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CENTRAL AMERICA

The overall political/military situation in Central America continues to be one of great concern to the U.S. intelligence community.

- Despite some setbacks, Cuba's and Nicaragua's goal of spreading revolution throughout the region remains unchanged.
- They see the situation in El Salvador, in particular, as developing in their favor.

Nevertheless, Havana and Nicaragua are concerned that the growing anti-Sandinista insurgency in Nicaragua is resulting in increased military economic costs which may hinder their goals in the rest of the region.

- So far, however, Cuba and Nicaragua appear determined to continue their militant policies while giving lip service to a desire for negotiated solutions.

El Salvador

- The general military stalemate in El Salvador continues, but the insurgents appear to have gained the tactical initiative since last October.
- While the insurgents have suffered heavier losses, they have been able to maintain a full-time strength of about 4,000-6,000 men, but we do not believe their mass base has grown significantly.
- The leftist alliance has skillfully projected an image of unity at home and abroad while concealing serious tactical and ideological differences among the five insurgent groups.
- For its part, the Salvadoran government has shown stability, and it has continued to function despite a protracted guerrilla war and without any perceptible erosion of popular support.
- Meanwhile, the arms flow to the Salvadoran insurgents continues relatively unabated, despite increased regional efforts to interdict it. The arms in question are primarily of Western manufacture, many of them U.S. weapons traceable to Vietnam. It is difficult to estimate the precise quantities being delivered, [redacted]

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Nicaragua

- Despite Nicaragua's military superiority, the probability is low that it will launch a major attack against Honduras.
- Nevertheless, low-level clashes between Honduras and Nicaragua probably will continue, as Managua seeks to focus international attention on the border.

Costa Rica

- Costa Rica remains the most politically stable nation in Central America, but the crisis in the region is causing strains in the government.

Guatemala

- In Guatemala, President Rios Montt continues to push for a political opening which is eventually intended to culminate in an elected civilian government.
- The opening faces serious obstacles, however, which may impede its progress.
- The war against the insurgents - a mix of military and civic actions - is going well.

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