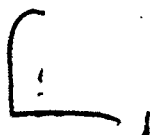


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Directorate of Intelligence



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Mexican Policy Toward Central America

An Intelligence Assessment

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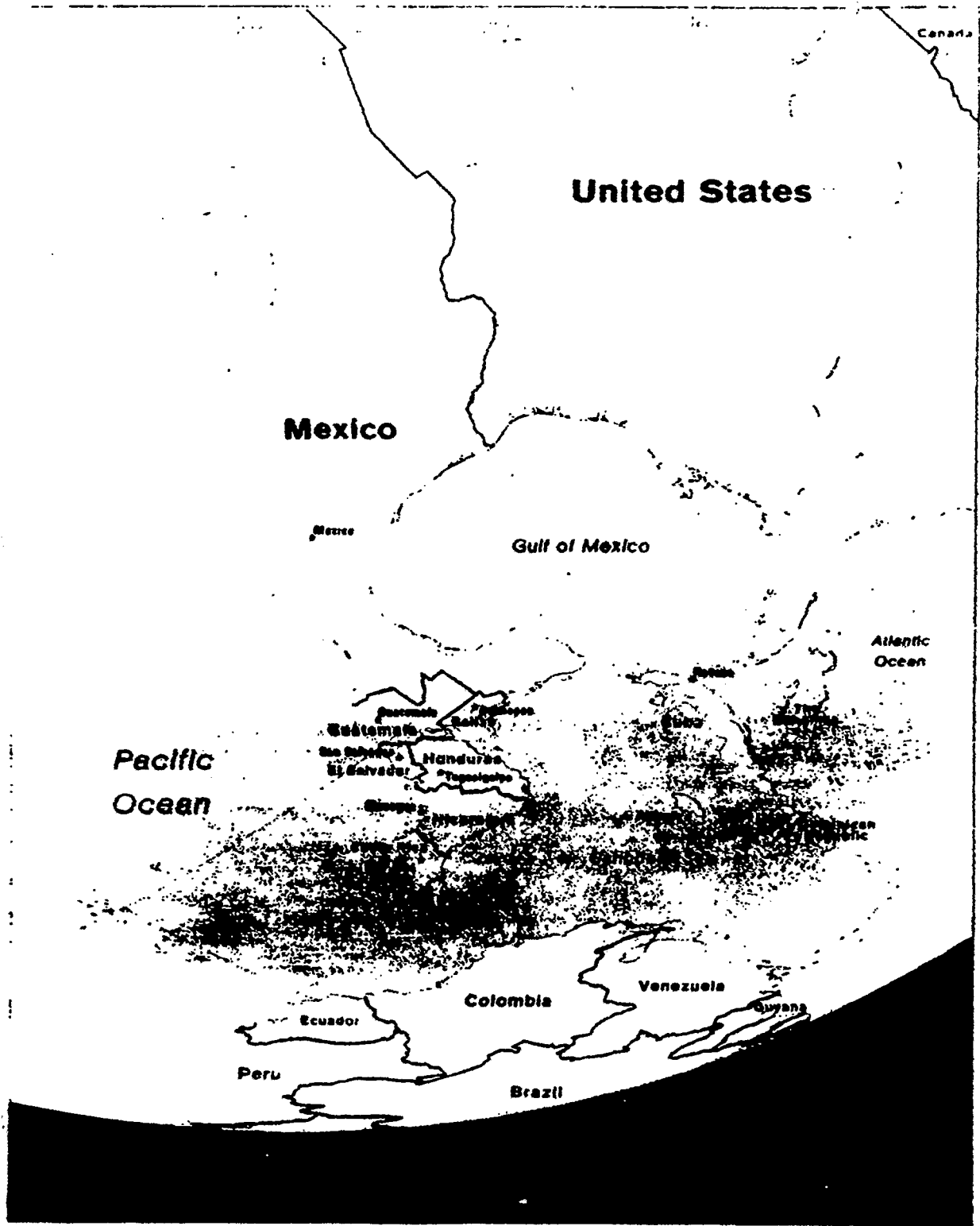
Mexican Policy Toward Central America

Key Judgments

*Information available
as of 15 September 1982
was used in this report.*

President-elect de la Madrid is publicly on record that he agrees with the basic thrust of his predecessor's approach toward Central America

Madrid, meanwhile, has signaled his intention to provide a "model of coexistence" in Mexico's relations with Guatemala, and we judge that stepped-up efforts by Mexico to improve border security probably will include greater cooperation with Guatemalan authorities. De la



Mexican Policy Toward Central America (I)

Introduction

While Mexico has stopped short of breaking relations with El Salvador, it has gone to some pains to isolate the government.

Even following the Salvadoran elections, Mexico continues to back the concept of a negotiated settlement that would grant political participation to the extreme left.

By meeting with Guatemalan leaders—including former President Lucas—Lopez Portillo has made sporadic attempts to ease bilateral tensions with Guatemala.

Mexican Reaction to the Central American Crisis

Recent Policies Toward the Region

Mexico has paid relatively less attention to Honduras, although Lopez Portillo has taken an active interest in the transition to elected civilian government.

President Lopez Portillo and Foreign Secretary Castaneda have publicly expressed their conviction that fundamental social change is inexorably under way in Central America.

Guided by their political philosophy—which resembles that of leftwing European Social Democrats—and their longstanding abhorrence of rightwing military rule, Lopez Portillo and Castaneda have said that they believe most Central Americans will benefit from revolutionary transformation.

They argue, therefore, that a more flexible strategy this time by Western governments will moderate the radicalization of the region.

*The onset of Mexico's activism in Central America
coincides with the appointment of Jorge Castaneda as
Foreign Secretary in May 1979.*

Lopez Portillo's nationalization of the domestic banks on 1 September and his subsequent moves to rally support among leftwing groups in the Institutional Revolutionary Party (PRI) have raised concerns that he will take equally dramatic steps in Central America.

The Likely Course of Mexican Policies

The well-publicized peace initiative that Lopez Portillo unveiled last February—advocating direct US-Nicaraguan talks and offering Mexico's good offices—established the framework for Mexico's policy toward Central America through 1 December when he leaves office. In the midst of Mexico's most serious economic crisis in modern history, Lopez Portillo continues to be buoyed by the international acclaim given his prescription for easing tension in the region.

On El Salvador: "Today when it is already evident that no other solution [than negotiation] is feasible, our proposal [the Franco-Mexican declaration of August 1981] grows even more realistic and has become a call of alarm."

On Cuba: "We rejected isolation and strengthened the ties that historically link us to those heroic people. Since 1980 we have carried out secret efforts seeking the end of the absurd silence that prevails between the great nations [the US and Cuba] that are separated by only 150 kilometers of the Caribbean. We have also warned, however, that greatness is not equivalent to either force or size and that the differences between Cuba and the US make reciprocal restraint and responsibility obligatory."

On Nicaragua: "In good times and in bad, we have remained at the side of our Nicaraguan brothers. Their government, supported by their people, has fulfilled its commitments. . . . Don't let it be besieged by economic pressures or threatened with armed intervention by artificial dissidents. Leave it alone. To paraphrase Lincoln, I insist that no country is so good that it can intervene in another without its consent."

On Lopez Portillo's 21 February peace proposal: "It is evident to all that the alternative to negotiation was and is regional war. We assumed our obligation of doing everything possible to avert the disaster. . . . No one can ever reproach Mexico for not doing everything possible to avoid the cataclysm."

Currently serving as Ambassador to the US--where he was sent to gain additional experience—the 40-year-old Sepulveda was de la Madrid's chief foreign policy adviser during the early stages of the campaign.

In his public remarks on foreign policy de la Madrid has emphasized continuity with Mexican tradition and with Lopez Portillo. In January 1982 he said that he wants to maintain an "equilibrium" that will enable Mexico to have "very cordial" relations with the US, as well as "excellent friendships" with Cuba and Nicaragua. Emphasizing that Latin America, and especially Central America, will be his major foreign policy priority, he stated in early June that he would adhere to Mexico's fundamental tenets, namely, self-determination—the right of each country to choose its form of government, opposition to outside intervention, and promotion of peaceful solutions;

Mexico has a duty to provide a "model of coexistence" in its relations with Guatemala and that consequently "our friendship and cooperation will increase."

Implications for the United States

It is in his public comments on Guatemala that de la Madrid has been the most open in suggesting a probable policy shift. In January he stated that

Appendix

**Mexican Relations With
Key Central American
Countries During the
Lopez Portillo Administration**

Nicaragua

The effort by Mexico and Costa Rica to persuade other Latin American governments to cut their diplomatic ties to Somoza succeeded when four other Latin American governments did so. The Mexicans also took the lead in the Organization of American States (OAS) on 23 June 1979 to defeat a US-supported peacekeeping presence in Nicaragua.

After the Sandinistas took power on 19 July 1979, Lopez Portillo quickly sent Foreign Secretary Castaneda and party chief Carrvajal to Nicaragua to determine the new government's reconstruction needs.

The Lopez Portillo administration's decision to break relations with Somoza on 20 May 1979—at a time when only Costa Rica had taken such a step—was a major benchmark in Mexico's policy in the region.

Lopez Portillo's Peace Initiative The importance the
Mexicans give to the peace initiative that Lopez
Portillo announced in Managua has been reflected in
their aggressive efforts to implement his proposals.

El Salvador

In his State of the Nation address on 1 September Lopez Portillo reaffirmed the importance of his peace proposal, arguing that the alternative to negotiations is regional war.

Government-to-Government Relations. In sharp contrast to Mexico's supportive policy toward Sandinista-ruled Nicaragua, the Lopez Portillo administration has sought to distance Mexico from the governments that have ruled El Salvador since early 1980. Mexico's relations with El Salvador began to deteriorate soon after the collapse of the original junta, which had been established in October 1979 to replace ousted President Romero.

In July 1980 Castaneda implied that Mexico assigned the Salvadoran insurgents a status equal to that of the government by publicly counseling foreign powers not

to arm either the rebels or the junta. ~~Soon~~ Soon thereafter he stated that Mexico's willingness to recognize a Salvadoran government-in-exile would depend on insurgent successes in gaining control of territory. By mid-August Mexico had withdrawn its ambassador and replaced him with a charge. ~~for~~

Despite Mexico's increasing efforts to isolate the Salvadoran Government, however, the Lopez Portillo administration stopped short of breaking relations. In November 1980 Mexico agreed to include El Salvador in its oil facility with Venezuela, which covers 30 percent of total oil sold.

The joint Franco-Mexican declaration issued on 28 August, which recognized the FDR/FMLN as a "representative political force," constituted a major step in Mexico's effort to give the insurgents equal status with the Salvadoran Government.

Mexico turned to the UN in search of allies in the "decolonization committee." Mexico was able to find eight other countries, six from Western Europe, to cosponsor a resolution condemning the Salvadoran Government's human rights record and calling for a negotiated settlement. The passage of that resolution on 3 December prompted the OAS to approve by a vote of 22 to 3—with Mexico, Nicaragua, and Grenada casting the negative votes—a resolution endorsing government plans for an election in El Salvador. Undeterred, however, the Mexicans introduced a similar resolution in the UN General Assembly that passed by a wide margin on 16 December.

Government-to-Government Relations. Lopez Portillo signaled his intention to use personal diplomacy and promises of closer ties to try to encourage a moderate evolution in Guatemala by meeting with former President Lucas near Tapachula, Mexico, on 18 September 1979. Lopez Portillo promised that he would soon travel to Guatemala, and both governments agreed to establish working groups to deal with major bilateral issues.



Honduras

Mexico has given far less attention to Honduras than to other countries in Central America

In mid-March the president of the Mexican Employers Confederation stated publicly that incursions of Central American insurgents—particularly Guatemalans—were threatening economic activity in the border region. His call for government action against this threat has been echoed in the conservative press.