
Central America

State Dept. builds up the guerrillas

by Gretchen Small

On Jan. 1, El Salvador's terrorist guerrilla army, called the FMLN, announced that in 1986, they will concentrate their war against economic targets, as the most efficient way to collapse civilized life in El Salvador.

Before January ended, the U.S. State Department had begun the terrorists' economic warfare for them in El Salvador, and spread it throughout the isthmus.

State Department officials threatened three nations of Central America this month, that unless austerity measures

which shut down major sections of their economy are implemented, all U.S. military and economic aid will be cut off. In each case, national leaders informed the relevant embassy officials that the economic policies demanded will hand their hungry populations over to Soviet-backed guerrillas. *In each case, officials were told that such concerns did not matter.*

The government of El Salvador had resisted these U.S. pressures for almost a year, as military and civilian forces attempted instead to encourage local businessmen and landowners to meet wage requirements of the population, to undercut the guerrillas' organizing base. In early January, the embassy leaked the austerity measures demanded. The proposals were rejected by "virtually every sector of society, from conservative businessmen to leftist unions," UPI reported. Moderate labor leaders warned that a sharp increase in the cost of living will help the terrorists rebuild their support in the unions. Anti-government marches began.

"The U.S. and the International Monetary Fund are putting the democratic process in danger," warned the head of the National Conciliation Party, Hugo Carrillo. "Implementing economic measures which will hurt the majority of the population and allow the left to make political inroads again

Shultz's 'strategy for ambiguous warfare'

The State Department's rationales were given in a speech by Secretary George Shultz, at the Low-Intensity Warfare Conference in Washington, D.C. on Jan. 15, 1986. Below is the concluding section of his speech.

... Thus, the United States needs an active strategy for dealing with ambiguous warfare. We must be better prepared intellectually and psychologically as a nation; we must be better prepared organizationally as a government. Many important steps have been taken. But more needs to be done.

First of all, our policy against ambiguous warfare must be unambiguous.

It must be clearly and unequivocally the policy of the United States to fight back—to resist challenges, to defend our interests and support those who put their own lives on the line in a common cause. We must be clear in our own minds that we cannot shrink from challenges.

For this, there must be public understanding and congressional support. That is why, again, I applaud you

for holding this conference—not only for probing deeper into the problem but for contributing to the body of public knowledge and education.

In fact, we are much farther along as a nation in this regard than we were a few short years ago. Unfortunately, much of what we learned, we learned the hard way. Public discussion and debate about the problem must continue—not to magnify our hesitations but to crystallize a national consensus.

Second, we must make the fullest use of all the non-military weapons in our arsenal. Strengthening the collaboration of governments, developing new legal tools and methods of international sanctions, working to resolve conflicts through diplomacy, taking defensive measures to reduce our vulnerability—all this we must keep doing.

Our programs of security and economic assistance to friends are essential. In this era of budgetary stringency, I want to record an urgent plea on behalf of security assistance. As the President has said, "Dollar for dollar, security assistance contributes as much to global security as our own defense budget." In El Salvador, we see how the wise provision of sufficient economic and military assistance obviates the need to consider any direct involvement of American forces. And we must extend moral or humanitarian or other kinds of support to those resisting totalitarianism or aggression. Our ideals and our interests coincide.

We must also strengthen our intelligence capabilities—not only intelligence collection and intelligence co-

is a mistake.”

Yet on Jan. 22, Salvadoran President José Napoleón Duarte capitulated, and announced some of the austerity measures the State Department demanded. Gasoline prices were increased by 50%, the currency devalued, imports from outside Central America banned, and emergency taxes imposed. Why did Duarte capitulate?

“The U.S. was behind the move, despite Duarte’s objections that it would hurt the poor majority and could lead to political chaos,” Reuters news agency reported. “All the pressure came from [U.S. Ambassador Edwin] Corr and the Agency for International Development (AID),” a senior Duarte aide told Reuters. At one point Duarte told Corr that if he implemented the measures desired by Washington, the political backlash would be so strong he could face a coup. “The adviser said that Corr replied, ‘You implement the package. I will worry about the coups.’”

A senior Salvadoran military official reported, “It was made very clear what it would mean if the government were not to do this. . . . The military knows what aid means to it.” The political backing of the population which the FMLN guerrillas have failed to win on the battlefield, is now being

given them, for free, by the U.S. State Department.

The same story is being repeated in Honduras and Panama. A Panamanian congressional delegation to Washington, D.C. was recently told that Panama has been blacklisted from any further credits from the World Bank or IMF, until the government changes the labor code to eliminate labor protection, increases fuel prices, and takes other austerity measures. The congressmen reminded U.S. officials that these were the measures which former President Nicolás Ardito Barletta had tried to impose, but that he had met with such hostility from labor and military that he had been forced to resign. Washington officials remained obdurate.

In Honduras, the United States has refused to disburse a promised \$50 million loan, until the government allows the currency to float down to black market rates, claiming the government has not met “conditionalities” of the loan. Rebuking the United States in a communiqué on Jan. 2, the Honduran government noted that these same policies, when implemented in Guatemala, Costa Rica, Mexico, and other nations of the region, did “not solve their economic problems,” but rather led to a “drop in the real income of their respective peoples, thus undermining their general welfare.”

operation with allies, but also our means for covert action. In this regard, it is imperative that we stop leaks. There is no disagreement within this administration that unauthorized disclosure of military or intelligence information is a crime. Since time immemorial, governments—including democratic governments—have conducted sensitive activities in secret, and the democracies only court disaster if they throw away this instrument through indiscipline.

One of the clichés one hears these days is that covert operations leak, so why try to do things covertly? First of all, I think we can keep things secret if we try harder. Second, other countries working with us often have good reasons not to want publicity, and unacknowledged programs afford them some protection even if there are leaks in the press. It can mean the difference between success and failure for our effort. In addition, unacknowledged programs mean a less open challenge to the other side, affording more of a chance for political solutions. Covert action is not an end in itself, but it should have a place in our foreign policy.

Finally, there is the military dimension of our strategy. Just as we turned to our men and women in uniform when new conventional and nuclear threats emerged, we are turning to you now for the new weapons, new doctrines, and new tactics that this new method of warfare requires.

I have no doubt that we have the physical resources and capability to succeed. To combat terrorism, we have created the Delta Forces; we have created the Special Operations Forces for a multitude of tasks; the Army is

forming new light divisions; the Marines are developing new capabilities; the Air Force and Army are developing new concepts and doctrines. The courage and skill of our armed forces have been proven time and again—most recently in Grenada and in the capture of the *Achille Lauro* hijackers.

But the challenge we face continues. I am confident you will know what is required to ensure coordination and effectiveness. I do know we will need the closest coordination between our military power and our political objectives—because I, as secretary of state, know full well that power and diplomacy must go together. We need to relearn how to keep our military options and preparations secret. There may be an important new role for our military in the area of covert operations.

Cap [Weinberger] and I discuss these issues and these challenges frequently, and we will be working together, in full agreement on the urgency of the problem.

Prospects

So, in conclusion, I can tell you that your topic is a prime challenge we will face at least through the remainder of this century. The future of peace and freedom may well depend on how effectively we meet it.

I have no doubt we can succeed. We have learned much in recent years—about terrorism, about Soviet-backed insurgencies, and about how to use American power prudently. Our armed forces are better equipped, both physically and psychologically. . . .

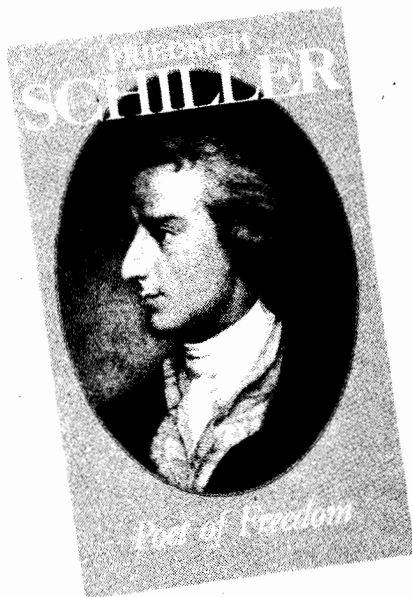
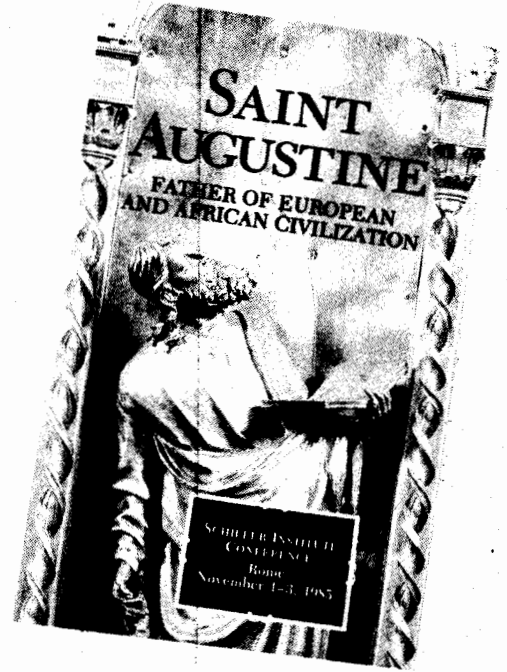
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