

Background
Not for quotation

NOTES ON EL SALVADOR

December 18, 1989

1. military situation

In June 1989, the Salvadoran military and the U.S. Embassy began to advance the following evaluation of the FMLN's military capacity:

- due to the improved relationship between the Armed Forces and the civilian population resulting from the increased professionalism of the military, the social base of the FMLN in the countryside has been increasingly eroded;
- the weakening of the FMLN's social base has led to a drastic reduction in the FMLN's military capacity;
- due to a weakening of the military capacity of the FMLN, they began to resort to "urban terrorism".

This analysis of the military balance of forces was the background to both the September meeting in Mexico and the October meeting in Costa Rica between the Salvadoran government and the FMLN. If you believe that you are in the process of eradicating your enemy, your primary objective in a negotiation process is to use that process to facilitate the demise of your opponent. From the perspective of the FMLN, the unwillingness of the Salvadoran military and government to take them seriously at the negotiating table, combined with the mounting repression against the popular movement culminating in the FENASTRAS bombing, are the primary explanation of why they chose to initiate the offensive on November 11. At the beginning of the offensive, the FMLN's bottom line was to prove wrong the thesis regarding the military balance of forces outlined above.

Events indicate that the Salvadoran military were lacking good intelligence information regarding both the strength of the FMLN and movements of FMLN combatants into urban areas. On November 10, the day before the offensive began, Colonel Ponce, head of the High Command, announced that military intelligence indicated the movement of 150 FMLN combatants into an area on the San Salvador Volcano to the north of San Salvador. In reality, it appears that several thousand combatants were present in and around San Salvador. The military seem to have fallen into the trap of believing its own propaganda about the military capacity of the FMLN.

When the FMLN began the offensive, they also had the following potential objectives in mind - provoking a division in the military and an insurrection in the cities. The FMLN offensive seriously affected the balance of power within the Salvadoran military. The magnitude of the FMLN offensive took the military by complete surprise and they were unable to counter the FMLN on the ground. In the first few days of the offensive, there was relatively little house to house fighting. General Bustillo, the hard line head of the Salvadoran Air Force, was clearly calling the shots right from the beginning as the air force took to the sky and began heavy aerial attacks against all areas of the city from which the FMLN appeared to be operating. It appears that for the first 3 or 4 days it was Bustillo rather than the High Command who was making the decisions. Bustillo who had been increasingly marginalized within the Armed Forces, has regained a considerable amount of power at the expense of the "tandona" (the military graduating class of 1966 that occupies most of the strategic positions within the military). This loss of relative power within the military institution creates a situation where the tandona is more dependent on the United States for its survival, thereby further reducing its ability to act autonomously. To date, there is no clear evidence of a division within the Armed Forces that might open up possibilities of real negotiations between the FMLN and a sector of the military.

December 1, General Maxwell Thurman, head of the U.S. Southern Command in Panama, made a lightning visit to El Salvador for conversations with Colonel Ponce, head of the Salvadoran High Command. It is reported that Thurman had two main items on his agenda - the need for the Salvadoran military to get back on the offensive and the U.S. position that General Bustillo would have to go. Although Bustillo's "total war" approach helped prevent the collapse of the Salvadoran military during the first week, it is clearly not acceptable internationally. In addition, U.S. counterinsurgency experts would argue that reliance on a strictly military approach will not allow you to win the war. Bustillo now has a lot of support within the military among those who recognize the importance of his role, particularly in the early days of the offensive. Bustillo has not given up on the idea of being Minister of Defence, a position which he felt should have been his. It is expected that a new Minister of Defence will be appointed in January; Ponce and Bustillo are the two candidates whose names have been mentioned. If the U.S. once again blocks Bustillo's candidature for Minister of Defence and tries to force him out of active duty, it will likely create deep resentment within the military.

By Monday, November 13, when the FMLN had control over large sections of the city of San Salvador, they saw increasing possibilities of moving towards an insurrection. This was confirmed in a declaration given by Joaquin Villalobos over Radio

Venceremos in which he declared the areas in the cities held by the FMLN liberated zones and called for the urban population to incorporate themselves in the struggle. The air force responded by intensifying the aerial attacks against the poor urban neighbourhoods where the FMLN were operating. The terror of the aerial attacks provoked a mass exodus of civilians from these communities. By Wednesday, November 15, the FMLN appeared to conclude that an insurrection was not possible under the prevailing conditions.

During the first two weeks of the offensive, the FMLN's capacity to carry out sustained military activities in the cities of San Miguel, Usulután, Zacatecoluca and to some extent, Santa Ana, kept the government forces dispersed throughout the country facilitating the FMLN's operations in San Salvador. The fact that the military detachments in these areas were being hard pressed by the guerrillas meant that local commanders were unwilling to send the elite battalions into San Salvador. It appears that there was only one elite battalion present in San Salvador during the first week of fighting.

Without a doubt, the main advance for the FMLN has been its ability to open up and maintain an urban front which has included repeated military actions in the wealthy residential areas of Escalon, San Benito, etc. These actions have brought home the reality of the war to the Salvadoran elite, a factor which will have important political ramifications. Many wealthy Salvadorans have chosen to leave the country and there are reports that as many as 30 % of the homes in the Escalon area are vacant. The markedly different response of the military to the presence of the FMLN in rich and poor neighbourhoods did not go unnoticed by poor. No aerial attacks were carried out against the wealthy and middle class residential areas despite major FMLN military activities in those areas. The marginal communities, on the other hand, were subject to rocketing, strafing, heavy artillery, and in some cases, bombing.

In the period November 25 - December 17, the FMLN did not engage in the type of major, sustained military activities characteristic of the first two weeks of the offensive. Most observers feel that this is due to a wait and see attitude regarding possible political initiatives, particularly around the meeting of the five Central American Presidents which eventually took place in Costa Rica December 10 -12, rather than any reflection of a lack of military capacity on the part of the FMLN. Undoubtedly this time also allowed the FMLN forces to rest and resupply. While the pace of the fighting in San Salvador has slowed down, there has been combat virtually every day in at least several parts of the city. The lack of major offensive activities on the part of the FMLN has temporarily allowed the military to regain some ground in San Salvador.

The Armed Forces have been hard pressed over the last month with all of their troops in action. The concentration of government military forces in the cities has left the coffee harvest vulnerable to interruption by the FMLN. This has obliged the military to call approximately 3,000 reservists into active duty.

Looking back over the period which began with the FMLN offensive on November 11, it can be said that overall, the FMLN have gained ground militarily and the Armed Forces have lost ground. It is impossible to tell at this point, to what extent the FMLN has used up its reserve strength. The FMLN's capacity to regenerate its forces and to maintain its logistical structure will be key variables in the next period. Five weeks after the beginning of the FMLN offensive, many observers believe that there is still more to come.

2. the economy

The 6 P.M. to 6 A.M. curfew decreed November 12 has had a major impact on business and production in the country. Sales for November and December are expected to be down approximately 70% from the same period last year. At the beginning of December, the government gave in to pressure from the commercial and industrial sectors and reduced the curfew in most parts of the country to 11 PM to 5 AM. FMLN sabotage of the electrical system has put the system on the brink of breakdown. The city of San Salvador has returned to rationing of electricity; this includes not only residential areas, but the industrial sector as well. Col. Ochoa Perez, head of CEL, travelled to Honduras and Guatemala in December regarding the purchase of electricity to meet current needs. It is impossible to run an industrial plant efficiently if the machines have to be turned off for several hours a day. The government estimates that the bill for the last month in terms of damage and losses is approximately 600 million colones or US\$90 million.

The drastic fall of world coffee prices which accompanied the failure to reach agreement concerning quotas by coffee producing countries will have a major impact on the ability of El Salvador to generate badly needed hard currency. The government had hoped to offset the effect of falling prices by increasing production. The ability of the FMLN to obstruct the coffee harvest and sabotage the processing plants may render these hopes unfounded. Coffee futures have traditionally played a very important role in resolving cash flow problems at the national level. Due to the uncertainty of the situation at the moment, it appears that foreign buyers are no longer willing to advance money against the purchase of Salvadoran coffee. This creates serious financial problems not only for the coffee growers but also for the government.

The general uncertainty has led many Salvadorans to take money out of the bank to have on hand for emergencies; it has also increased the number of Salvadorans trying to get money out of the country, intensifying the liquidity crisis of the financial system, both in terms of US dollars and colones. This has created a divergence between the parallel market and the black market for dollars. Given the shortage of dollars, many Salvadorans are purchasing Guatemalan Quetzales, leading to a flow of colones out of the country, at least in the short term. The liquidity crisis has made credit very scarce, which in turn, negatively affects the entire private sector.

The current crisis increases the need for state intervention in the economy which is directly opposed to the economic programme of liberalization that the government wants to implement. It remains to be seen how the government will attempt to resolve this major contradiction.

It is useful to recall that the Cristiani Government was elected on a platform of economic reactivation. In the first five months of the Administration, a lot of effort went into creating an image of stability with an emphasis on the reality of economic reactivation in order to attract foreign assistance and investment, and to convince wealthy Salvadorans to bring their money back into the country. South Korea, Japan and Taiwan had all indicated interest but stressed political stability as a prerequisite to major investment. The European Economic Community (EEC) also indicated interest but linked the possibilities of aid to the human rights situation in El Salvador. Monies available through the Special Programme Of Cooperation for Central America (PEC) of the United Nations are closely tied to concrete advances in the regional peace process. Without a massive inflow of new investment, economic reactivation is not possible. The FMLN offensive has definitely shown that there is no economic or political stability. Although there is no hard data as of yet, it is probable that the current situation has led to a serious resumption of capital flight from the country. The economic programme of the Cristiani Administration is in tatters. Even if the war was over tomorrow, the possibilities of economic reactivation in 1990 would be extremely slim.

3. the government's battle for hearts and minds

What people believe is going on in El Salvador, both nationally and internationally, is a very important political factor. For this reason, government measures to control the media and the flow of information are critical to the war effort. Imposition of the State of Siege and its renewal for a second 30 days (this time with the support of the Christian Democrats who feared retaliation by the military if they did not support it)

was fundamental to the government from this perspective. Regarding the national media, both print and electronic, the government has largely succeeded in preventing the presentation of analyses of the situation that do not reflect its own point of view.

Since the second day of the FMLN offensive, an important objective of the government and military has been to project the image that they were in control of the situation. A key aspect of the psychological operations has been the emphasis on normality. During week one of the offensive, the entire city of San Salvador was virtually shut down. The government made an enormous effort to convince people to go back to work. After the first week, most of those who could, did go back to work, primarily because of their need to earn a living. The hand to mouth existence of much of the population makes it imperative that they work in order to feed their families on any given day.

From the beginning of the offensive, the government and military have explained the FMLN's military capacity with reference to foreign intervention, particularly Nicaraguan and Cuban support. Col. Ochoa Perez even went so far as to claim that 60% of the FMLN combatants participating in the offensive are foreigners. November 25, the Salvadoran military reported finding the wreckage of a small plane carrying arms (including Russian made Sam 7's) which they claim originated in Nicaragua. The government argues that this is evidence that Nicaragua is shipping arms to the FMLN. Given that neither the government nor the military accept that the FMLN has any real support within El Salvador, massive foreign support is the only possible explanation for the capacity shown by the FMLN during the offensive. The accusation of Nicaraguan intervention in the Salvadoran conflict has been the basis of a major diplomatic offensive on the part of the Salvadoran government in the U.N. and the Organization of American States (OAS). Missions, made up of government representatives, military and businessmen, have also been sent to the U.S., Canada, Europe, and South America in order to explain the current reality in El Salvador and gain support for the Cristiani Government.

Every day the local newspapers carry stories about the high number of FMLN casualties (dead and wounded) and deserters. The military estimate that the FMLN suffered around 3,000 casualties from November 11 - December 11. The FMLN is described as a few desperate remnants which continue to carry out terrorist acts. Most observers feel that this number is grossly inflated and that much of the FMLN fighting force remains intact. Journalists report that many of those killed during the fighting were actually FMLN militia and not regular combatants.

During the last few weeks, there has been a lot of publicity around the efforts of the government, hand in hand with the private sector, to respond to the humanitarian needs of the displaced population. During the second week of December, the emphasis shifted to reconstruction as the government announced "Plan de Regresa a Casa".

4. socio-political situation

Salvadoran society has become increasingly polarized. It appears that the ranks FMLN were substantially increased during this last period. At the same time, the ultra-right of Salvadoran society has become more active and its language more strident. "Patria Si, Comunismo No" has become a recurring theme. ARENA is making efforts to consolidate and mobilize a social base. A recent march in Chalatenango and the "Pilgrimage for Peace" called for December 20 are two recent examples. One of the dangers of the current context is the consolidation of a social base dominated by an ultra-right ideology. The existence of essentially fascist tendencies within certain sectors of Salvadoran society is not a new phenomenon. The infamous paramilitary organization ORDEN which was active in the seventies and early eighties was a manifestation of these same tendencies. These elements within the ARENA party and the military have clearly gained a substantial amount of ground in the period beginning November 11. The government has mounted a significant media campaign calling for national unity against the terrorists.

ARENA and the military cannot gain control over the situation if independent social forces (unions, popular organization, universities, opposition political parties, humanitarian organizations, etc.) remain organized and vocal. For this reason, the closing of the political space in El Salvador must be seen as the principal objective of the repression and not merely the consequence of it. Conditions in El Salvador today do not allow for the indiscriminate generalized repression of the early 1980's. A major difference is clearly the military capacity of the FMLN. The assassination of the Jesuits on November 16, carried out in the style of the death squads of the early 1980's, was likely intended to be the beginning of a wave of terror. The immediate and forceful condemnation of the assassinations, both from within Salvadoran society and internationally, were a clear indication to the forces responsible for the assassinations that a massive campaign of generalized and indiscriminate repression would have a very high political cost.

The attacks against unions, popular organizations and independent humanitarian organizations are an attempt to close the space for open public work. Many organizations have suffered searches and their offices have been sacked, files, office

equipment and furniture stolen, personnel detained, etc. making it impossible to function as they did in the past. The State of Siege makes both private and public meetings illegal unless there is permission from the military. Despite the disarticulation of much of civil society, the majority of these groups have not been destroyed. It will take some time until it is possible to establish new infrastructure, but they are finding new ways to operate, albeit very cautiously and on a smaller scale.

The Permanent Committee for the National Debate (CPDN) reflects the desire of large sectors of the population for a cease-fire and negotiated political solution. For the first three weeks after November 11, the CPDN was effectively muzzled. It was impossible to mobilize people without access to means of communication. Beginning in early December, the CPDN, opposition political parties and some popular organizations succeeded in publishing paid advertisements in local newspapers. Most of these advertisements have been published in the worker owned newspaper Diario Latino. It has proven very difficult to get the three major papers to accept paid advertisements of this type. Although the content of these advertisements has been relatively mild by comparison with previous publications, they are important in communicating that these organizations have not been destroyed and in testing the waters.

What follows are several indicators regarding the question of political space and space for independent humanitarian work in El Salvador:

- * At the beginning of December, the entire United Nations system was evacuated from El Salvador due to harassment, threats to their staff, and violations of the neutrality of their offices by the Salvadoran military and security forces. The military had arrived at the building occupied by the United Nations demanding access in order to mount a military operation from the building. When the representative of the United Nations refused, the military insisted. With members of the personnel as witnesses, the representative handed over the keys to the building and evacuated the staff. When U.N. officials later returned to the building, they found that it had been strafed and completely sacked. Despite apologies from the government, the U.N. has refused to return until they can obtain formal guarantees regarding their ability to work in the country.

- * As a "social service", the National Guard has opened an "Oficina de Denuncias" inviting the population to begin legal actions against the FMLN for damages suffered during the offensive.

- * On December 4, the military mounted an attack against DIACONIA (an ecumenical coordination for humanitarian work) in both newspapers and radio, naming individuals and accusing them of being militants of organizations that belong to the FMLN and claiming that Diaconia is a bank for the FMLN.
- * The FBI claims that the eye witness to the assassination of the Jesuits has changed her story several times and that in fact she saw nothing. Colonel Montano accuses Maria Julia Hernandez of Tutela Legal of pressuring the witness to make declarations that were not true. In a speech to the nation on December 9, President Cristiani announced that there was a \$250,000 reward for people who were unwillingly or unwittingly involved in the assassination of the Jesuits and who would come forward with information on the case. In his homily on December 10, Archbishop Rivera Damas accused the Attorney General and the military of obstructing the case, and the FBI of brainwashing the only eyewitness to the assassinations. The Attorney General accused the "bishop" of blocking the investigation when the church refused to allow the appointment of a Jesuit as the Prosecutor.
- * On December 10, local newspapers carried reports of the formation of vigilante groups in the upper and middle class neighbourhoods of Escalon, San Benito, San Francisco, Maquilishuat, Flor Blanca and Miramonte.
- * The reforms to the Penal Code and Judicial process have not yet been passed. Conscious of international opinion on this matter, President Cristiani sent them back to the National Assembly on December 12 with proposals for modifications that would remove some of the worst extremes from the law. Basing his comments on the Constitution, President Cristiani pointed out that such things as possession of videos, photos or pamphlets was not a crime, neither was the expression of opinions nor the teaching of doctrines. The reforms have not yet been made law.
- * In the first two weeks of the offensive, approximately thirty foreign church workers were either deported or forced to leave the country due to threats. During the first week of December, numerous articles and editorials appeared in local papers with reference to the present of undesirable foreigners who under the guise of humanitarian work were in directly involved with the FMLN. Calls were made for increased immigration controls on the entry of foreigners into the country. These events are helping to create a certain climate of xenophobia.

- * According to local newspapers, over the week-end of December 9, President Cristiani received a letter from U.S. Secretary of State James Baker expressing deep concern about the treatment of church workers, both national and international, involved in humanitarian work. On December 11, the government announced the creation of a Directorate of Religious Affairs within the Ministry of the Interior.
- * December 14, Jennifer Casolo, a North American church worker who had been working in El Salvador for five years organizing delegation visits, and seven Salvadorans were released from prison on the basis of lack of proof regarding accusations of possession of arms destined to the FMLN. Casolo and three Salvadorans had been in detention since November 18. President Cristiani declared that he believed them to be morally guilty despite the lack of legal evidence. Jennifer Casolo left the country the same day.

5. international and regional perspective

El Salvador has become the main obstacle to the Central American peace process and the economic assistance linked to concrete advances in that process. Internationally, there have been initiatives calling for a cease-fire and negotiated political solution to the Salvadoran conflict in the United Nations and the Organization of American States, as well as a serious of other initiatives involving the Vatican, the EEC and the Group of Eight. The Salvadoran Government has been trying to counter these initiatives by calling on these same forums to denounce what they claim to be Nicaraguan intervention in El Salvador in direct violation of Esquipulas II. The Salvadoran government argues that there is symmetry between the Nicaraguan Contra and the FMLN.

Central America, with a special focus on El Salvador, was one of the most important agenda items during the meeting between Bush and Gorbachov in Malta at the beginning of December.

For the first time, El Salvador was the major item on the agenda of five Central American Presidents. The recent agreement signed by the five in San Isidro, Costa Rica on December 12, makes the following references to the Salvadoran conflict:

- it condemns the armed actions and terrorism of irregular forces;
- it gives "decided support" to President Cristiani and his government;

- it calls on the FMLN to cease hostilities immediately and renounce all violent action that directly or indirectly affects the civilian population;

- it calls on the United Nations to become more directly involved in facilitating dialogue between the FMLN and the government;

- it requests that CIAV (International Commission of Support and Verification) initiate demobilization of the FMLN and ONUCA (U.N. military observers) stop the flow of arms to the FMLN. (CIAV and ONUCA are both bodies of the United Nations which were set up as observers forces and/or verification forces for different stages of the Central American peace process.)

This is being touted as a major diplomatic and political victory for the Cristiani Administration. Going into the Costa Rica meeting, his importance on the internal political scene was seen to be at an all time low. President Cristiani's ability to bring home the goods from Costa Rica may help him shore up his own political position within the country. The agreement is obviously a blow to the FMLN, but in the end, the FMLN's newly demonstrated military capacity is a much more important political fact than the San Isidro agreement. The argument of symmetry between the Contra and the FMLN is a spurious one because it ignores the reality of the FMLN strength within the country.

6. dialogue/negotiations

On December 6, an FMLN spokesperson announced in Lima, Peru that the FMLN would lay down its arms when the government was ready to accept the proposals put forward by the FMLN in Mexico in September of this year. On December 9, Colonel Ponce, Head of the Joint Chiefs of Staff, declared that a political solution to the conflict would be positive but that the FMLN was blocking movement in this area. On December 12, while in Costa Rica as a member of the technical team accompanying Cristiani, General Larios, the Minister of Defence, rejected the idea of a Christmas truce with "terrorists". He stated that although the FMLN did not have to lay down their arms prior to a next round of dialogue, they would have to cease hostilities. On December 13, after the announcement of the San Isidro agreement, Vice-President Merino referred to the FMLN as an "avanzada" for communism.

The following perspectives must be taken into account when analyzing the prospects for negotiations:

- * international pressure: As has been pointed out above, there is mounting international pressure for a cease-fire and negotiations between the Salvadoran government and the FMLN.

- * **social forces within El Salvador:**
 - The social forces within El Salvador which favour a negotiated solution find it very difficult to be actors at the moment, due to the drastic reduction in political space.
 - On the other hand, the Arena government has full access to the mass media for its campaign to mobilize social forces in favour of national unity against the terrorists.
- * **economic forces within El Salvador:** The economy of the country is in ruins and the economic plan of the Cristiani government invalid in the current context. Out of concern for its very survival, the private sector has to deal more seriously with the issue of negotiations. If there is not an end to the conflict in the short to medium term, they have no economic future.
- * **the Salvadoran military:** The Salvadoran military are very closed to the idea of negotiations at the moment. The FMLN offensive provoked a serious institutional crisis, and resolving this crisis is their main preoccupation.
- * **the U.S. Embassy:** The position of the U.S. on the issue of negotiations is highly affected by the fact that they do not believe that the FMLN would negotiate in good faith.

It does not seem that bringing the two parties back to the negotiating table at this point would be very useful. One way to break the impasse regarding the negotiations would be the naming of a mediator who would consult with both the government and the FMLN, as well as other important actors, and would have the right to make proposals. The mediator would have to be trusted by both sides and there are very few candidates. One name that has been mentioned is that of Perez de Cuellar, Secretary General of the United Nations. In order for him to accept this role, he would need the tacit approval of all the members of the Security Council. The San Isidro agreement opens the door for more direct involvement on the part of the United Nations. The tenth point of the agreement calls on the Secretary General to involve all states with an interest in the region more directly in the search for peace. Points 4,5,6,7,8,10 and 11 make reference to U.N. involvement through CIAV, ONUCA and the United Nations Development Programme (UNDP).

7. items to follow in the short term

- * Promotions within the Salvadoran military which are traditionally announced by the end of the year. There is talk of naming a new Minister of Defence in January as part of the resolution to the institutional crisis within the military. If anyone from the tandonas will be considered for this position, they would have to be promoted to General.
- * Unless there is some major break through regarding negotiations, the FMLN is expected to keep up the military pressure.
- * The U.S. Congress resumes in late January. El Salvador is likely to be a major issue. Unless there is major progress in the situation, there are likely to be bills presented attempting to limit U.S. military aid to El Salvador.