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*To 82-502/2
6 Mar 82*

FROM: DCI	TO: DDI C/LA/Div/DO L-204A & B-227	ER NO. 82-502/2
		DATE 6 Mar 82
		CLASS. Sec.

SUB: Memo: Subject: Cuban and Nicaraguan Involvement in El Salvador: The demand for proof of Cuban and Nicaraguan involvement in El Salvador is being met partially by martialling current evidence. I am attaching a current Heritage Foundation publication. At-: as stated above

8 Mar 82 Orig w/atts & 1 cy w/atts to ES f/distribution fm O/DCI.

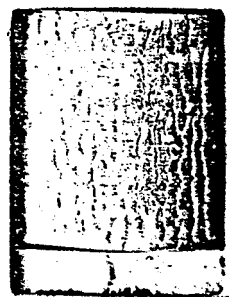
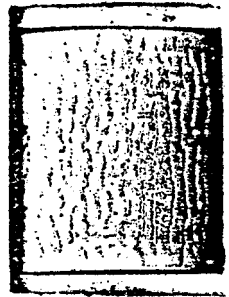
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to DDCI: EXDIR: DDO: D/OEA: SA/IA: ES: ER w/atts to files: Ext. Susp NOON 10 March.

ER: DDI answered as party

DCI's briefing 11/11/82



EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X (w/o att)		
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3	EXDIR		X (w/o att)		
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SUSPENSE NOON 10 March
Date

Remarks: Please consult with [redacted] re: paragraph 2. Please coordinate with LA/DDO as appropriate. [redacted]

D/Executive Secretary
8 March 1982
Date

3637 (10-81)

6 March 1982

MEMORANDUM FOR: Deputy Director for Intelligence
Chief, Latin America Division, DO

FROM: Director of Central Intelligence

SUBJECT: Cuban and Nicaraguan Involvement in El Salvador

1. The demand for proof of Cuban and Nicaraguan involvement in El Salvador is being met partially by martialling current evidence. We knew this as a fact well over a year ago and have been constantly getting one or another reaffirmation over that period.

2. I think a compilation of this history should be made and pulled together for use at the present time, hopefully for the testimony requested by the Senate Committee for Thursday of next week. Included in this should be a public statement of credible witnesses such as those made by Archbishop Obando y Bravo on November 16, 1981, who stated that the Nicaraguan government is governed by Cubans and not by the junta. We make a mistake in confining the evidence to Nicaragua when proof of Cuban and Soviet involvement is just as good and strengthens the case. There is no harm in repeating some of the White Paper material. The public has forgotten the details of that and stronger elements should be incorporated in this statement. The implications are the same when the Salvadorans and Guatemalan leaders are called to Havana or Mexico City for instruction under Cuban and Nicaraguan leadership as it is for them to be called to Managua.

3. I am attaching a current Heritage Foundation publication which captures some of the public evidence.


William J. Casey

Attachment

B227
XEL 204A

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February 24, 1982

THE NICARAGUAN CONNECTION: A THREAT TO CENTRAL AMERICA

INTRODUCTION

Nicaragua and the United States enjoyed close ties for over half a century. This relationship ended as the Carter Administration provided tacit support for the Sandinista revolutionaries who ousted the Somoza government in July 1979. The Sandinista National Liberation Front (FSLN) came to power then, and the Carter Administration provided Nicaragua with massive financial assistance in efforts to win their friendship. The U.S. continued its attempts to improve bilateral relations and by the end of 1980, the U.S. had become Nicaragua's single largest financial supporter.

But, in spite of this U.S. aid, the Sandinistas remained hostile to the United States and suppressed democratic movements and dissent in Nicaragua. Most alarming, the Sandinistas have forged a Nicaraguan connection which actively arms and trains Marxist-Leninist guerrillas in El Salvador and Guatemala. The Sandinistas have identified their government as a Marxist-Leninist regime and adopted a foreign policy aligned with the Soviet Union. The government has repressed freedom of the press, harassed the Catholic Church and increased human rights violations. The Sandinistas have created the largest military force in Central America, and now poses a military threat to its neighbors.

Following the inauguration of the Reagan Administration, the U.S. suspended bilateral financial assistance to Nicaragua in an effort to stem Sandinista aggression within Central America. This effort, however, has failed to pressure the Sandinistas to cease supplying military and logistical support to the guerrillas in El Salvador and Guatemala. In order for the U.S. to halt Nicaragua's military assistance to the leftist guerrillas in Central America, the Reagan Administration will have to reassess its current policy and develop a solid strategy aimed at ending the threats to the region posed by the Sandinista regime.

THE ORIGIN AND DEVELOPMENT OF THE SANDINISTA GOVERNMENT

Although the opposition to President Anastasio Somoza Debayle was broadly based, the armed struggle to oust him was directed by the Sandinistas (FSLN). This group, formed in 1961 by several communist activists, is named after a Nicaraguan revolutionary nationalist hero, Augusto Cesar Sandino. The group was composed of three factions: the Marxist-Leninist Prolonged Popular Struggle (GPP), the Trotskyite Proletarian (TP), and the Castroite Terceristas. These three Sandinista splinter groups, which initially were plagued by internal disputes, united in response to Fidel Castro's promise of assistance to a unified Sandinista movement. This led to the formation of the Sandinista National Directorate, incorporating the nine leading commanders of the three FSLN factions, all of whom are self-proclaimed Marxist-Leninists.

In spite of the Sandinistas' radical orientation, the vast majority of Nicaragua's democratic sectors joined efforts with the Sandinistas to depose the Somoza government. This was primarily due to a pact (Punta Arenas) spelled out in a political platform devised by the Sandinista government in exile. This platform affirmed the Sandinistas' commitment to restore a constitutional government through "universal suffrage" for all Nicaraguans; until these elections were held, the government would be composed of individuals with various political ideologies. The platform also promised that the government would adopt an independent foreign policy and give the private sector a major role in the economic activities of the country. (See Appendix I.)

However, following the July 1979 collapse of the transitional Nicaraguan government headed by President Urcuyo, the nine commanders within the Sandinista Directorate occupied key ministerial posts and maintained complete authority over the army and security forces.¹ Furthermore, these Directorate commanders appointed a majority of FSLN-affiliated members to all branches within Nicaragua's new "revolutionary" government. They also requested and received numerous advisers from Socialist bloc nations. These advisers, primarily from Cuba and the German Democratic Republic, have assumed prominent roles within Nicaragua's army and security forces, education, health, communication and information services.

In spite of the ideological unity within the Directorate, the complex inter-relations of its members, all of whom rule

¹ The nine commanders, the factions and positions in the government are as follows: The GPP (spanish initials) Directorate, consisting of: Tomas Borge (Minister of the Interior), Henry Ruiz (Minister of Planning), and Bayardo Arce (Propaganda Chief); Proletarian: Luis Carrion (Vice-Minister of Defense), Jaime Wheelock (Minister of Agriculture), and Carlos Nunez (President of the State Council); and Terceristas: Daniel Ortega (Junta Coordinator), Humberto Ortega (Minister of Defense), and Victor Tirado (Minister without portfolio and Economic Supervisor).

independently as "President," has brought confusion and a constant struggle for power. Directorate member and Interior Minister Tomas Borge initially emerged as the principal leader of the Nicaraguan government. Borge has since lost considerable power to the Ortega brothers, who also are members of the Directorate: Humberto, who is Defense Minister, and Daniel, who is the Junta leader. Nevertheless, all the Directorate members continue to play a central role in the decision-making process within the Sandinista government.

The Directorate's subordinate five-member Junta initially contained two moderates, Violeta Chamorro and Alfonso Robelo, both appointed by the Directorate. Both resigned in April 1980, Chamorro allegedly for health reasons and Robelo in protest at the radical Sandinista policies; the Directorate replaced them with two independent Sandinista supporters, Arturo Cruz and Rafael Cordoba Rivas. The Junta was reorganized in March 1981. The new three-man Junta, composed of Sandinistas Daniel Ortega and Sergio Ramirez and "moderate" Rafael Cordoba Rivas, has maintained its dominant Marxist-Leninist composition and continues to take its orders from the Sandinista National Directorate.

Nicaragua's legislative body, the State Council, which "serves as an advisory group to the Junta and the Directorate," is guided and controlled by the Directorate. This chamber has always had a clear majority of Sandinista sympathizers. Nonetheless, the Sandinistas attempted to increase their ratio within the assembly by adding new members and thereby precipitated the November 1980 walk-out of its moderate members. This has given the Sandinistas nearly absolute control over the State Council.

To gain further control over Nicaragua, the Directorate formed the Sandinista Defense Committees and the Sandinista Workers' Federation. Both these base organizations, under Party control, have been used as political tools to deter opposition groups. The Sandinista Defense Committees, modeled after the Cuban Committees for the Defense of the Revolution, were organized throughout Nicaragua as a spy network and used for mass mobilizations. However, these neighborhood committees have not received substantial popular support, even though Nicaraguans must go through them to acquire food subsidies and to obtain drivers' licenses. The Sandinista Workers' Federation, formed to incorporate the Nicaraguan working class into a central labor movement affiliated with the FSLN, has about 60,000 members. Nevertheless, Nicaragua's two independent labor movements, with memberships approaching 40,000, have rejected any affiliation with the Sandinista Party, thus creating friction between these independent unions and the Sandinistas.

In a recent Wall Street Journal article, businessmen from the town of Estelí were quoted as saying, "We were all duped," describing how they are discriminated against by Sandinista leaders in obtaining credit and foreign currency from the nationalized banking system. "If I thought for one minute that the Sandini-

stas would turn the country into another Cuba, I never would have given them my house to use as a base during the war," said a local grocery store owner.²

Friction has developed between the Sandinista government and the democratic opposition circles which now includes the Nicaraguan Democratic Movement, the Social Christian Party, the Social Democratic Party and the Democratic Conservative Party. In particular, tensions have grown in anticipation of the electoral process scheduled for 1985. This process, the Sandinistas claim, will take place only to affirm their role as the leaders of the revolution because the FSLN has already been chosen as the "vanguard" of the Nicaraguan people. In the Wall Street Journal article, a foreign diplomat saw the future of the electoral process in this manner: "the nine (the nine-man directorate of the Sandinista Liberation Front that controls the country) aren't about to share power with anybody for a long, long time." These comments, along with the Sandinistas' "fraternal" relations with the Soviet bloc, have placed Nicaragua's planned elections in doubt.

Esteli's experience perhaps best illustrates the reason for the widespread disaffection with the new government. Some 70 percent of Nicaraguans want free elections -- which have been postponed by the government -- and 64 percent feel that their lives have not improved since 1979. These poll results were published in October 1981, by Nicaragua's only independent newspaper La Prensa. The paper was harassed by the Sandinista government, which has prohibited publication of such polls without prior government approval.

SANDINISTA FOREIGN POLICY

Since July 1979, the Sandinistas have developed particularly close ties with Fidel Castro, who has provided Nicaragua with at least 5,000 and possibly as many as 10,000 Cuban advisors. The close working relations between the Nicaraguan and Cuban governments have been highlighted by frequent top-level consultations.³ In addition, the Sandinistas have assumed a Cuban-style "non-aligned" stance within the Third World, supporting the Soviet occupation of Afghanistan, while condemning the U.S. military presence in South Korea as "imperialism."

By October 1979, Nicaragua had already established diplomatic relations with Cuba, the German Democratic Republic, Czechoslovakia, Hungary, Poland, Romania, Vietnam, Mongolia, North Korea,

² Lynda Schuster, "Fading Dreams," Wall Street Journal, January 15, 1982.

³ Italy's daily newspaper Il Tempo, on June 27, 1981, reported that Fidel Castro had made some forty secret trips to Managua since the July 1979 Sandinista victory.

Kampuchea (Heng Samrin), and other communist states. Yet despite the presence of Soviet advisors in Nicaragua, it was not until mid-October 1979 that the Soviet Union sent a delegation headed by Yurii I. Volskii, Soviet Ambassador to Mexico, to establish Soviet-Nicaraguan diplomatic relations. While in Managua, Ambassador Volskii transmitted Leonid Brezhnev's desire "that ambassadorial relations between our countries be restored following the Leninist principles of peaceful coexistence and support for the national liberation movements of all peoples."⁴

Five months after establishing relations with Moscow, the Sandinistas sent a high-level mission to the Soviet Union led by Directorate commanders Humberto Ortega, Tomas Borge, and Henry Ruiz. While in the USSR, the Sandinista delegation issued a "joint communique" with their Soviet hosts denouncing the Israeli occupation of all Arab territories and calling for the "legitimate national rights of the Arab people of Palestine." Not surprisingly, the Sandinistas, whose ties to the PLO date back to the 1960s, opened an office for the PLO in Managua with the status of embassy. This feeling of camaraderie between the PLO and the Sandinistas was expressed by the PLO Ambassador to Nicaragua, Marwan Tahbub, in an interview on January 5, 1982, when he said, "ties between the PLO and Nicaragua are based on revolutionary principles and the fact that the two peoples have struggled for their independence and against imperialism."⁵

The Soviet-Nicaraguan joint communique went on to condemn "the campaign...launched by the imperialist and reactionary forces... aimed at subverting the inalienable right of the people of the Democratic Republic of Afghanistan." Nicaragua, characteristically, abstained from the overwhelming United Nations vote condemning the Soviet invasion of Afghanistan. However, the most intriguing development during the Sandinistas' USSR visit was the signing of a party-to-party agreement in the form of a "Joint Communique" on March 22, 1980 between the Soviet Communist Party and the FSLN. Such an action usually only takes place between formal communist parties.

In June 1980, only two months after the Soviet tour, Directorate member Tomas Borge led a delegation to North Korea. During this tour, Borge declared to his North Korean hosts that:

The Nicaraguan revolutionaries will not be content until the imperialists have been overthrown in all parts of the world. The imperialist United States should not believe that they are able to rule South Korea permanently....We stand with the forces of peace and progress, which are the socialist countries. Our

⁴ "Soviet Delegation Visits, Diplomatic Relations Established," Managua Domestic Service 0400 GMT, October 19, 1979.

⁵ "PLO Ties with Nicaragua," Barricada in Spanish, January 5, 1982, p. 8.

strategic goal is clear, our principles are clear, too.⁶

The Sandinistas's anti-U.S. stance was reiterated by Daniel Ortega during his address commemorating the first anniversary of the Sandinista revolutionary victory in Managua on July 19, 1980. During this ceremony, attended by Cuba's Fidel Castro and Grenada's Maurice Bishop, Ortega outlined his government's position on foreign policy issues. This stance included condemning "imperialism" and calling for an end to "the blockade of the heroic Cuban people and the unconditional [U.S.] withdrawal from the Guantanamo Naval Base." Ortega affirmed Nicaragua's solidarity with the "liberation movements" in El Salvador and Namibia, and also praised the Libyan-backed Polisario Front. He expressed his country's support for "the reunification of Korea" and for the "right" of Puerto Rico to "self-determination." He concluded his address by making reference to the upcoming U.S. elections and denouncing "Mr. Reagan, who with his Grand Old Party has become a great witch-hunter."⁷

On August 25, 1981, Directorate Member Humberto Ortega delivered a speech in which he announced that Nicaragua was a part of the "Marxist camp." Ortega claimed that:

without Sandinism one cannot be Marxist-Leninist, and Sandinism without Marxism-Leninism cannot be revolutionary. Because of this they are indisolubly united, and therefore our moral force is Sandinism, our political force is Sandinism and our doctrine is Marxism-Leninism.⁸

Following the Sandinista rise to power President Carter immediately released aid that had been approved for the Somoza government but suspended by his Administration. Bilateral aid flowed generously in the next eighteen months, rising to \$170 million by the end of 1980. In addition to bilateral aid, the U.S. voted for all loans to Nicaragua within multilateral institutions, of which the U.S. government is the single largest shareholder. Just five months after the Sandinistas took power, the World Bank and the International Development Association lent \$30 million to Nicaragua. This was followed by another \$30 million as a World Bank loan in June of 1981. On January 14, 1982, the World Bank approved an additional \$22.8 million to the Sandinista regime. Overall the Sandinistas received more international financial institution support in nineteen months than the Somoza government received in nineteen years.

⁶ UPI wire story, Tokyo, June 9, 1980.

⁷ "Junta Member Ortega's Address," Managua Domestic Service 1750 GMT, July 19, 1980, FBIS.

⁸ "Nicaragua Admits: It Is Really Marxist," O Estado De S. Paulo, October 10, 1981.

Despite this aid, Fidel Castro, during the Sandinistas first anniversary celebrations in Managua, criticized the U.S. for not providing sufficient funds to Nicaragua. Only after the Reagan Administration came into office and the State Department provided evidence demonstrating the Sandinista government's involvement in assisting the Marxist-Leninist guerrillas in El Salvador, was U.S. bilateral aid to Nicaragua curtailed.

The U.S. policy of authorizing no new aid projects to Nicaragua and curtailing the ongoing aid programs -- which the Sandinistas have termed as "interventionism, blackmail and Yankee economic aggression" -- has had little effect. The suspension of aid has been undermined by the multilateral lending institutions and Mexico, Libya and the USSR have offered Nicaragua increased financial assistance at favorable terms. This recent expansion of financial aid to Nicaragua has included a \$100 million loan from Libya, over \$70 million in loans from the multilateral lending institutions and a \$50 million loan from the Soviet Union. The USSR has also given Nicaragua a \$16 million grant to purchase agricultural machinery and delivered 20,000 tons of wheat. Czechoslovakia has expressed its solidarity with Nicaragua through an agreement of a \$30 million loan for 1982; \$20 million, financed under generous conditions, will go for the building of three textile factories and the other \$10 million will be for the purchase of machinery and equipment for the mining industry and the installation of machine shops. Such actions have undoubtedly hindered U.S. efforts to pressure the Sandinistas to stop their military assistance to the guerrilla forces in Central America and to halt their attempts to militarize Nicaragua.

NICARAGUA'S MILITARY BUILD-UP

The Sandinista government, with the assistance and supervision of at least 5,000 Cuban advisors (of which 1,800 to 2,000 are military advisors), and several hundred East German advisors, has built up the Nicaraguan armed forces. The militarization effort announced by the Sandinista leadership in the summer of 1980 will increase the size of the army until it reaches 50,000 members. To date, the Sandinista army has expanded up to an estimated 25,000 active soldiers, and 20,000 well-trained reserves, who can be called up at any time. This is well over 400 percent larger than the former Somoza National Guard, which ranged from 8,000 to 10,000 active and reserve members. This is more than twice the size of Guatemala's 17,000-man army, which traditionally has been the largest army in Central America. In addition to its army, the Sandinista government has organized a "People's Militia" currently numbering 50,000, and designed to eventually incorporate 200,000 persons. This has already made Nicaragua's security apparatus much larger than the security forces of the four remaining Central American countries combined. The size of the army is even more remarkable when one considers that Nicaragua has only 2.6 million inhabitants, or 13 percent of the 19.6 million people of Central America.

To enhance Nicaragua's military capabilities still further, the Sandinista government has acquired sophisticated arms from several Communist bloc nations and France. Sandinista officials, including Directorate member Jaime Wheelock, have recently acknowledged the acquisition of new armaments, including approximately one hundred model T-54 and T-55 Soviet-made tanks and surface-to-air missiles. U.S. State Department officials disclosed that additional military equipment reaching Nicaragua included large quantities of automatic weapons, some of which are being supplied to the guerrillas in El Salvador and Guatemala.

Military assistance from the West has been initiated through a secret agreement between France and Nicaragua, which was signed in December and revealed on January 7, 1982. The \$15.8 million sale, labeled as "purely defensive equipment" by the French Foreign Ministry's office, consisted of two Alouette 3 helicopters, a pair of coastal patrol boats and a dozen military trucks. Not disclosed in the original report was the inclusion of shoulder-fired rocket launchers. The rocket launcher, a bazooka-like weapon, has become a favorite of guerrillas around the world because it can knock out armored vehicles or reinforced buildings from a distance. These are similar to the ones used by Salvadorean guerrillas in a recent attack on the Ilopango Air Base, which destroyed six U.S. UH1H, or Huey, helicopters on loan to El Salvador and six French-built fighter jets.

Claude Cheysson, the French foreign minister, defended his government's sale by asserting that Nicaragua will avoid communist allies only if they find help in the West. U.S. officials described the French position as "naive." Though complaints were voiced by Secretaries Weinberger and Haig, and an official complaint was registered by U.S. Ambassador Evan Galbraith in Paris, French officials, nevertheless, said the U.S. reaction was not as strong as they had expected.⁹

There are reports indicating that the Sandinista government has lengthened its airfields on the Atlantic coast at Bluefields and Puerto Cabezas to handle fighter jets. In April, the Nicaraguan coast-to-coast highway will be finished, connecting two existing highways to the Pacific coast. This project of 426 kms, has some 200 Cuban and 100 Nicaraguans working on it, using heavy equipment which has been brought from Cuba.

U.S. intelligence reports that Vietnam has agreed to supply Marxist Nicaragua with approximately 1,000 aircraft that would "turn the country into a major Soviet-proxy air force bastion."¹⁰ U.S.-made M-16 rifles and M-79 grenade launchers captured from Leftist rebels in El Salvador, have U.S. serial numbers indicating

⁹ "France Reportedly to Sell Rockets to Nicaragua," The Washington Post, December 28, 1982.

¹⁰ Intelligence Digest, Weekly Review, November 25, 1981.

they were captured by the North Vietnamese forces when South Vietnam was conquered in 1975. Nicaraguan pilots are being trained in Bulgaria, Cuba and other Communist bloc nations. These facts, along with already documented evidence of Soviet-made MIG-23 aircraft in Nicaragua, raise serious security problems for the Hemisphere. Should the full quantity of 1,000 aircraft ever reach Nicaragua from Vietnam, Nicaragua will have the capability of militarily dominating Central America.

The Directorate Defense Minister, Humberto Ortega, pointed out during a June 4, 1981 press conference that, "We [Sandinistas] are strengthening our defense, and we are prepared to operate tanks, to operate planes, cannon and different kinds of weapons." While the Sandinistas claim that their military build-up is intended for defense only, observers maintain that the closest nation capable of posing a direct military threat to Nicaragua is Mexico, a country supportive of the Sandinista revolution.

The most serious concern to Nicaragua's Central American neighbors is not military inferiority, but rather the assistance the Sandinistas have been providing to the insurgency movements in El Salvador and Guatemala. This assistance, which has been documented by the U.S. Department of State and reaffirmed by Sandinista defectors, has included training guerrillas and supplying them with logistical support, personnel, weapons and ammunition.¹² In addition, Nicaragua has become a strategic transfer location for Cuban troops entering El Salvador to assist that country's Marxist-Leninist guerrillas.¹³ Thus, Central American nations fear that Nicaragua has become Cuba's center for subversion in Central America.

Guatemala is planning to triple its armed forces this year to 60,000 men "to combat communist subversion more effectively," according to General Manuel Benedicto Lucas Garcia, Army Chief of Staff, who pointed to the apparent threat posed by Nicaragua's goal of a 200,000-man militia and 60,000-man army. In order to achieve this goal, a strict military draft and recruiting campaign has been planned in Guatemala.

NICARAGUA'S FALTERING ECONOMY

During the Sandinistas' two years in office, the Nicaraguan government bureaucracy has expanded at a rate that threatens to

¹¹ Alma Guillermoprieto, "Nicaraguan Tells of Arms Efforts," The Washington Post, June 5, 1981.

¹² "Communist Interference in El Salvador, Documents Demonstrating Communist Support of the Salvadoran Insurgency," U.S. Department of State, February 23, 1981.

¹³ Rowland Evans and Robert Novak, "Bridge Over the River Lempa," The Washington Post, October 19, 1981.

bankrupt the country's economy. The growth of the Sandinista government is highlighted by eight ministries formed in the aftermath of the revolution and a rapidly expanding security and military apparatus. Consequently, the government's budget increased by over 250 percent in 1980. To meet the financial requirements for the enlarged budget, the Sandinistas have re-scheduled payments of the country's foreign debt, increased the monetary supply, restructured the tax system and have become increasingly dependent on foreign financial assistance.

Early in 1980, the Sandinista government renegotiated payment of their inherited foreign debt held by the international private financial community in order to halt the outflow of foreign exchange. The terms of this negotiation stipulated that the Sandinista government would resume payments of its foreign debts in 1986. Similarly, the Sandinistas were granted a five-year period of grace on interest payments of this debt. A financial observer predicts that this debt will have to be renegotiated in 1986 to avoid default.

The Sandinista policy of increasing the country's money supply has created an abundance of currency which increased inflation and caused a scarcity of consumer products. This policy has had a severe impact among Nicaragua's poor; the cost of food products has more than doubled since the Sandinistas assumed power. The 30 percent wage increase decreed by the Sandinistas for Nicaragua's rural poor population was offset by a rural inflation estimated at over 60 percent.¹⁴ In July 1981, Sandinista leader Daniel Ortega conceded that inflation had consumed the wage increases and concluded that to attain the anticipated minimum wage for the poor, "we must first increase productivity."¹⁵ Although recognizing the need to increase productivity, the Sandinista policies have restrained economic growth.

In 1980, the Sandinistas restructured Nicaragua's tax law in order to acquire a larger number of contributors and increase progression of the tax system. The Sandinistas also imposed a tax to set up an unemployment fund by directly taking the yearly employee salary referred to as "Christmas bonus" from all Nicaraguans earning over 1,500 cordobas per month (U.S. \$150 at the official exchange rate).

Besides these policies devised to increase the government's financial resources, external funding sources have made available over \$1.3 billion to the Sandinistas since July 1979. In spite of this foreign assistance, the Sandinista government's deficits

¹⁴ Christopher Wenner, "Nicaragua's Fortunes Have Begun to Pinch," The San Diego Union, May 3, 1981.

¹⁵ "Daniel Ortega Address," Managua Radio Sandino 1652 GMT, July 4, 1981, FBIS.

have been increasing as a result of a combination of government expansion costs and a reduction in productivity.

In September 1981, Daniel Ortega, upon returning to Nicaragua from a fundraising tour to Libya and the USSR, imposed a "state of national economic and social emergency" to alleviate the government's financial crisis. This decree outlawed strikes and prohibited unauthorized price increases by imposing a one to three year prison sentence for those individuals violating these measures. Under the law, someone can be "arrested on suspicion" of "economic sabotage," which includes the publishing of economic data affecting "state security." The decree also ordered the government to cut its budget by 10 percent, reduce its food and transportation subsidies by 10 percent, impose a 30 to 100 percent tax on all imports classified as luxury items and freeze all of its hiring.¹⁶

Despite this decree, the Sandinista government bureaucracy has already drained a large portion of Nicaragua's work force, incorporating them into the army or other government-affiliated organizations. This has been particularly troublesome for Nicaragua's agricultural productivity, where a labor shortage became critical after the Central American migrating farmers refused to work in Nicaragua during harvest season. This cutoff of a traditional source of agricultural labor in Nicaragua was sparked by the declining value of the cordoba, currently worth less than 40 percent of its official rate. The labor shortages coupled with the Sandinistas' mismanagement of expropriated private sector operations have reduced Nicaragua's output.

In fact, the country's vital agricultural harvest has decreased by approximately 50 percent since the Sandinistas assumed power. The cultivated area of Nicaragua's two most important export earning crops, cotton and coffee, has shrunk drastically. Furthermore, both of these crops, representing 50 percent of Nicaragua's export income, have been affected by declining market prices. Output within the country's third largest export source, the cattle industry, has also diminished due to the massive slaughter and export of livestock during the revolution. Other agricultural products primarily for domestic use. Sugar, rice, beans and corn, which Nicaragua had previously exported or at least attained self-sufficiency, are now in such short supply they have been imported.

Thus far, the Sandinista expropriations of private sector operations have given the Nicaraguan government control of over 50 percent of the country's economic activity. Although continuing to nationalize private sector operations, the Sandinistas have in certain instances returned run-down farms to the private

¹⁶ "Nicaragua Junta Declares State of Emergency," The Wall Street Journal, September 11, 1981.

sector after the deterioration of some of these businesses under government control. However, the government has not issued new land titles to anyone. The Sandinistas have kept banking, insurance, and mining operations under government control.

GROWING SANDINISTA OPPOSITION

Nicaragua's economic crisis, coupled with the government's radical policies, have generated mass dissatisfaction with the Sandinista regime. This opposition has emanated from several groups: the Catholic Church, the independent media, the private sector, democratic circles and the vast majority of the Atlantic coast population. These groups previously assisted in deposing the Somoza government, but now see their country drifting toward a totalitarian state under the control of "Soviet imperialism."

Nicaragua's powerful Catholic Church, under the leadership of the Archbishop of Managua, Miguel Obando y Bravo, has vehemently criticized the leftist trend of the Sandinista government. At a Latin American Episcopal Congress (CELAM) meeting in Bogota, Colombia, on November 16, 1981, Archbishop Obando y Bravo stated the Nicaraguan government is governed by Cubans and not by the junta. He charged that key positions in the Nicaraguan government were occupied by men close to Fidel Castro and that the regime is totalitarian and Marxist-Leninist. His remarks were not reported in the American media, but were picked up by several international wire services including Agence France Press. In January of this year, during a press conference in New York, the Archbishop stated that the "Nicaraguans no longer believe in the Sandinista Leaders," and added "there is no doubt that the governments of Nicaragua has good relations with the governments of the Soviet Union and Cuba."¹⁷

Responding to a decree by Pope John Paul II, the Archbishop requested members of the clergy, such as Father Miguel D'Escoto to resign from their posts in the revolutionary junta and return to their apostolic ministry. Father D'Escoto (Nicaragua's Foreign Minister) together with other churchmen who hold government positions answered the Archbishop's request with a joint statement affirming their "unbreakable commitment to the popular Sandinista revolution in loyalty to our people, which is the same as saying, in loyalty to the will of God. We will continue in whatever place our presence might be necessary."¹⁸

Shortly afterwards, during his June 1981 visit to Italy, the Archbishop of Managua declared "that after two years of hope, our revolution is drifting toward Marxism according to the Cuban

¹⁷ El Diario de Hoy, December 1981, San Salvador.

¹⁸ James Nelson Goodsell, "Nicaraguan Priests Told 'Quit Politics,'" The Christian Science Monitor, June 22, 1981.

model." Archbishop Obando y Bravo also criticized the Cuban advisors in Nicaragua, whom he claims "are among us with an arrogant attitude" in spite of the country's "economic difficulties."¹⁹ For his criticism of the Sandinistas, the Archbishop's Sunday mass, aired on television for many years, was suspended. Furthermore, Archbishop Obando y Bravo was labeled as "the principal force of the counterrevolution" by Father D'Escoto in an interview published in the Mexican publication El Periodico.

Father D'Escoto's interview, which was republished in Nicaragua's most widely circulated and only independent newspaper, La Prensa, led to the paper's closure for forty-eight hours in July 1981.²⁰ La Prensa has been closed down by the Sandinista government many times since for publishing "counterrevolutionary" material. D'Escoto (he is no longer addressed as Father) visited the Soviet Union in December 1981 in an official capacity on behalf of the Nicaraguan government. He began his visit in Leningrad and stated:

I am arriving on an official visit with the objectives that through this visit the friendly and fraternal ties with this noble government and between the people of Nicaragua and the Soviet Union be strengthened more and more.

I believe that especially for Nicaraguans, and also for any knowledgeable person, being in Leningrad is a kind of pilgrimage. One feels that one has come to a holy land, where the people have heroically defended their gains. I am talking about the 900-day siege and also of the fact that this city is the birthplace of the Soviet revolution. Thus, one is moved, as I was moved. It is a beautiful way to start a visit to this great nation, through Leningrad.

Finally, he charged that:

No one but the United States interferes in the internal affairs of the Central American state, where a people's revolution is going on.

North American imperialism, once used our territory for the invasion of Guatemala and Cuba. It has been ended now. The United States can no longer use us against fraternal Latin American countries. Nicaragua does not want to be a puppet.²¹

¹⁹ "Archbishop Says Revolution Moving Toward Marxism," San Jose, Radio Reloj 1730 GMT, June 20, 1981.

²⁰ Alma Guillermoprieto, "Struggle between Sandinistas and Press Heats Up," The Guardian, August 24, 1981.

²¹ Nicaraguan Foreign Minister Concludes Visit, Moscow in Spanish to Latin America, 2300 GMT, December 14, 1981; and Moscow TASS in English, 1835 GMT, December 15, 1981.

In spite of its major role in the downfall of Somoza, this newspaper has come under severe harassment and censorship by the Sandinistas, who currently are considering closing down La Prensa indefinitely. La Prensa is the only independent, non-government newspaper in Managua; its circulation of 75,000 is twice the combined total of the government-run newspapers. All three papers are administered by the Chamorro family, making La Prensa, the only one within their control. Recently, Pedro Joaquín Chamorro Barrios, son of the newspaper's assassinated editor, charged that the Sandinistas are trying to do what the late dictator Anastasio Somoza tried to do, shut La Prensa down. "Isn't it ironic that both Somoza and the Sandinistas are trying to do the same thing?," said Pedro Joaquín.

A number of radio news programs charged by the Sandinista government with having "broadcast news harmful to the Armed Forces," have been shut down in Nicaragua recently. The latest victim was Radio Mundial's program "Hoy," or Today. This was the fifth news program ordered off the air by the Sandinista regime since it took power in 1979. A coalition of four anti-government parties, the Democratic Coordination, protested the government's action calling it a violation of the "Nicaraguan people's right to be informed."

The Sandinistas have also harassed and intimidated other opposition groups such as the Nicaraguan Democratic Movement. This movement, incorporating a large sector of non-Marxists who helped overthrow Somoza, has become increasingly critical of Sandinista policies leading toward Soviet domination of Nicaragua. This group, which had been unable to receive government permission to hold a party mobilization since mid-1980, was finally granted Sandinista approval to hold a rally on March 15, 1981. However, this rally was cancelled on March 14 by the movement's leader, former Junta member Alfonso Robelo, after a Sandinista youth group ransacked the Nicaraguan Democratic Movement's headquarters, stoned homes belonging to members affiliated to it, attacked people distributing leaflets for the rally and then threatened the rally with more violence. Directorate member Tomas Borge, who granted permission for this party event, laid the blame of the violence on the Nicaraguan Democratic Movement for "provoking" the people with counterrevolutionary views.²² In October 1981, Sandinista authorities detained Robelo and confiscated his passport as he attempted to flee Nicaragua.

The Nicaraguan Permanent Human Rights Commission headed by Jose Esteban Gonzalez has become a target of frequent acts of intimidation by the Sandinista government. This group, used extensively by the Sandinistas during the revolution when it recorded human rights violations committed by the Somoza govern-

²² Al Kamen, "Sandinista Mob Action Thwarts Rally by Opposition," The Washington Post, March 16, 1981.

ment has, since July 1979, become an increasingly unacceptable annoyance to the Sandinista government. Since the Sandinistas assumed power, the Commission has revealed that summary executions, torture, harassment of the press and of opposition political groups, confiscation of private property and deportation are common human rights violations perpetuated by the current Nicaraguan government. During his European tour, Jose Esteban Gonzalez reported that Nicaraguan jails still hold eight thousand "prisoners of conscience." For his remarks in Europe, Gonzalez was arrested upon his return to Nicaragua early in 1981 and released only after the Venezuelan government exerted economic pressure on the Sandinista government. He is now in exile in Venezuela.

Nicaragua's private sector, organized under an umbrella organization known as the Superior Council for Private Enterprise (COSEP), has constantly complained about the radical policies pursued by the Sandinistas creating a lack of confidence in the country's political and economic future, elements vital for private investment. For such criticism, members of the Nicaraguan business community, who played an essential role in overthrowing Somoza's government through its "crippling strikes," have been branded as "counterrevolutionaries" exploiting the masses for which they have been persecuted by the Sandinista security forces. This persecution includes the assassination of the vice president of COSEP, Jorge Salazar, who was shot to death by government security forces minutes after Salazar had presided over a COSEP meeting. The government justified the murder by calling him a "counterrevolutionary." Since this incident, some 20,000 businessmen, technicians, and professionals have fled from Nicaragua. Understandably businesses have suffered dramatic decreases in productivity.

On October 20, 1981, COSEP published an open letter criticizing Humberto Ortega's statement that the Sandinista government could "in a matter of hours," take over everything that "the bourgeoisie still possesses." The letter accused the government of egregious economic mismanagement, and the Sandinistas' "doctrine of Marxism-Leninism," for the country's deepening economic crisis. The Sandinista government quickly reacted to this letter; by midnight of the same day, state security forces arrested four COSEP leaders in their homes for "violation of the economic and social emergency law." Three of those arrested were sentenced to seven months in jail on October 30. They were Enrique Dreyfus, President of Higher Council for Private Enterprise, Benjamin Lanzas, President of the Chamber of Construction, and Gilberto Cuadra, President of the Federation of Nicaraguan Professionals. Similar sentences were handed down to three other businessmen who fled into exile in Venezuela and the U.S. This left the private sector of Nicaragua leaderless, and with few anti-Sandinista individuals willing to assume such a risky role. Under continued international pressure, the Sandinistas finally released the COSEP leaders on February 14. Daniel Ortega called together 250 business executives to announce that the sentences had been commuted.

EAST COAST DISSENSION

Nicaragua's Atlantic region inhabitants, in the true spirit of Augusto Cesar Sandino who was ideologically opposed to Marxism-Leninism and any type of foreign military presence in his country, have rejected the Cubans and through them the Sandinista government. Although the Atlantic region of Nicaragua covers one-third of the country's territory, its population of three indigenous communities -- the Miskitos, the Sumos and the Ramas -- barely reach 200,000. Shortly after the Sandinistas came to power, they opened an office in Managua incorporating leading members of these three communities under the name of Misurasata.

Tension began building between the Atlantic region's inhabitants and the Sandinistas over the arrival of Cuban teachers, doctors and military advisors early in 1980. The local people started to voice concern and disapproval over the growing military presence in the region, the lessons taught by the Cuban teachers and the incompetence of the Cuban doctors. In February 1981, the Sandinistas arrested Miskito leader Stedman Fagoth along with thirty-two other leaders of Nicaragua's Atlantic community. This led to violent incidents inflicting casualties among the region's local, Sandinista and Cuban populace.²³ Since this episode, as many as 20,000 Miskitos, Ramas and Sumo Indians including Fagoth, have fled across the Nicaraguan border into Honduras. The Miskitos' dissatisfaction with the Sandinistas were heard in Washington during mid-1981, when Fagoth arrived in the United States to plead for assistance against the communists in his country. Fagoth's requests were not answered by the Administration. In February 1982, he returned to the U.S. and presented new charges against the militia of the Sandinistas, alleging human rights violations. (See Appendix II.)

In early January of this year, reports that Nicaraguan troops had crossed the border into Honduras and had murdered up to 200 Miskito Indians of the 20,000 who have fled into Honduras, prompted a formal complaint from Honduras' foreign relations secretary Colonel Cesar Elvir Sierra. He cited eyewitness reports that the Nicaraguan troops killed at least 200 Miskito Indians around New Year's Eve, and that in the days prior to and following the incident Nicaraguan patrol vessels had seized several Honduran fishing vessels in Honduran territorial waters. Nicaragua's Foreign Affairs Minister Miguel d'Escoto denied the incident and charged that rightists who were followers of the late President Anastasio Somoza had attacked Nicaraguan border patrols and killed 150 Nicaraguan soldiers. Both reports are still under investigation.²⁴

²³ Shirley Christian, "Discontent Grows on Nicaragua's East Coast," The Washington Post, August 26, 1981.

²⁴ "Elvir Sierra Lodges Complaint Against Nicaragua," Buenos Aires LATIN in Spanish 1855 GMT, January 8, 1982; (Reuters) Wire Story from Tegucigalpa, January 4, 1982; Managua, Nicaragua, January 16, 1982; and (Reuters) Wire Story.

Repression against the clergy in the Atlantic region has also been reported. On January 13, 1982, three sisters of the order of St. Agnes, who worked in Puerto Cabezas, and two Capuchin brothers working in Waspan, were taken to Managua and were expelled by the Sandinistas. On January 16, Interior Minister Tomas Borge admitted the incident had been inappropriately handled and stated that the clergy could return to Nicaragua. The Bishops Conference released a statement concerning the incident on January 25, hoping that similar incidents would not occur to the remainder of the missionaries and "God's people on the Atlantic coast." Unconfirmed reports of five Moravian ministers jailed in the region by the Sandinista militia and accusations of orders to capture and kill remaining Moravian ministers are under investigation. An incident of assault on a Catholic bishop last October, which was not reported by the press, is also under investigation.²⁵

MILITARY OPERATIONS AGAINST THE SANDINISTAS

The Sandinistas have encountered their strongest opposition from two militant organizations, the Nicaraguan Democratic Front and the National Liberation Army. Both groups have formed major guerrilla networks to carry out military operations against the Sandinista government and their communist advisors. The Nicaraguan Democratic Front claims to have over 2,000 armed individuals organized into cells throughout Nicaragua. This group is made up primarily of civilians who opposed and fought Somoza and have now grown disillusioned with the Sandinista regime. The National Liberation Army is an anti-communist guerrilla network composed primarily of former lower rank guardsmen, who along with their collaborators within Nicaragua, have carried out raids against Sandinista posts.

These guerrilla organizations propose to destabilize and depose the Marxist-Leninist Sandinista government and, if successful, install a true democracy in Nicaragua. Although both groups have harassed the Sandinista regime, their forces are much smaller and weaker than the huge, well-equipped army of the government. Also it should be noted that this military opposition only arose in response to repressive Sandinista actions.

U.S. POLICY TOWARD NICARAGUA

During the Carter years, American policy attempted to build friendship with the Sandinistas. To this end, the Carter Administration, which had assisted in deposing the Somoza and Urcuyo governments, offered financial and diplomatic support to the

²⁵ "Borge Says Deported Priest, Nuns, Can Return," Paris AFP in Spanish 0315 GMT, January 22, 1982; Bishop's Communique, Managua Radio Sandino in Spanish, 1200 GMT, January 25, 1982.

Sandinistas. By the end of President Carter's term in office, the U.S. had delivered to the Sandinistas \$170 million in bilateral aid, and, according to Arturo Cruz, had become Nicaragua's "main source" of financial assistance. In addition to bilateral aid, the U.S. voted for all loans to Nicaragua within the multilateral lending institutions. Yet this aid failed to prompt favorable comments about the United States from the Sandinistas. In fact, Sandinista leader Daniel Ortega revealed his rationale for demanding U.S. financial assistance in May 1980 by claiming:

What Nicaragua knows is that when we were fighting against Somoza, the USSR was supporting the Nicaraguan people....And now we have relations with the Soviets and they are seeking ways to help us....They are seeking ways to have the United States pay us for the great harm they have done us....One must note that this is a historic debt that the U.S. Government owes to the Nicaraguan people.²⁶

Only after the Reagan Administration came into office and provided evidence collected by the Carter Administration demonstrating the Sandinista government's involvement in assisting the Marxist-Leninist guerrillas in El Salvador, was U.S. bilateral aid to Nicaragua terminated. The U.S. policy to stop authorizing new aid projects to Nicaragua and curtailing the on-going aid programs, which the Sandinistas have termed as "interventionism, blackmail and Yankee economic aggression," has been ineffective.

In yet another attempt initiated in August 1981, Thomas Enders, Assistant Secretary of State for Inter-American Affairs, went to Managua and offered to resume U.S. bilateral aid to Nicaragua if the Sandinistas would cease furnishing the Salvadorean guerrillas with military supplies. The Sandinistas ignored the Enders proposal, and continue to offer military support to the guerrillas in Central America. In order to meet the Sandinista challenge, the United States will have to devise a tougher policy.

U.S. POLICY INITIATIVES

The overall U.S. policy toward Nicaragua should attempt to halt the Sandinistas' military assistance to the guerrilla forces in the Central American region, slow down Nicaragua's militarization efforts and ultimately change the fundamental character of this Marxist-Leninist regime into a genuine democracy emerging out of a free, pluralistic society. This can best be achieved by a four-pronged policy:

1) Economic pressures: The United States should exert economic pressure against the Sandinista regime by withholding

²⁶ "Daniel Ortega Saevedra, Direct Line," Managua Radio Sandino 0200 GMT, May 30, 1980.

U.S. support within the multilateral lending institutions for all loans to Nicaragua. This would make it difficult for Nicaragua to receive "soft loans" from the Inter-American Development Bank, in which the U.S. has a tacit veto power. Similarly, this policy would make it tough for Nicaragua to attain loans from other multilateral institutions such as the World Bank. In addition, the Reagan Administration should totally terminate all U.S. bilateral aid programs to the Nicaraguan government and encourage Western European and Latin American nations, particularly Mexico, to do likewise.

2) Arms interdiction: To diminish the arms movements out of Nicaragua, the United States should provide El Salvador with effective detection equipment. This would include radar tracking equipment requested by President Duarte in October 1981 to spot night flight operations between Nicaragua and El Salvador. It should train and provide the Salvadorean Navy with gun ships to control the arms and guerrilla smuggling through the Gulf of Fonseca. In addition, it should provide equipment and training to set up a Central American surveillance task force with rapid reaction capability to seize the smuggled military supplies going to El Salvador, Honduras and Guatemala on both the Atlantic and Pacific coasts. This surveillance team would also ensure that stockpiles of weapons in Costa Rica are destroyed or removed from that country since it has no army. If the arms flow cannot be curtailed by these means, then serious consideration should be given to a naval blockade on the Atlantic and Pacific coasts. This naval blockade should be in cooperation with naval forces from Honduras, Panama, Venezuela, and Mexico, together with other Latin American navies willing to participate in stemming the tide of weapons.

3) Promoting democratic groups: The United States should also exploit the Nicaraguan population's growing disenchantment with the Sandinista government by supporting all of the Nicaraguan opposition groups with a democratic orientation. Pressure should not be lifted until the Sandinistas open up the political system to allow the participation of all parties. If a constitutional government is not established in Managua, as promised by the Sandinistas in their initial political platform, the U.S., in coordination with its Latin American allies, should offer clandestine support to Nicaragua's anti-Sandinista militant forces. Only by supplying them with weapons and other provisions for guerrilla warfare can the opposition effectively challenge the Sandinista regime if its repressive policies continue.

4) Human rights violations: An investigation should be carried out concerning human rights violations by the Sandinista regime towards all factions which oppose it. An investigative task force consisting of members of the Organization of American States should be sent to Nicaragua to report on human rights violations. Hearings should be scheduled as soon as possible in the U.S. Congress concerning allegations of brutality and human rights abuses perpetrated by the Sandinista militia, particularly against the Miskito population in the Atlantic coast region.

CONCLUSION

The Nicaraguan connection, through which the Sandinista government supplies and supports subversive activities in Central America, makes Nicaragua's problems regional. A concentrated effort of the United States in cooperation with the OAS could mobilize the necessary forces to sever the connection and end the political and military threat which Nicaragua now poses toward its neighbors. This joint effort should be backed by Western European countries, Japan, and all other nations which profess a commitment to democracy. The Sandinistas have brought on themselves regional and domestic crises through their policies. By adopting a Marxist-Leninist ideology, they have betrayed the ideals of the revolution, which were for a pluralistic government democratically elected by the people. By becoming a land base exporting guerrilla warfare, the Sandinistas are threatening the sovereignty of their neighbors.

The Nicaraguan people no longer openly support the Sandinista regime. This would be proved if the Sandinistas were to allow a free political choice through open democratic elections. The freedom of choice by the Nicaraguan people should be exercised on the basis of the system initially outlined by the Sandinistas when they took power. Just as international public opinion calls for the people of Poland to decide their own future, so must the international community support the people of Nicaragua. Every other country in Central America is holding elections this year, often under difficult circumstances. The Sandinistas should do the same. Should the threat from Nicaragua remain unchecked, the United States soon will confront its most serious Central American security problem of the past century. The Soviet Union refuses to allow liberty to expand in Eastern Europe; the United States should at least as steadfastly oppose the growth of totalitarian regimes aligned to the Soviet Union in the Western Hemisphere.

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APPENDIX I

The Sandinista political platform as reissued on July 12, 1979, by the provisional Sandinista government in exile:

1. A political area whose main aspects include the commitment on the part of the government junta to:

1.1 Install a regime of democracy, justice and social progress in which there is full guarantee for the right of all Nicaraguans to political participation and universal suffrage. It is based on a state organization that will be comprised of an executive branch, a legislative branch through a council of state comprised of 33 members from the nation's broadest political and military sectors and a judiciary branch;

1.2 Guarantee the full exercise of human rights and fundamental freedoms;

1.3 Organize a new army comprised of the combatants of the FSLN, the soldiers and officers who served honestly and patriotically in the face of the plans of the dictatorship and those who joined the struggle to overthrow the Somozist regime; and

1.4 Observe an independent foreign policy that relates our country with all nations that respect self-determination and just and mutually profitable economic relations.

2. An economic area whose basic objectives, in addition to attending to the needs of the nation's emergency and reconstruction, will pursue the following fundamental aspects:

2.1 External transformation in key sectors of the economy, such as the financial system, agrarian reform, organization of domestic and foreign commerce and the necessary changes in the rural and urban areas;

2.2 Organization of a mixed economy in which a state area with social property of precise extent and clearly delimited characteristics, a private area and a third area characterized by joint investment and coordinated by the public and private sectors will coexist;

2.3 Creation of an office dealing with state and social property and action.

2.4 Compliance with foreign debt commitments and, at the same time, reorganizing and renegotiating its terms;

2.5 Accepting international donations not subject to conditions or limitations that harm national dignity or sovereignty, the use and destination of which will be subject to the strictest control;

2.6 Substantial adjustment in the organization and operation of the private financial system with the depth and proceedings that are necessary;

2.7 Promotion of foreign investment orientated toward playing a complementary role with domestic efforts. For this, clear lines will be established regarding its treatment, acquiring of [word indistinct], industrial property and so forth; and

2.8 Guarantees and full respect for properties and activities of the private sector that are not directly affected by the measures set forth in this program.

3. A social area whose main objective will be that of opening to all Nicaraguans the true possibility of improving living standards through the establishment of a policy that will tend to eradicate unemployment and that will guarantee the right to housing, health, social security, efficient public transportation, education, culture, sports and [word indistinct]. It will be a regime of economic austerity in view of the state of destruction in which the Somozist regime has left the nation. But it is sought to implement specific action in the following social areas:

3.1 Jobs and family income;

3.2 Nutrition, which contemplates the creation of a single national health system;

3.3 Education, where measures will be implemented to reform the objectives and contents of national education; and

3.4 Housing, where a true urban reform will be undertaken as emergency programs are implemented for the reconstruction of homes in the zones affected by the genocidal bombardments of the Somozist dictatorship; and

4. Finally, an area of institutional reorganization whose fundamental objective will be the rationalization of the functions of the public administration, preventing an excessive bureaucracy while establishing an economic and social system that will assure the execution of the programs and projects of the Government of National Reconstruction.

APPENDIX II

REPORT OF HUMAN RIGHTS VIOLATIONS AGAINST THE MISKITO POPULATION IN THE ATLANTIC REGION OF NICARAGUA, AS REPORTED BY MISKITO LEADER STEDMAN FAGOTH, ON JANUARY 18, 1982. THIS ACCOUNT IS OF INCIDENTS RECORDED FROM DECEMBER 1981 TO JANUARY 18, 1982.

1. December 23, 1981 the community of San Carlos, Rio Coco was bombed. Sixty Miskitos died and 100 were injured.
2. December 26, in the city of Bluefields the Sandinistas incarcerated 30 persons. They killed a young man who spoke English for the mere fact that he would not join the militia. The majority of the youth have fled into the mountains refusing to join the militia.
3. December 26, in the community of Assang, the government built a military air base. They captured and jailed all of the 82 Masmoras of the community.
4. The village of San Carlos is being occupied by 150 militia of which 75 are Cubans. They are forcing the population to dig trenches. If they do not, they will be denied food. The community is living as in a prison as the military does not permit them to go out of the village.
5. In the community of Leymus the government captured 80 persons; in the community of Assang they captured another 35 persons; in the community of Krasa they captured 24 persons. And in the community of Waspuc they captured 12. These were all shot to death except for four in the community of Leymus who were buried alive.
6. Sandy Bay is occupied by 300 militia who captured 40 persons, taking them to the concentration camp in Puerto Cabezas.
7. Bilwaskarma is also a militarized zone. The hospital was closed and turned into a military fort. An unknown number of persons were sent to Puerto Cabezas. Among the people captured was Barbara Diaz, daughter of the Reverend Silvio Diaz, a Moravo Minister.
8. In the community of Raity there are 200 militia, in Aniwas there are 300 and in Walakitan there are another 300.
9. When the communists of the FSLN discover that a Miskito Indian instead of following orders to execute other Miskitos, fires bullets into the air -- they bind his feet and his hands and will throw him into the River Coco.
10. From the community of Siksaryary to the community of Cum the area has been deserted. All fled to Honduras: about 20 thousand Miskito Indians, among them women, children and elderly.

The following communities have been abandoned by the Miskito Indians: Siksary, Andres Tara, Santa Isabel, Krasa, Santa Esquipulas, Sang Sang, Kitasqui, Krin Krin, Pilpilia, Namasca, Wiwinak, Esperanza, Santa Fe, Wirapajni, Pransa, San Jeronimo, Bulsirpi, Wiswis, Ipritigni, Laguantara, Kisalaya, Bilwaskarma, Uhry, Tanisca, Kaurotigni and Klisnac.

11. Orders have been given by the Sandinistas to capture all Moravo ministers and to shoot them.

12. The militia will transport the people they find along the highways or in small huts, to concentration camps in Tasbayara.

13. The following communities were burnt to the ground by the FSLN: Esperanza, Ipritigni, San Geronimo, Pransa, Wirapajni, Bulsirpi and el Carmen.

14. The Voice of Nicaragua, which is the communist radio, is launching a propaganda campaign of confusion, saying that former National Guards are the ones killing the Miskitos and stealing their cattle. They are urging the Indians to return to their communities so that they will be captured and sent to concentration camps.