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## **A WINNING U.S. POLICY IS NEEDED IN EL SALVADOR**

### **INTRODUCTION**

**F**resh assaults by Communist guerrillas again imperil El Salvador's teetering democratic government. More than \$2.5 billion worth of United States economic and military aid since 1980 has not been able to improve sufficiently the country's economy, heal political divisions, or devise effective counterinsurgency programs. Making matters worse, Salvadoran President Jose Napoleon Duarte is now terminally ill; this creates a power vacuum within the government, unlikely to be filled by Vice President Rodolfo Castillo Claramount.

Lurking on the horizon, moreover, is the possibility of a Sandinista consolidation of power in Nicaragua. If this happens, the Sandinista regime will be able to step up its already substantial military and logistical aid to the Salvadoran guerrillas.<sup>1</sup> And at this worst possible moment, some in the U.S. Congress are trying to reduce U.S. military assistance to El Salvador.

**Important to U.S. Security.** El Salvador's declining economy and Salvadorans' frustration over the inability of their army to end the nine-year-old war against the guerrillas caused a radical change in the composition of the legislative assembly during elections last March. The incumbent Christian Democratic Party, led by Claramount, lost control of the assembly to the Nationalist Republican Alliance Party (ARENA).

El Salvador is of importance to U.S. security for three main reasons: 1) it continues to be the Latin American target most liable for a communist takeover; 2) it is close to

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<sup>1</sup> "Continuing Nicaraguan Support for the FMLN," U.S. Department of State (no date).

Soviet-allied Nicaragua and to the Panama Canal; and 3) it borders Honduras and Guatemala, both of which have newly emergent, fragile democracies.

**Wave of Refugees.** A communist takeover in El Salvador could have significant consequences. For one thing, it would trigger a new wave of refugees for the U.S. to absorb. For another, a communist El Salvador would funnel weapons to leftist guerrillas in Honduras and Guatemala, who also would be able to use El Salvador as a sanctuary. The creation of a large, Sandinista-style military force in El Salvador would further upset the regional military balance.

In 1981, a communist-controlled guerrilla force of 3,000, the Sandinista-supported Farabundo Marti National Liberation Front (FMLN), was on the verge of taking control of El Salvador. Timely U.S. assistance ended that threat and has kept it under control. Since that time, considerable progress has been made in developing a democratic political structure and isolating hard-core radicals from the rest of the population.

But this progress is in danger of evaporating, given the profound deterioration of the Salvadoran economy. U.S. economic policy toward El Salvador actually has contributed to this deterioration by providing aid that has increased the size and power of the state sector of the economy. As a result, U.S. aid has not led the Salvadoran economy to become productive and self-sustaining, but rather to become increasingly dependent on the aid itself.

**Chicken or Egg.** U.S. policy toward El Salvador must be reassessed. U.S. policies must start promoting the economic growth and stability needed for political freedom. The primary objective should be to end the communist insurgency. As long as the guerrillas continue to terrorize civilians and sabotage the country's economic, social, and political infrastructure, it will be impossible for El Salvador to make permanent economic gains. But in a case of chicken-or-egg, a second priority for the U.S. must be to help El Salvador's economy. The reason: as long as the government and economy are in disarray, the guerrillas will not abandon their commitment to total victory.

The U.S. should use its economic aid leverage to convince the Salvadoran government of the urgent need to make the macroeconomic policy changes that will reactivate its economy. Reducing government interference in the economy is essential. The U.S. therefore should urge: 1) a start toward privatization of the economy; especially divesting the government of such foreign trade monopolies as the Coffee National Institute (INCAFE) and the Sugar National Institute (INAZUCAR); and 2) issuance of real ownership titles to the peasants who have received land under the land reform program, for only if the peasants are the real owners of their plots will they make an effort to improve agricultural productivity.

The U.S. should reiterate its commitment to respect the will of the Salvadoran people by supporting the electoral process, especially the 1989 presidential elections. It should not provide economic or military aid on condition of the victory of a particular political party, such as the Christian Democratic Party. Aid instead should be tied to the preservation of the democratic system, the establishment of a free market economy, and respect for human

rights. The U.S. should urge the Salvadoran government not to allow the participation of the leaders of the Revolutionary Democratic Front (FDR) in the political system unless they break their alliance, and that of the FDR, with the communist guerrillas. The end of the alliance should be publicly announced by the FDR leaders and should be accompanied by an equally public condemnation of the guerrillas' terrorist activities.

**True Nature of the Marxist Commitment.** Current Salvadoran military policy prevents the army from attacking, controlling, and retaining territory where the guerrillas have established their strongholds. It is not clear whether this is exclusively a Salvadoran policy, or whether it is a policy designed by U.S. military advisors. If the former is the case, the U.S. should encourage the Salvadoran army to take more decisive action against the guerrillas. If it is a policy designed by U.S. military advisors, it should be changed. Only when those involved in the war against the guerrillas — the U.S. military advisors and the Salvadoran army — recognize the true nature and commitment of the guerrillas can a winning strategy in the war against the Marxist guerrillas be developed.

## **ORIGINS OF U.S. INVOLVEMENT IN EL SALVADOR**

Recognizing the deep social and political unrest in El Salvador during 1980, the Carter Administration supported drastic changes in the socioeconomic structure of El Salvador. The key elements of these changes were land reform, nationalization of banking, and nationalization of the foreign trade system. By these, an estimated 65 percent of the private sector's total assets was shifted to the state.<sup>2</sup>

At the same time, the U.S. committed itself to support El Salvador economically until the new socioeconomic structure could sustain itself. U.S. direct economic assistance to El Salvador climbed from \$9.6 million in 1979 to \$457 million in 1987, mostly to cover balance-of-payment deficits.

In 1980, the U.S. began to give substantial military assistance to El Salvador, providing \$639.1 million in security assistance between 1980 and the end of 1987. This has included training and military equipment. During this period, overall U.S. economic and military assistance to El Salvador amounted to \$2.64 billion.

## **THE U.S. AND EL SALVADOR'S ECONOMY**

Despite the massive U.S. economic assistance to El Salvador — or perhaps partly because of it — the current economic situation is precarious. The Salvadoran economy has been crippled by the 1980 nationalizations and the high degree of state intervention in economic affairs.

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<sup>2</sup> Virginia Prewett, "Washington's Instant Socialism in El Salvador," Council for Inter-American Security, 1981, p. 3.

The decline in El Salvador's economy since U.S. aid began to increase in 1979 is dramatic. More than 1,000,000 Salvadorans have no jobs (700,000 more than in 1978). Real wages are half their 1979 level. Last year's inflation rate was 25 percent, while in 1978 it was around 13 percent. Income per capita has declined to the level of 27 years ago. Real gross domestic product in 1987 was equivalent to only 70 percent of that in 1978. Assuming a population growth rate of 2.5 percent per year, the Salvadoran economy would have to grow at an average of 6.5 percent per year over the next ten years just to achieve in 1997 the per capita product of 1978.

### **Chaos in the Agricultural Sector**

The agricultural sector obviously is enormously important to the Salvadoran economy, accounting for about 25 percent of the country's gross domestic product and employing 50 percent of all workers. The output of two of El Salvador's main agricultural export products, coffee and cotton, has fallen sharply, while sugar production has remained flat. In 1979, El Salvador produced 412.5 million pounds of coffee, but in 1987 only 330.0 million pounds. Cotton production during the same period has declined from 141 million pounds to 23.4 million pounds.

### **Collectivistic Land Reform**

The government that took power in an October 1979 coup d'etat announced in early 1980 a National Emergency Program, which included major land reform. At the same time, the new government requested and obtained the backing of the Carter Administration to carry out the land reform program. It was to proceed in three phases:

◆◆ Phase I, initiated in 1980, expropriated the properties of persons owning combined landholdings of more than 1,235 acres. Some 469 farms were affected and converted into 317 cooperatives.<sup>3</sup> In all, about 542,000 acres, or 15.3 percent of Salvadoran farm land was expropriated.

◆◆ Phase II, incorporated into the 1983 Constitution, required that landowners sell all but 605 acres of their land, within three years, to government-approved *campesino* associations and small farmers. According to the U.S. Agency for International Development (AID), between 1983 and 1986, 27,000 acres under phase II were sold voluntarily to the Salvadoran land reform agency (ISTA); 32,000 acres were claimed by phase III beneficiaries; and some land above the limit was sold voluntarily to other individuals. AID estimates that as little as 32,000 acres now may be available for sale under phase II, less than 1 percent of the total farmland in El Salvador.

◆◆ Phase III, known as the "Land-to-the-Tiller" program, allowed farmers who rented or sharecropped land to buy up to seventeen acres of that land. This affected 240,000 acres, or 6.6 percent of the land.

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<sup>3</sup> The Salvadoran agricultural cooperative is a collectivistic type of farm organization, in which the members work together for wages, but not for direct profit from their production. Nor do they have other ownership rights.

This land reform has been an economic failure. Even AID, in a January 1988 status report on the land reform program, admits that: "Politically, the agrarian reform has been a clear success....A great deal remains to be done, however, before the reform becomes an economic and administrative success."<sup>4</sup> While complete data comparing pre-reform and post-reform yields are not available, other indicators reveal the results of phase I. Example: coffee production in the western department of Auachapan — an area relatively free of guerrilla activity — has fallen since 1980 from as much as 7,150 pounds per hectare (= 2.471 acres) when the land was privately farmed to about 1,720 pounds per hectare now that the land is farmed by cooperatives.

In 1984, AID's Inspector General found that "most phase I cooperatives are not financially viable" and that "their future seems bleak without additional assistance." In mid-1986, the government of El Salvador, in an effort to strengthen the phase I cooperatives financially, restructured the cooperatives' outstanding debt by reducing the yearly interest rate from 9 percent to 6 percent, lengthening the repayment period from 30 to 50 years, and extending the grace period for cooperatives to begin amortizing the agrarian debt to five years from the time the title was issued.

**Real Ownership to the State.** Thus, phase I, amounting to 69 percent of the land involved in phase I and phase III<sup>5</sup> has not succeeded economically. The main reason is that land reform did not actually turn over land to the peasants. The reform instead collectivized the land, transferring real ownership from landowners to the state. The peasants have not received such traditional ownership rights as inheritance, transferability, and equity participation. This means that, although the cooperatives have nominal title to the land, their members do not really own anything.

With the government the real property owner, the coop members derive their income from wages. It is thus in their interest to push for higher wages. Were they property owners, of course, they could increase their income by boosting their lands' productivity. The coop members have learned that their wages can be changed by a political decision unrelated to the economic performance of the coop. The coops also have learned to count on the state banking system to bail them out. The government, meanwhile, has exercised its ownership rights by appointing coop managers. Almost without exception, these managers get their jobs because of their political affiliation with the ruling Christian Democratic Party and not because of farm management skills. Not surprisingly, the results have been disastrous.

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4 Draft report, "Land Reform Program El Salvador," Rural Development Division, Office of Development Resources, Bureau for Latin America and the Caribbean, U.S. Agency for International Development, Washington, D.C., January 1988.

5 Phase II has not yet been completely enforced. According to AID, there are approximately 32,000 acres for Phase II implementation, less than 1 percent of the total farmland in El Salvador.

## **Nationalization of the Coffee Industry**

The coffee industry for years has been El Salvador's main foreign exchange earner. Last year it represented 61 percent of total exports by value, and in 1986, 71 percent. It also is the industry suffering the most from government intervention.

In January 1980, the government nationalized both the foreign and domestic coffee trade and created a monopoly, the National Coffee Institute (INCAFE). INCAFE pays Salvadoran coffee producers about one-third of the international price; the other two-thirds are kept by the government. Making matters worse, INCAFE typically delays payments to the producers up to eighteen months.

Since the nationalization of the coffee industry, El Salvador's position in the world as a coffee exporter has plummeted from third to tenth place. Output has fallen 25 percent between 1979 and 1987. Yield per hectare has declined 16 percent in the same period. In spite of INCAFE's policy of paying the producers a price well below the international price, this government monopoly is broke. INCAFE's current debt amounts to \$100 million.

## **Politicization of Credit in the Banking System**

The nationalized banking system also has contributed to the deterioration of the Salvadoran economy. The main reason for this deterioration is that, since the government took control of the banks in 1980, credit funds are allocated under political rather than economic criteria. This means that the government-controlled banking system often makes loans to businesses that it favors for political reasons or to government enterprises that would not qualify for loans on their merits. This is the case, for example, of loans to agricultural cooperatives and government-controlled commercial institutions such as INCAFE and INAZUCAR.

**Breeding Corruption.** The absorption of most credit funds by non-credit worthy companies and institutions diverts a substantial amount of capital from more productive private sector economic activities to money losing operations in the public sector. The result: overall economic output drops. In 1978, some 85 percent of the loans made by the banking system went to the private sector; this now has fallen to approximately 59 percent. Even this exaggerates the private sector's share, because the government includes as private sector credit the loans made to cooperatives and INCAFE and INAZUCAR.

Another ill effect of nationalized banking is that it breeds corruption. El Salvador's National Private Enterprise Association (ANEP) reports that politicians frequently receive special favors from their friends at the banks. For example, Christian Democratic Party officials have received large, unsecured loans just for being members of the incumbent party.

## **SALVAGING EL SALVADOR'S ECONOMY**

A drastic redirection of El Salvador's macroeconomic policies is urgently needed to spur economic growth and social progress. The Salvadoran government cannot survive without the massive aid — more than 50 percent of its budget in 1987 — provided by the U.S. through AID. The U.S. should use this aid as a lever to promote policy changes. The main goal of U.S. economic policy should be to strengthen the Salvadoran private sector.

The U.S. thus should encourage the government of El Salvador to:

**1) Reduce the size of government.** The Salvadoran government has become too large in three important ways: its role in the economy, its spending, its payroll. The growth of the government's role in the economy has increased economic inefficiency, waste, and corruption. The increased government spending uses most of the financial resources obtained through international aid and taxation that otherwise could be used more productively. The best way for El Salvador to reduce the size of the government is to eliminate and/or privatize state enterprises. Privatization is a process for turning over the ownership and management of state-owned enterprises from the public sector to the private sector. Principal candidates for elimination are INCAFE (the government coffee trade monopoly) and INAZUCAR (the government sugar trade monopoly). If for political reasons the government refuses to discontinue these enterprises completely, it should at least allow private sales of coffee and sugar for export. This in the short run would force INCAFE and INAZUCAR to close down or operate more efficiently to compete with the private export companies. Other attractive candidates for privatization include the state-owned hotels and movie theaters.

The U.S., through AID, should encourage the government of El Salvador immediately to start the privatization process. One way the Salvadoran government could initiate privatization would be to take back agrarian reform bonds in exchange for shares in state-owned companies. These bonds were given to the landowners by the government in payment for expropriated land. At the same time, the government should privatize the agricultural cooperatives by extending real ownership titles — transferrable and inheritable — to the *campesinos* who work in the coops.

**2) Operate public services efficiently.** Such public services as those that provide water and energy should be self-financing and not dependent on government subsidies. These enterprises usually charge prices that do not cover their costs, thus requiring government subsidies that increase the public sector's deficit, distort the efficient allocation of resources, and discourage investment. The only way for these enterprises to achieve self-sufficiency is to increase their rates so that they cover their actual costs.

**3) Establish a nondiscriminatory tax system.** The current tax structure places a disproportionate burden on coffee growers and on companies not covered by special tax exemptions. Example: coffee growers pay a tax amounting to 27.5 percent of all sales plus a 15 percent surtax on sales over \$130 per 100 pounds of coffee. Such a tax system discourages the formation of new companies as well as new investment by existing

companies and by coffee growers. Coffee likely will continue to be the main foreign exchange generating product of El Salvador. It thus should not be penalized by the tax system. A tax system that does not discriminate against specific industries should be introduced.

**4) Allow the establishment of private banks.** The nationalized banking system uses political criteria rather than the prospects for profit in making loans to Salvadoran businesses. Most of the available credit is used by the government for such nonproductive purposes as sustaining inefficient agricultural cooperatives. To achieve an efficient financial system, El Salvador must allow the reestablishment of private banks. These would compete for deposits and loans with the state banking sector. Since private banks loan money using economic rather than political standards, they are most likely to allocate their resources to investment projects that promise a positive rate of return.

**5) Allow banks to pay positive actual interest rates.** The nationalized banking system puts a cap on interest rates for personal savings. The result is that the rates fall below market interest rates, thus discouraging savings by the average Salvadoran. Depositors actually receive interest below the inflation rate. This encourages depositors to take their money out of the country in search of better investment opportunities. The Central Bank of El Salvador should remove any cap on interest rates for savings.

**6) Establish a salary policy in line with market conditions.** The Salvadoran government's practice of fixing minimum wages above the market level in the private sector increases unemployment. This happens because the high wages discourage labor-intensive companies from expanding or hiring new workers. New labor-intensive companies are unlikely to be established. This prevents improvements in the living conditions of poor Salvadorans who would be employed by such labor-intensive businesses as agriculture and assembly plants for shipment to the U.S. Only if private enterprises are allowed to pay wages in line with existing market conditions will new labor-intensive companies be established and provide jobs and needed training for vast numbers of young unemployed Salvadorans.

## **POLITICAL DISCONTENT AND EXPECTATIONS OF CHANGE**

There are two major political parties in El Salvador: The Christian Democratic Party and the Nationalist Republican Alliance (ARENA). The Christian Democratic Party, led by Rodolfo Castillo Claramount, has supported statist economic policies and encouraged an active and substantial participation of the government in economic affairs. ARENA, by contrast, advocates respect for private property and a free market economy. It is headed by Alfredo Cristiani.

The Christian Democratic party has controlled the government since 1980. Today, it faces several major problems. The serious illness of Duarte, of course, poses a severe problem in itself. Then there is the widespread discontent because of the depressed economy. In addition, the party is split over the nomination of a presidential candidate for the 1989 elections. One faction is led by Fidel Chavez Mena, former foreign minister and planning minister. A rival faction is led by Julio Adolfo Rey Prendes, former communications and



culture minister. The party's special national convention elected Chavez Mena this June 22nd as its presidential candidate. The Rey Prendes faction promises to fight this nomination all the way to the Supreme Court.

**Reforming a Bad Image.** The popular discontent with the Christian Democrats handed ARENA its legislative assembly election victory this March. Although ARENA has a solid program to reactivate the economy and enjoys wide support, it has a bad image in Washington because its previous presidential candidate, Roberto D'Aubuisson, repeatedly was accused of having links to El Salvador's death squads.

Since 1985, however, ARENA has reformed itself fundamentally. It is now governed by a 14-member executive committee and has appointed a new president, Alfredo Cristiani, a well-respected businessman and civic leader educated in the U.S. He is expected to be the party's candidate in next year's presidential elections. ARENA's victory in this year's legislative elections gives the party impressive strength going into the Salvadoran presidential contest.

There are signs that some of the leaders of the Revolutionary Democratic Front (FDR), are interested in participating in the electoral process. The FDR is the political arm of the communist guerrilla organization known as the Farabundo Marti National Liberation Front (FMLN). The FDR was established in April 1980 and allied itself with the FMLN the following January. Its most visible leaders are Guillermo Manuel Ungo, current president of the FDR and former member of the junta that took power in El Salvador following the 1979 military coup, and Ruben Zamora, a leader of the Popular Social Christian Movement, an offshoot of the ruling Christian Democratic Party.

FDR leaders are taking advantage of El Salvador's democratic political system to participate freely in politics without severing their FMLN ties. Their participation in the 1989 presidential elections, however, is far from certain. Although they have hinted that they would like to, the FMLN does not approve. The FMLN rather expects that the current activities in local politics of FDR leaders Ungo and Zamora will force the government to negotiate with them before the 1989 elections. Through such negotiations the FMLN hopes to achieve a share of the power in the Salvadoran government.

## **CONSOLIDATING DEMOCRACY IN EL SALVADOR**

El Salvador is experiencing a period of political uncertainty. To help ensure that El Salvador's transition to democracy is not reversed, the U.S. should:

- 1) Support the electoral system.** U.S. policy has encouraged democratic institutions in El Salvador. The most remarkable achievement has been the establishment of a democratic electoral system. The U.S. should reiterate its respect for the will of the Salvadoran people expressed in the electoral process. As such, the U.S. must not make its military or economic aid for El Salvador contingent on victory of a particular political party. The conditions for U.S. aid should be preservation of the democratic system, establishment of a free market economic system, and respect for human rights.

**2) Encourage the Salvadoran government to require the FDR and its leaders to end their alliance with the FMLN.** While FDR leaders Guillermo Manuel Ungo and Ruben Zamora are openly taking part in the Salvadoran democratic political system, they have not severed their ties with the communist FMLN. This undermines democracy, first, because Salvadorans who support democracy, even under threat from the guerrillas, may be demoralized if they see the FDR and its leaders, though allied with the FMLN, allowed to operate freely; and, second, because some factions in the military may react negatively to the open presence of guerrilla allies in El Salvador and attempt a coup d'etat. The participation of Ungo and Zamora within the political system should be welcomed, but with the condition that they publicly condemn the FMLN terrorist activities and terminate their alliance, and that of the FDR, with the communist guerrillas.

### **THE MILITARY DIMENSION: LACK OF WILL TO WIN THE WAR**

In 1980, the communist-led Salvadoran guerrillas clearly were a formidable threat to the Salvadoran army. Had it not been for U.S. military assistance to El Salvador, the guerrilla forces might have defeated the army. That was when the U.S. began to provide military aid to the government of El Salvador.

U.S. military assistance is aimed at helping the Salvadoran army counter the guerrillas and protect the political, social, and economic development. While U.S. military assistance has helped prevent a communist takeover, the Salvadoran military has been unable to defeat the Marxist guerrillas. The guerrillas continue attacking the economic infrastructure, such as bridges, roads, and utilities, and civilians who do not support them, especially farmers.

**Uniting Five Guerrilla Groups.** Communist guerrilla groups have existed in El Salvador for many years. After the Sandinista takeover in Nicaragua in 1979, El Salvador's guerrillas were urged by Cuba and Nicaragua to unify their military leadership. The Farabundo Marti National Liberation Front (FMLN) was created in November 1980 to unite five such guerrilla groups. This organization seems determined to establish a totalitarian dictatorship in El Salvador modeled on Nicaragua's Sandinista regime. To this end, the FMLN receives Nicaraguan military aid and logistical support.<sup>6</sup>

While the Salvadoran army has won some victories over the guerrillas, these have dwindled since 1985. The reasons for this include: the loss of some qualified military leaders who were removed from their active assignments and sent abroad on diplomatic missions; the mounting impression among demoralized junior officers that the high command is not committed to winning the war; the paralysis of the army from fear that some operations would be denounced as human rights violations; a change of guerrilla strategy from large-scale conventional military tactics to small group operations, which has not been matched by an appropriate response by the Salvadoran army.

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6 "Continuing Nicaraguan Support," *op. cit.*

While the total number of guerrillas has dropped from as many as 12,000 in 1982 and 1983 to about 5,000 to 7,000 today, they remain a serious threat. The reduced force has resulted mainly from their change in strategy and is no indication that the Salvadoran military is winning the war.

**Confused U.S. Objectives.** The new guerrilla strategy has several components: 1) Increasing the number of guerrillas in urban "front groups" and increasing the level of infiltration in existing non-Marxist political, civil, social, and religious organizations. A guerrilla front group is a political, labor, religious, or civic organization created by the guerrillas to support their policies and objectives. The FMLN seems to be planning to mobilize these groups for mass demonstrations in the cities in an effort to attract international attention. 2) Deploying forces operating in small units, using hit-and-run tactics against mainly economic targets in the countryside. 3) Simultaneously increasing urban terrorism and dialogue and negotiation with the government. The FMLN expects that this strategy, along with the continued economic deterioration, may carry them to power by 1989.

The communist guerrillas have made total victory their goal, but the Salvadoran army does not appear to have the same goal. This is partly because of the Salvadoran army's perception that defeating the guerrillas militarily is not a U.S. policy objective, that U.S. military policy seeks rather to persuade the guerrillas that they have no chance of winning a military victory over the Salvadoran army.

**Ignoring the Hard-Core.** Some guerrillas have become convinced of this and have quit fighting, but the U.S. policy of persuasion does not take into account the hard-core Marxist-Leninists in the countryside who apparently cannot be persuaded to abandon military activity. The lack of a clear-cut U.S. policy for ending the guerrillas' military threat — and thus, the war — has consequently prevented any possibility of establishing a winning strategy for the Salvadoran military, which relies heavily on its U.S. advisors.

The Salvadoran army has focused on protecting economic targets rather than attacking guerrillas, with questionable success. The guerrillas continue destroying at will the country's bridges, communication equipment, and power grid. The damage caused by the FMLN to the country's electrical infrastructure between 1980 and 1987 amounts to \$51 million, according to the Salvadoran government. During the first three months of this year, the guerrillas destroyed 38 main electricity towers. And on May 11, the FMLN seriously damaged a hydroelectric dam.

## **STRENGTHENING THE SALVADORAN MILITARY**

The fledgling Salvadoran democracy will be in constant danger of collapse as long as a Marxist-Leninist guerrilla insurgency exists in El Salvador. U.S. policy should:

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7 *FBIS-Latin America*, May 10, 1988, p. 13.

**1) Make winning the war a clear U.S. policy objective.** The ambiguity in U.S. policy toward the hard-core Marxist-Leninist guerrillas in the countryside has made it impossible to assure stability and economic development in El Salvador. These guerrillas can destroy in one hour what it may take months to build. The U.S. needs to alter its policy toward the guerrillas and start to encourage the Salvadoran military to pursue them more actively. Only in this way can the insurgency finally be ended and peace brought to El Salvador.

**2) Encourage the Salvadoran army to attack guerrilla strongholds.** Up to now, the Salvadoran military has not for political reasons launched large-scale attacks on key guerrilla strongholds in the countryside. This is because of U.S. and Salvadoran government concerns about possible human rights violations and civilian casualties. However, unless such enclaves are attacked, the war will continue in an endless stalemate. Thus the U.S. should urge the Salvadoran army to attack and gain control of all territory currently occupied by guerrillas, as in the Morazan and La Union provinces. At the same time, the U.S. should stress that it is essential to keep civilian casualties to the absolute minimum.

**3) Emphasize infantry training.** The Americans have trained Salvadoran soldiers for several years at the Salvadoran National Basic Training Center in El Salvador. This training should continue, especially for the infantry, which does the actual fighting. A sniper training program should be developed to protect the power grids and other infrastructure. Because many guerrilla operations are at night, special forces equipped with high velocity rifles and night vision devices are needed. These special forces should work with the intelligence units and directly engage the guerrillas.

**4) Continue supplying appropriate military aid.** The Salvadoran army has a formidable air force and an artillery regiment. Supplied by the U.S., the Salvadoran military likes such prestigious weapons. But the U.S. should tell the Salvadoran military that it has enough high technology weapons. Rather, because the insurgents are using small-scale classic guerrilla tactics, the Salvadoran army needs more ammunition for the infantry as well as mortars, machine guns, and repair and maintenance tools.

**5) Create intelligence units.** In guerrilla warfare, well-trained intelligence collection units are essential. The Salvadoran army lacks appropriate and sufficient units of this type. These units could and should be created and trained by U.S. experts.

**6) Assure the high quality of U.S. military advisors.** Serving in El Salvador is not attractive for many U.S. military officers because they do not feel it improves their career possibilities. Military advisors with excellent counterinsurgency skills, language qualifications, adaptability capacity, and area orientation should be sent to El Salvador. The Pentagon should make an El Salvador assignment more attractive to the most capable U.S. military officers by providing career incentives such as faster promotions. They should be the best in their field of expertise and should be assigned for a long-term duration of at least five years.

## CONCLUSION

El Salvador is living in a critical period: chaos in the economy, political disarray in the incumbent Christian Democratic Party, and increasing pressure from the Marxist guerrillas. This does not mean that the crisis cannot be overcome. It can be if the U.S. and El Salvador at last recognize that the primary objective should be to defeat the communist insurgency. At the same time, El Salvador needs to make some crucial economic policy changes, which the U.S. can and should encourage. But no permanent economic gains can be made as long as the guerrillas sabotage the country's economic, social, and political infrastructure.

The Salvadorans have shown that they want peace and democracy, and they deserve it. Although threatened by the guerrillas, the Salvadorans on five occasions have elected their nation's leaders in free elections. This then is not the time to jeopardize El Salvador's hard-won democratic political system by negotiating a power-sharing with the Marxist guerrillas. The U.S. should reiterate its respect for the will of the Salvadoran people by its clear support of the electoral process and next year's presidential elections as the only acceptable way for transferring power in El Salvador:

Military and economic aid to El Salvador should continue. U.S. policy changes, however, are needed in order to make clear that the goals of such aid should be: to defeat the communist guerrillas, to continue supporting the democratic political system, and to redirect the Salvadoran economy toward the free market.

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