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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC-8193-80 22 December 1980

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH

: Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM

: National Intelligence Officer for Latin America

SUBJECT

: Monthly Warning Assessment: Latin America

Action Requested: none; for your information only.

2. El Salvador

The junta government has survived its latest crisis (resulting from the murders first of the political-front leadership of the extreme left and second of the American missionaries). But prospects seem poor for short-term stability, and even poorer for gaining the domestic and international support needed for political and economic reconstruction. Under PDC and US pressure, the leadership of the military and security forces probably see it in their interest to take some steps to curb atrocities. The strengthening of hardline attitudes throughout the officer corps (that is, a determination to crush the extreme left) and the continued freedom of action on the part of the extreme right-civilians and some officers, noncoms, and enlisted men--mean that the pursuit of indiscriminate warfare against the left will persist. This will continue to strain the PDC-military alliance and likely produce still another political crisis over the coming months.

Meanwhile, the recent increased receipt of arms will probably embolden the extreme left and add to the violence and polarization. Intensified economic pressures will also contribute. As a result, the junta will not attract badly needed international support--and in fact is likely to become more isolated.

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3. Nicaragua

In response to increased economic and political pressures, the Sandinistas are likely to continue the recent trend toward more ham-handed dictatorial rule. This probably will lead to an increase in paramilitary opposition, but no serious short-term challenge to the regime's control. Whatever anti-regime plotting was taking place in the armed forces earlier in the year has probably been placed on the back burner by the Sandinistas' provocation/penetration of the Salazar "plot". And with the armed and security services behind the regime, through loyalty or because of intimidation, the government will be able to control, although not root out, the insurgents and dissidents. The Sandinistas will probably seek increased Cuban and Soviet assistance to bolster their regime. This and increased repression could slow the flow of Western assistance and eventually add to the domestic pressures against the regime.

4. Costa Rica

titular leadership is in the unpopular President Carazo. tutions and resourceful polit the next election (1982). No	The country's resilient political insti- ical elite should see Costa Rica through netheless, tensions will continue to rise, sed activities of rightist and leftist
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