BACKGROUND USE ONLY BASIS.
(b)(1)	MEAN TIME
(b)(1) (b)(3) NatSecAct	TEAR LINE
	(/b)(4)
	(b)(1) (b)(3) NatSecAct
	EL SALVADOR
MILITARY:	* "
TUR CALVADORAN MIL	ITARY INTENSIFIED ITS ALREADY AGGRESSIVE
	A STRONGHOLDS IN JANUARY, LAUNCHING
	MORAZAN, SAN MIGUEL, AND THE GUAZAPA
	THERN CHALATENANGO. KEY ACTIONS
	ELITE US-TRAINED BATTALIONS, SUPPORTED ORTH OF THE TOROLA RIVER AND IN THE
	CORDING TO THE US DEFENSE ATTACHE. IN
	DE IN CHALATENANGO, LED BY COLONEL ONTO GUERRILLA-CONTROLLED AREAS AND (b)(1)
THE RESERVE THE PROPERTY OF THE PARTY OF THE	(b)(3) NotCooAct
MOVEMENT AFTER THE TROOP	PENSE TEAMS TO DENY THE INSURGENTS FREE (D)(3) NAISECACT WAS (D)(1)
OF THE TWO	WAS (b)(1)
	DLO ICHANMICO IN MID-MONTH, AS THE (b)(3) NatSecAct
	SE REBEL FORCE. AIR FORCE CHIEF / (b)(1)
RESTRICTIONS AGAINST SIM	UNAWARE OF U.S. CONGRESSIONAL (b)(3) CIAAct
ಯಾಯಿದ ಪರಾಜಾ ಪರ್ಯಕ್ಷವಾಗಾಗಿ, ಪರ್ವ <b>ಿಕೆ ನಿರ್ದೇಶಿ ಕ</b> ೊಡಿದೆ. ಕ	(b)(3) NatSecAct
	REMAINS FOCUSED LARGELY ON ECONOMIC
	S SABOTAGED THE POWER FRID, CONTINUED
APPROVE ON DUE COURSE THE	ODSTRI. AND ATTEMPTED A NATIONWIDE
ATTACKS ON THE COFFEE IN	

TRANSPORTATION STOPPAGE IN JANUARY. ALTHOUGH THE REBELS	
PUBLICLY CLAIMED TO HAVE ENDED THE TRAFFIC DISRUPTION BY	
MONTH'S END, WE EXPECT RENEWED STRIKES AGAINST TRANSPORT IN	(b)(1)
CONTINUING GUERRILLA TROOP MOVEMENTS TO WESTERN EL SALVADOR	(b)(3) NatSecAct
AMID OTHER REPORTS THAT SEVERAL GUERRILLA FACTIONS WERE	
RECEIVING AND STORING AMMUNITION AND OTHER SUPPLIES FOR	
OFFENSIVE OPERATIONS.	

DESPITE THESE PLANS, THE GUERRILLAS APPARENTLY CONTINUE TO EXPERIENCE SIGNIFICANT LOGISTICAL AND OTHER PROBLEMS. FOR EXAMPLE, A DESERTER FROM THE LARGEST INSURGENT FACTION RECENTLY CLAIMED THAT ITS OPERATIONS ARE HINDERED BY FOOD AND OTHER SHORTAGES. THE DESERTER ALSO INDICATED THAT AMMUNITION SHORTAGES WERE CAUSING CADRE TO CARRY ONLY 150 ROUNDS OF AMMUNITION EACH, DOWN FROM PREVIOUS LEVELS OF 225. REBEL POLITICAL LEADER MANUEL UNGO ALSO REPORTEDLY ADMITTED GROWING INSURGENT DIFFICULTIES, INCLUDING BREAKDOWNS IN LEADERSHIP AND MORALE. HE INDICATED, MOREOVER, THAT THE SALVADORAN ARMED FORCES WERE INCREASINGLY EFFECTIVE AND COULD EXPLOIT GUERRILLA PROBLEMS, THUS PRECLUDING ANY CHANCE OF A SHORT-TERM GUERRILLA VICTORY. THESE INDICATIONS OF GUERRILLA WEAKNESS WERE REINFORCED BY INSURGENT EFFORTS THROUGH SALVADORAN CHURCH AND MEXICAN INTERMEDIARIES TO SECURE SECRET DISCUSSIONS WITH GOVERNMENT EMISSARIES. ACCORDING TO THE US EMBASSY, THE GUERRILLAS APPARENTLY HOPED THESE TALKS WOULD AVERT FURTHER EROSION OF THEIR CREDIBILITY IN WESTERN EUROPE.

INTERNATIONALLY, THE SOVIETS AGAIN REFUSED TO PROVIDE SURFACE-TO-AIR MISSILES TO THE INSURGENTS, ACCORDING TO A GUERRILLA INFORMANT. MOSCOW REPORTEDLY HAS PROHIBITED CUBA AND NICARAGUA FROM TRANSFERRING SA-7'S TO THE REBELS. THE INFORMANT ALSO SAYS ABOUT 60 COMMUNIST PARTY MILITANTS RECEIVED MILITARY TRAINING IN THE USSR BETWEEN 1981 AND 1983 AND HAVE INFILTRATED BACK THROUGH NICARAGUA.

## ECONOMIC:

THE US EMBASSY IN EL SALVADOR REPORTS THAT GUERRILLA DAMAGE TO THE INFRASTRUCTURE INCREASED IN 1984 TO MORE THAN \$21 MILLION, UP FROM \$19 MILLION IN 1983. IF INDIRECT COSTS ARE ADDED, SUCH AS LOSS OF PROPERTY OF OTHER PUBLIC AND PRIVATE SECTOR INSTITUTIONS, THE TOLL IS SAID TO CLIMB RAPIDLY.

MOREOVER, ACCORDING TO US EMBASSY ANALYSIS, BUDGET OUTLAYS IN 1984 FOR DEFENSE AND PUBLIC SECURITY--23 PERCENT OF THE TOTAL EXPENDITURES AS COMPARED WITH 14.4 PERCENT IN 1980--HAVE STRAINED THE SALVADORAN BUDGET AND SQUEEZED OUT SPENDING FOR EDUCATION, HEALTH, AND PUBLIC WORKS. DIRECT CUMULATIVE DAMAGE TO THE ECONOMY AS A RESULT OF THE INTERNAL FIGHTING SINCE 1979 IS ESTIMATED AT OVER \$1 BILLION.

## POLITICAL:

JANUARY SAW A REDUCTION OF TENSIONS BETWEEN PRESIDENT DUARTE AND THE MILITARY, AIDED, WE BELIEVE, BY A POSTPONEMENT OF THE THIRD ROUND OF PEACE TALKS WITH THE GUERRILLAS UNTIL AFTER THE MARCH ELECTIONS. AS A RESULT, THE POLITICAL PARTIES BEGAN CONCENTRATING ON THE CAMPAIGN, HIGHLIGHTED BY THE ANNOUNCEMENT OF A COALITION BETWEEN THE MODERATE RIGHTIST NATIONAL CONCILIATION PARTY AND ROBERTO D'AUBUISSON'S EXTREMIST

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NATIONALIST REPUBLICAN ALLIANCE. THE TWO PARTIES HAVE DONE LITTLE ACTIVE CAMPAIGNING THUS FAR, ACCORDING TO THE US EMBASSY, BECAUSE THE LEGALITY OF THEIR COALITION REMAINS IN DOUBT UNTIL THE SUPREME COURT RULES ON THE ELECTORAL LAW. CONSEQUENTLY, THE RIGHTIST-DOMINATED ELECTIONS COUNCIL VOTED TO MOVE THE BALLOTING FROM 17 MARCH TO 31 MARCH, THUS ALLOWING THE PARTIES AMPLE TIME TO CAMPAIGN AFTER THE COURT DECISION.

IN SPITE OF THE RECENT LEGISLATIVE COLLABORATION BETWEEN MODERATE RIGHTISTS AND EXTREMISTS IN PASSING BILLS UNDERMINING CHRISTIAN DEMOCRATIC PROGRAMS, VARIOUS REPORTING SUGGESTS THAT SOME MODERATES ARE OPPOSED TO THE COALITION AND REMAIN AMENABLE TO COUNTEROFFERS BY DUARTE. THE CHRISTIAN DEMOCRATS HAVE THE FUNDS AND MINISTERIAL POSITIONS THE CONCILIATION PARTY WANTS, BUT THEIR TRADITIONAL SHORT-SIGHTEDNESS HAS BEEN REFLECTED IN AN UNWILLINGNESS TO MAKE CONCESSIONS, THEREBY HELPING SOLIDIFY THE COALITION.

NEVERTHELESS, WE BELIEVE MOST MODERATE RIGHTISTS ARE UNCOMFORTABLE WITH D'AUBUISSON, WHOM THEY VIEW AS IRRATIONAL AND WHOSE LACK OF POLITICAL ACUMEN THEY DISDAIN. ACCORDING TO -MODERATES HAVE TOLD THE (b)(3) NatSecAct CHRISTIAN DEMOCRATIC PARTY THAT THEIR COOPERATION WITH THE EXTREME RIGHT WILL CEASE AS SOON AS THE VOTING IS OVER. THEY ALSO REPORTEDLY HAVE INDICATED THAT ANY EFFORT BY D'AUBUISSON TO USE PRESIDENT DUARTE'S ILL-CONSIDERED PARTIAL VETO OF THE ELECTORAL LAW TO PRESS FOR IMPEACHMENT WILL NULLIFY THE COALITION. (b)(1)(b)(3) NatSecAct THE MODERATES' LONGSTANDING RESERVATIONS OVER D'AUBUISSON'S RADICAL TACTICS ARE BEING ECHOED BY SOME OF HIS SAYS FORMER OWN PARTY MEMBERS. WEALTHY BACKERS OF D'AUBUISSON BELIEVE HIS IMAGE IS HAMPERING EFFORTS TO BROADEN HIS PARTY'S BASE OF SUPPORT. ALSO RECENTLY CONFIDED TO US EMBASSY OFFICIALS THAT CONTRIBUTIONS ARE DRYING UP BECAUSE OF D'AUBUISSON'S FAILURE TO (b)(3) NatSecAct INTENSIFY ORGANIZATIONAL AND FUNDRAISING EFFORTS.

THE MOST SERIOUS INDICATION OF THE INCREASING UNEASE WITH D'AUBUISSON WITH THE PARTY IS REFLECTED IN REPORTS THAT DISSIDENT PARTY MEMBERS PLAN TO FORM A MORE MODERATE PARTY AFTER THE ELECTION. SUCH REPORTING PROBABLY REFLECTS A GROWING BELIEF AMONG KEY PARTY PLAYERS THAT D'AUBUISSON'S LIABILITIES ARE RAPIDLY OUTWEIGHING HIS ASSETS AS A CHARISMATIC CAMPAIGNER.

NEVERTHELESS, THE LIKELIHOOD THAT THE CHRISTIAN DEMOCRATS WILL BE ABLE TO CAPITALIZE ON SUCH DISSENSION REMAINS QUESTIONABLE. THEIR TRADITIONAL TENDENCY TO SEE THEMSELVES AS BEING UNDER SIEGE HAS BEEN REINFORCED BY RIGHTIST COOPERATION DURING THE PAST FEW WEEKS. AS A RESULT, CHRISTIAN DEMOCRATIC LEADERS--AS EVIDENCED BY DUARTE'S RECENT PUBLIC STATEMENTS CHASTISING THE MODERATE RIGHT--APPEAR INCREASINGLY INCLINED TOWARD A STRATEGY OF CONFRONTATION.

2. THE CENTRAL AMERICAN MONTHLY HAS BEEN PRODUCED FOR SOME TIME, BUT NOT UNTIL RECENTLY HAVE WE CONSIDERED MAKING IT AVAILABLE TO APPROPRIATE STATIONS. PLEASE ADVISE WHETHER OR

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NOT YOU FIND IT USEFUL AND	WISH TO CONTINUE RECEIVING	; IT.	*	iv.
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				3) CIAAct 3) NatSecAct

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