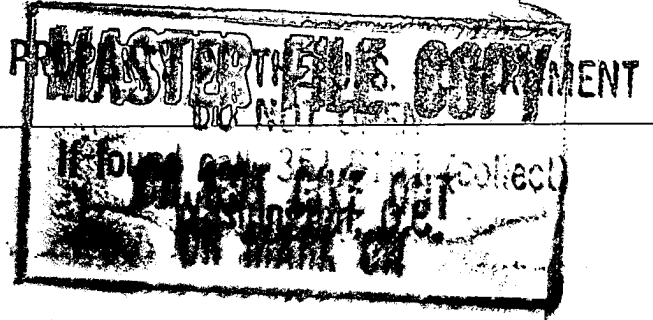




Director of  
Central  
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# Nicaragua: Prospects for the Insurgency

Special National Intelligence Estimate

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July 1985

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**SNIE 83.3-4-85**

**NICARAGUA: PROSPECTS  
FOR THE INSURGENCY**

Information available as of 17 July 1985 was used in the preparation of this Estimate, which was approved on that date by the National Foreign Intelligence Board.

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THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.

THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Departments of State and the Treasury.

*Also Participating:*

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The Assistant Chief of Staff, Intelligence, Department of the Air Force

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## SCOPE NOTE

The prospective renewal of US financial support for the major anti-Sandinista insurgent groups, along with the ability to share intelligence on Sandinista military subjects, is likely to provide a major boost to insurgent force expansion and effectiveness in the coming months. At the same time, however, Managua has been gradually increasing its own counterinsurgency capabilities, with significant Soviet and Cuban support, and it has demonstrated greater willingness to attack anti-Sandinista forces inside Honduras and Costa Rica. As a result of these trends, there is likely to be a continued escalation of the conflict unless outside pressures force a cease-fire and movement toward political accommodation between the two sides.

This Estimate examines the prospects for the insurgency over the next year or so, looking first at recent trends in the conflict and the foreign support provided to both sides. In looking at near-term prospects for the insurgency and the Sandinista response, it identifies alternative scenarios, as well as the likely future Soviet and Cuban role in the conflict. Finally, it discusses the impact of the insurgency on Sandinista policy, as well as the regional impact and the implications for the United States.

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## KEY JUDGMENTS

Nicaragua's anti-Sandinista guerrillas have evolved into a relatively large and viable rural insurgent force which, although currently not regime threatening, has forced the Sandinistas to commit an increasing amount of resources to contain it. Guerrilla forces have grown to over 15,000 combatants, and we believe they will continue to grow over the next year. This force growth will be assisted by the resumption of US aid and by the fact that the guerrillas have demonstrated significant staying power in the field. Thus, the Sandinistas face the prospect of a prolonged and damaging war with little end in sight.

Nevertheless, the insurgents continue to be hampered by a number of major weaknesses that limit their ability to threaten the Sandinista regime seriously. Their failure to develop an integrated political-military strategy that would attract widespread popular support for their cause remains a key weakness, and thus far they have been unable to build an urban network able to convert passive antiregime sentiment into active support for the insurgency. The lack of effective cooperation between insurgent groups has precluded the creation of a viable multifront war and has allowed the Sandinistas to concentrate their military resources on the Nicaraguan Democratic Force (FDN) in the north, which Managua considers the most serious threat. Militarily, the FDN remains the largest, best equipped, and most proficient of the insurgent groups. However, it continues to suffer from the lingering image—especially internationally—that it is an extension of former President Somoza's National Guard.

For their part, the Sandinistas have substantially improved their counterinsurgency capabilities in the last year, increasing defense expenditures from 25 percent to over 40 percent of the national budget and expanding the numbers of frontline units devoted to the war. The special counterinsurgency battalions, which the Sandinistas are now employing to spearhead the war, have been generally successful in their efforts to neutralize insurgent forces in the south and to contain the expansion of guerrilla operations in the northwest. Despite tactical improvements, the Sandinista Army continues to be plagued by command and control problems, inadequate training, and limited close air support, as well as uneven leadership and combat performance among units. Moreover, shortages of food, medicine, and ammunition continue to cause morale problems and desertions, especially among the new

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conscripts, who form the bulk of the frontline counterinsurgency battalions.

We believe the level of fighting in Nicaragua will continue to escalate over the next year, although neither side is likely to gain a strategic advantage despite improvement in the capabilities of both. The insurgents will probably continue to pursue a war of attrition, emphasizing mobility, hit-and-run tactics, and attacks against "soft" targets. They may also succeed in a few spectacular sabotage attacks to provide a psychological boost, but they are unlikely to attempt more than a few major operations because of continued logistic problems. The insurgents probably will expand their areas of operations and improve tactical coordination between the various groups, although they are unlikely to create an effective two-front war over the next year. Nor are they likely to create an effective urban support network to significantly increase their operations in more populated areas. They probably could not hold a major town for more than a short period of time, and any attempt to establish a "liberated zone" would be difficult to sustain logistically without considerable outside support and would pose tactical risks for the insurgents.

Sandinista military strategy will probably continue to focus on containing the FDN in the north and neutralizing Eden Pastora's forces and Indian groups in the south and east, respectively. The Sandinistas are likely to launch a major new counterinsurgency effort late this year in order to weaken insurgent forces and block infiltration of personnel and supplies into Nicaragua from Honduras and Costa Rica. This will increase the probability of more frequent clashes with Honduran and Costa Rican security forces. We believe that Nicaragua will remain wary of launching a large-scale cross-border offensive for fear of provoking a potential US military response, but Managua may be willing to provoke small-scale clashes with Honduras and Costa Rica in an effort to pressure them into reducing support for the insurgents. The Sandinistas are well aware that use of Honduras and, to a lesser extent, Costa Rica remains critical to the insurgency.

Managua will try to exert diplomatic as well as military pressure on Tegucigalpa and San Jose. The Sandinistas will attempt to attain a diplomatic solution—preferably in the form of bilateral deals or, alternatively, within a Contadora regional agreement—that would result in the cessation of Honduran and Costa Rican support to the insurgents. So far, however, Managua has been unwilling to make significant concessions in the Contadora negotiations that would threaten its consolidation and seriously undercut broader Sandinista objectives.

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We believe it is less likely that the continued escalation of the Nicaraguan conflict over the next year will result in a major shift in the strategic balance to either side. A critical variable will be the degree of popular support the Sandinistas or the insurgents are able to mobilize to their advantage. Another critical factor is the amount of foreign support that each side is able to obtain to sustain its efforts. In particular, insurgent loss of support bases in Honduras would be likely to result in a significant setback.

We believe the Soviets will continue to provide the necessary military and economic support to sustain the Sandinista regime despite the increased costs this is likely to entail. This may include more tanks and new air defense missiles, and we cannot rule out the delivery of L-39 or other subsonic jet fighter aircraft in the coming year. Moscow will continue to maintain a low profile in Nicaragua, however, preferring that the Cubans play a more direct role in the counterinsurgency effort. If the security situation in Nicaragua were to deteriorate significantly, Cuba would be likely to commit additional military advisers who might assume a more direct combat role. However, we do not believe Havana would risk the threat of a possible US military response against either Cuba or Nicaragua by sending Cuban combat units to fight against anti-Sandinista guerrillas within the next year or so.

We believe that the continued escalation of the fighting in Nicaragua will place greater strains on the Sandinista leadership while posing additional problems for the United States and the region. Managua may take greater risks of provoking a US response by sending forces more frequently across the border in an attempt to force Costa Rica and Honduras into either a bilateral agreement with Managua or international supervision of their frontiers. Internally, forthcoming elections in both Honduras and Costa Rica may impel both governments to impose greater limitations on anti-Sandinista force activity before the end of the year, particularly if the insurgent presence grows substantially. Finally, the continued buildup of Nicaragua's military strength and greater Cuban involvement in the war effort is likely to further upset the regional military balance and complicate US force planning. Honduras and Costa Rica, although encouraged by prospective renewal of US funding of the insurgents, are likely to seek a firmer US commitment to their defense and a clearer definition of US policy regarding the future of the Sandinista regime.

We judge that the insurgency will remain a major obstacle to the Sandinistas' full consolidation of a Marxist-Leninist one-party state. The demands of the war and the need to maintain Western support have forced the Sandinistas to tolerate nominal political dissent and have

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driven them to pursue negotiations with the United States and in the regional context of the Contadora process. Nevertheless, the Sandinista leaders are unlikely to make significant concessions to the domestic opposition as long as they can count on continued Cuban and Soviet support and are able to contain internal dissent at acceptable levels. A further growth in the insurgency, coupled with rising military casualties and higher economic costs, may induce the Sandinistas to accept a less advantageous Contadora treaty. Sandinista concessions might include nominal progress in national reconciliation while continuing to avoid direct talks with the FDN.

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## DISCUSSION

### The Status of the Insurgency

1. The level of fighting in Nicaragua has intensified over the past year as insurgent forces have continued to improve their military capabilities despite the suspension of official US aid to the guerrillas and increased Sandinista military pressure. Guerrilla forces have demonstrated considerable resourcefulness in securing alternative sources of foreign assistance and significant staying power in the field—despite the largest Sandinista counterinsurgency campaign to date. Their ranks have swelled to over 15,000 armed combatants (see inset on this page)—mostly disaffected peasants, Indians, and former Sandinista supporters. Recently, some urban youths also have begun to join the armed opposition. The guerrillas nevertheless continue to be hampered by the lack of an effective political-military strategy, an inadequate logistic system, and limited cooperation between the insurgent groups. (See inset and map on ensuing pages.)

2. The US Congressional vote to supply renewed aid to the insurgents is having a major impact both on the prospects for the resistance and on the Sandinistas' perceptions of the conflict. For the insurgents, it is a driving force behind increased unity efforts among disparate—often rival—forces, and it portends more sustained guerrilla operations inside Nicaragua. Moreover, it is bolstering the confidence of Nicaragua's neighbors in the continued US commitment to oppose the regime in Managua. For the Sandinistas, the reversal in US policy is apparently forcing them to face the prospect of a prolonged and damaging war that cannot be won by the end of 1985 as they once predicted.

### The Insurgent Groups

3. *The Nicaraguan Democratic Force (FDN)*. The FDN is the largest, best equipped, and most proficient of the insurgent groups challenging Sandinista rule. Based in Honduras, the FDN operates primarily in the mountainous regions of northwestern and central Nicaragua, where it apparently enjoys considerable local support and is able to recruit among the traditionally independent peasant population. This force appears to have doubled over the past year from its previous strength of 8,000 combatants, and it continues to grow by several hundred each month.

### Insurgent Strength Estimates

We believe our estimate that total insurgent strength numbers at least 15,000 armed troops is conservative. The FDN appears to have about doubled over the past year from its previous strength of 8,000 despite the US aid cutoff, and this group shows the most potential for sustained growth. The two Miskito Indian groups have declined in strength to some 1,300 over the past year, but they could grow rapidly with sufficient foreign support. We believe that Eden Pastora's Sandino Revolutionary Front has fallen to about 1,000 active combatants in the wake of battlefield reverses, extreme supply shortages, and desertions because of disenchantment with Pastora's leadership. This group has perhaps the least potential for rapid growth should aid resume.

There is, nevertheless, some uncertainty about our estimates of insurgent troop strength. It derives partly from fluctuations in insurgent manpower because of supply difficulties. For example, Miskito Indian guerrillas of the Misura organization reportedly were forced to demobilize over half of their men last year as a result of the US aid cutoff, but the manpower is still available should the aid be resumed. Second, it often is difficult to distinguish effective armed strength as opposed to total strength, as each group appears to have reserves of unarmed personnel, some of whom accompany combat units. An additional reason for caution is that insurgent commanders may overstate their groups' force levels, and it is difficult to verify the figures.

4. Over the past year, the FDN has attempted to prepare its forces better for a guerrilla-style war. To this end, it has established 13 regional commands, which are generally broken down into several 300- to 400-man task forces. This organization has facilitated small-unit tactics, but at some cost to coordinating activities of subordinate units operating in widely dispersed areas. The FDN rotates its combat forces in and out of Nicaragua, normally maintaining several thousand troops in Honduras for refitting and training. It is operating in greater strength farther east and south, and it increasingly coordinates activities with the Indian guerrilla forces operating on the Caribbean

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 Nicaraguan Insurgent Groups
**United Nicaraguan Opposition (UNO)**

Insurgent leaders from the FDN and ARDE and exiled opposition leader Arturo Cruz announced formation of the new umbrella organization UNO in June 1985. The organization replaces an alliance formed in 1984—the Nicaraguan Unity for Reconciliation (UNIR)—in which Miskito Indians of the Misura organization also participated. UNO plans to give the Indian insurgents a role in the organization following unity talks between rival groups but reportedly does not intend to give them a decisionmaking role.

**Nicaraguan Democratic Force (FDN):** Headed by Adolfo Calero, former president of Nicaragua's largest opposition party, the FDN operates out of base camps in Honduras into northwestern and central Nicaragua. Formed in 1981, it is the largest and best equipped of the guerrilla organizations, with perhaps 15,000 armed combatants.

**Democratic Revolutionary Alliance (ARDE):** Alfonso Robelo, a former Sandinista junta member and head of an opposition party that opposed Somoza, leads this political group. The organization discontinued its alliance with Eden Pastora's forces in mid-1984, and its small military wing now operates with the FDN.

**Other Political Leaders:** Arturo Cruz, the third principal UNO leader, also served on the Sandinista government junta, and last year was the presidential candidate of a coalition of opposition political parties. Several other political organizations also signed the UNO unity document. Most of these were exile wings of Nicaraguan opposition parties.

**Nicaraguan Indian Insurgents**

Miskito and other Indian leaders and black Creole leaders announced formation of a unity committee in June 1985. To overcome their personal rivalries, Indian leaders of the main groups have agreed not to contest the leadership of a unified organization.

**Misura Revolutionary Front:** This group of Indian insurgents receives arms and other support from the FDN. Misura's estimated 1,000 combatants operate on Nicaragua's Caribbean coast, principally in the northeast, and maintain base camps in eastern Honduras. Steadman Fagoth has been one of its prominent leaders.

**Misurasata:** This Indian organization of some 200 to 350 combatants operates in the central and southern parts of the east coast. Leader Brooklyn Rivera's negotiations with the regime for regional autonomy earlier this year produced a rupture in the organization's alliance with Eden Pastora and divisions in insurgent ranks.

**Sandinista Revolutionary Front (FRS)**

Eden Pastora, a Sandinista revolutionary hero, is the most charismatic and best known insurgent leader. He has refused to unify with the FDN because of his opposition to the presence of former Somoza Guardsmen in the FDN military leadership and his desire to be given what other insurgent leaders consider an excessive share of power. The FRS has suffered battlefield setbacks from government offensives and defections due to Pastora's erratic leadership, but its estimated 1,000 troops continue to mount small-unit actions in Nicaragua's southeast.

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coast. Despite its growing strength, the FDN still suffers from the lingering public image—especially internationally—that it is merely an extension of former President Somoza's National Guard.

5. **Misura-Misurasata.** The Misura and Misurasata insurgent groups are composed of Miskito and other Indians who have rebelled against Sandinista repression in their traditional homelands along the Caribbean coast. The Misura group is based in Honduras and probably numbers about 1,000 men, half of whom are armed and active in northeastern Nicaragua at any given time. The Misurasata, which may still have 200 to 350 armed militants, operates along the southeastern coast and maintains base camps in Costa Rica. The Indian groups enjoy strong local support and know the terrain where they operate. (S NF)

6. **The Sandinista Revolutionary Front (FRS).** Led by former Sandinista commander Eden Pastora, the FRS has been badly battered by two major Sandinista military campaigns during the past year. The FRS, numbering perhaps 1,000 active combatants, conducts ambushes and small-unit actions in southeastern Nicaragua. While the charismatic Pastora still enjoys broad appeal among the Nicaraguan working class, his erratic leadership and his failure to garner sufficient foreign logistic support have created disaffection within the FRS, and some of his followers have defected to other insurgent groups. A recent Sandinista offensive against Pastora's forces has succeeded in driving them out of many of their bases along the Costa Rican border. It has undoubtedly worsened morale among FRS forces, which already lack adequate food, weapons, and ammunition.

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Areas of Heaviest Insurgent Activity



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Insurgent Strategy and Tactics

7. Militarily, the guerrillas have evolved into a viable rural insurgent force that has forced the Sandinistas to commit an increasing amount of resources to contain it, although it does not currently threaten the overthrow of the regime. The insurgents' failure to develop an integrated political-military strategy able to attract active and widespread urban support for

their cause remains a key weakness. They have been able to forge informal ties with some opposition political leaders inside Nicaragua, but they have taken only tentative steps toward developing an attractive political program of their own. The guerrillas also have so far been unable to build an urban support network to convert passive anti-Sandinista sentiment into a major political-military challenge to the regime.

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8. Politically, the insurgency has become a key obstacle to Sandinista consolidation by challenging the regime's claim to legitimacy, hindering its ability to govern, and sustaining a potential focus for active opposition to it. The Catholic Church and opposition political parties have continued to call for a national dialogue that includes the armed opposition despite adamant Sandinista refusal to negotiate with the FDN. Many opposition leaders believe that the continued growth of a viable insurgency is the most effective means of pressuring the regime into meaningful negotiations that would guarantee the existence of democratic pluralism and private enterprise in Nicaragua.

9. Insurgent forces are generally pursuing a war of attrition designed to erode the domestic support and economic base of the Sandinista regime. To this end, the guerrillas have successfully adopted small-unit hit-and-run tactics that emphasize mobility and surprise attacks against "soft" targets, such as state-owned farm cooperatives, bridges, and small military outposts. To avoid pitched battles in which the Sandinistas' superior numbers and firepower would be decisive, the guerrillas generally have avoided large-scale conventional battles and attempts to overrun major towns or military garrisons. They have been able to inflict increasing casualties on Sandinista forces and to cause considerable disruption to the coffee crop in northwestern Nicaragua and the lumbering and mining industries in the east.

10. The FDN—in contrast to the smaller insurgent groups, which generally have lost manpower as a result of the US aid cutoff—has doubled in strength over the past year. It has been able to maintain a strong presence inside Nicaragua despite logistic problems and increased Sandinista military efforts against its base camps and supply lines. The FDN has lost some ground in the northwest because of supply shortages and intense Sandinista pressure, but it has been able to increase its activities farther east and south and now is seeking to return to the northwest in strength.

11. The insurgents can operate freely in much of north-central and eastern Nicaragua, but these areas are generally lightly populated and lack major strategic value. Thus far, the guerrillas have not conducted operations in the western "core" region around Leon, Managua, and Granada, where most of the population and strategic installations are located. This area is mostly heavily cultivated lowlands, and guerrilla forces would need to hide among the population by day and operate at night to avoid detection.

12. The insurgents have developed a good support base in Honduras, but logistic problems related to erratic supply deliveries by international arms dealers and extended supply lines over difficult terrain inside Nicaragua continue to limit insurgent combat effectiveness. Aerial resupply is severely limited by lack of cargo aircraft, equipment failures, and improving Nicaraguan air defenses. Until these logistic problems are overcome, the insurgents are unlikely to engage in major sustained operations and probably will continue to operate on a cyclical pattern of combat followed by resupply activities.

13. The insurgents' capabilities for major operations are further constrained by their lack of firepower—particularly of crew-served antiarmor and air defense weapons. As a result, they are unable to confront the Sandinista Army in setpiece battles or seize and hold territory. The guerrillas' lack of an urban infrastructure also prevents them from conducting sabotage operations in the cities, which might force the Sandinistas to divert security personnel from the countryside. Moreover, Pastora's forces in the south and the Misura and Misurasata Indian groups on the Caribbean coast continue to suffer from factionalism, poor leadership, logistic shortages, and command and control problems. The steady erosion of capabilities within these groups has allowed the Sandinista military to concentrate the bulk of its firepower and manpower on FDN forces in the northwest without having to face major insurgent activity simultaneously throughout the country.

#### Potential for Cooperation

14. The three main insurgent groups—the FDN, Pastora's FRS, and the Miskito Indians—are united only in their opposition to the Sandinista regime. They remain divided by intense rivalries and personal animosities that limit the potential for effective cooperation. Another impediment to collaboration is the fact that these groups have different operational and tactical procedures, and they appeal to different constituencies. The FDN recently helped to form an umbrella political-military organization—the United Nicaraguan Opposition (UNO)—but Pastora has thus far refused to join except on his own terms. More recently, the Misura and Misurasata Indian groups formed a joint committee as a first step toward alliance with the FDN. The successful unification of these Indian factions probably would reinvigorate the guerrilla efforts on the east coast and might relieve pressure on FDN units in the northwest.



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### Foreign Support

15. Honduras and, to a lesser extent, Costa Rica remain critical to the anti-Sandinista insurgents, providing sanctuaries and staging points for insurgent operations. The Honduran military also provides direct logistic support to the FDN by repairing roads to insurgent base camps, carrying supplies to the camps, and transporting rebel troops to infiltration points along the border. Tegucigalpa has also provided more limited assistance to the Misura Indian groups operating from Honduras's Caribbean coast. Costa Rica has provided no direct materiel support to the insurgents, but there has been free movement of insurgents in and out of the country. While most Costa Ricans apparently are sympathetic to the insurgent cause, the government has periodically cracked down on guerrilla activities when they have become too blatant.

16. El Salvador and Guatemala have at various times served as regional middlemen for anti-Sandinista rebels, transshipping materiel, providing end-user certificates for the purchase of munitions from third parties, and donating limited amounts of their own war materiel. The FDN has been the most successful insurgent group in securing foreign assistance. It has raised an estimated \$12-15 million since the May 1984 suspension of official US aid and has been able to make extensive arms purchases in the international market.

### Sandinista Counterinsurgency Effort

17. The Sandinistas have substantially improved their counterinsurgency capabilities in the last year. Managua has diverted greater resources to the war effort, increasing defense expenditures from 25 percent to over 40 percent of the national budget and expanding the number of frontline units devoted to the war. Sandinista military leaders are relying less on militia and reserve forces to fight the insurgents and more on regular Army units, special troops, and draftees. They are also making increased use of artillery and aircraft to improve firepower and mobility and prevent the massing of guerrilla forces. Sandinista commanders have excellent intelligence about insurgent plans and operations, probably as a result of improved collection capabilities, including agents within insurgent ranks.

18. Managua continues to make increasing use of its counterinsurgency battalions to spearhead the war effort. These 800- to 1,000-man units, which were first formed in 1983 and have now increased to at least 13,

are about twice the size of regular Sandinista Army battalions. Because of their better training, improved small-unit mobility, and increased air and artillery support, they have performed better than the militia and reserve units that previously bore the brunt of the counterinsurgency effort.

### Strategy and Tactics

19. The Sandinistas are pursuing, in essence, a four-pronged, "divide and conquer" strategy toward the insurgency. Managua is seeking to decimate the guerrillas in the south, further divide and isolate the Indian rebel groups along the eastern coast, concentrate the bulk of Sandinista military resources on the FDN in the northwest, and, finally, force Honduras and Costa Rica to reduce or halt support for the insurgents.

20. The Sandinistas have made significant progress in their efforts to neutralize Pastora's forces in the south, but they have not eliminated this threat entirely. They have been less successful in combating the Indians in eastern Nicaragua, and have attempted to create new schisms within Indian guerrilla ranks by offering limited concessions in negotiations with several dissidents over the issue of regional autonomy. Prominent Indian leaders have broken off the talks, however, and they are trying to close ranks to strengthen the armed struggle. Nevertheless, the Sandinistas are continuing to implement their own autonomy plan, including resettlement of Indians in their traditional villages.

21. The Sandinistas view the FDN as the most serious military threat, and they have been relatively successful in containing the expansion of its operations in the mountainous areas of the northwest. To this end, Managua began saturating this zone earlier this year, deploying over two-thirds of all active-duty forces backed by artillery, armor, and aircraft. At the same time, the Sandinistas launched a major resettlement program to move some 40,000 civilians from the immediate border area. This move was designed to eliminate the guerrillas' local base of support, hinder infiltration, and create a "free fire" zone to allow the Sandinistas to bring the Army's superior firepower to bear against insurgent concentrations. The Sandinistas also have developed local defense plans and strengthened border guard units to further deter insurgent infiltration into Nicaragua.

22. To disrupt insurgent supply bases inside Honduras, the Sandinista Army units initiated a series of cross-border raids, beginning in March and escalating in May 1985. However, unlike past Sandinista border

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incursions, which were primarily for reconnaissance or hot pursuit, we believe these recent efforts were designed to probe the FDN's defenses, disrupt its logistics, and weaken Honduran resolve to support the insurgents. These ground attacks and artillery barrages prompted the Honduran military to order the FDN to relocate its camps farther from the border area and to demand restrictions on its operations in Honduran territory. While this movement temporarily disrupted insurgent command and control and logistics, FDN units are again infiltrating into northwestern Nicaragua in strength despite the presence of Sandinista forces.

23. The Sandinista counterinsurgency campaigns, despite some success, have revealed continuing weaknesses. The Sandinistas continue to be hampered by command and control problems, limited close air support, spotty leadership, and uneven combat performance among Army units. Likewise, even frontline units often suffer shortages of food, medicine, and ammunition. As a result, the Sandinista Army continues to have morale problems, including desertions, especially among the new conscripts, who form the bulk of the counterinsurgency battalions.

24. Managua has employed political as well as military pressure in trying to undercut Honduran and Costa Rican support to anti-Sandinista forces. Thus far, the Sandinistas have failed to undermine this support through negotiations—either a regional Contadora security agreement or separate bilateral deals with Honduras and Costa Rica. Recent Sandinista cross-border raids into Honduras and Costa Rica, however, have heightened concerns in Tegucigalpa and San Jose about Managua's intentions and have again fueled debate within these countries over the level and nature of support to anti-Sandinista forces.

#### Foreign Support for the Regime

25. Soviet Bloc and Cuban military assistance remains critical to Managua's counterinsurgency effort, allowing the Sandinistas to train and maintain an active-duty force of some 65,000, with a potential of 120,000 if fully mobilized. We estimate there are currently some 2,500 to 3,500 Cuban and perhaps 200 other foreign military/security advisers in Nicaragua, including Soviets, East Europeans, North Koreans, Libyans, and a few PLO members. The Cuban presence in Nicaragua, combined with the large-scale Soviet Bloc equipment deliveries, has enabled the Sandinistas significantly to improve their capabilities both to combat the insurgents and control internal dissent.

26. Soviet Bloc military assistance has markedly increased Sandinista firepower and mobility. The Sandinista armor inventory has doubled since early 1984, and at least eight MI-24/25 Hind helicopter gunships (see photograph) were delivered to Nicaragua last fall. While there have been no deliveries of major new weapons so far this year, shipment of additional MI-8/17 Hip helicopters and trucks has continued to enhance Sandinista mobility. The Soviets also have agreed to fill the bulk of Nicaragua's petroleum requirements at least through the rest of this year.

27. The number of Soviet military advisers in country is estimated at 50 to 75, most of whom appear to serve as advisers to the Nicaraguan General Staff and concentrate on strategic planning and administrative matters. The Cubans, on the other hand, play an important advisory role at the tactical level. Cubans are involved in planning and supervising counterinsurgency operations, sometimes down to the company level. [redacted] of Cubans involved in combat with the insurgents, and as many as 100 may have been killed so far. Cuban personnel also are [redacted] involved in the collection and analysis of tactical intelligence.

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#### Military Outlook

28. In our judgment, while the level of fighting will continue to escalate over the next year, the most probable outcome is that neither side will gain a strategic advantage despite improvement in the capabilities of both. With renewed US funding and increasing numbers of volunteers, the guerrillas can continue to upgrade their military hardware and expand their tactical force deployments. Similarly, Soviet and Cuban military assistance will enable the Sandinistas to better sustain a vigorous counterinsurgency effort. The insurgents' use of small-unit tactics should largely offset growing Sandinista firepower, and the availability of Honduran and Costa Rican sanctuaries probably will allow the guerrillas to withstand a major new Sandinista counterinsurgency campaign. Although the guerrillas are unlikely to develop an effective two-front war within the next year, we believe they will remain capable of diverting Sandinista pressure on the northwestern front by increasing their activities in the east and in the central highlands.

#### Insurgent Prospects

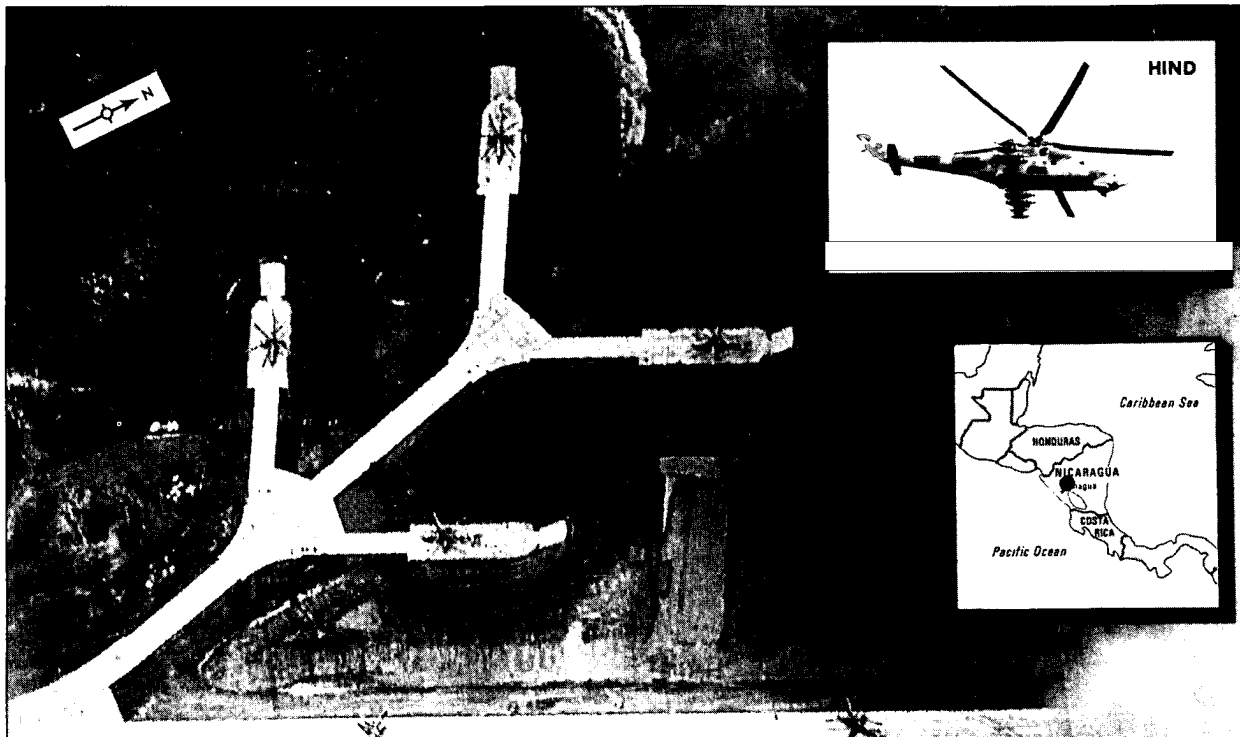
29. The insurgents are likely to continue to employ classic guerrilla tactics, emphasizing small-unit, hit-

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**Hind Helicopter Deployment, Punta Huete, Nicaragua**

14 May 1985



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and-run attacks against vulnerable economic targets and isolated Sandinista military outposts in an effort to gradually wear down the Sandinista government. They will try to exploit the current rainy season by striking at the Sandinistas' logistic network and ambushing Army convoys and troop movements. The insurgents may attempt spectacular sabotage attacks against major military installations, which, if successful, would provide a psychological boost and bolster insurgent morale. The guerrillas will also attempt to improve their logistic capabilities to better sustain operations, but they are unlikely to attempt more than a few large-scale attacks. Finally, to move into the more heavily populated areas farther west, the FDN will have to build a clandestine support network that is not compromised by Sandinista counterintelligence efforts. This is likely to prove extremely difficult even

if the FDN can develop covert links with opposition religious, labor, and political groups.

30. Insurgent forces will continue to attack the government-owned economic infrastructure in an effort to weaken the overall economy and heighten popular discontent. Such attacks will probably raise the economic cost of the war but not have a critical impact as long as Managua gets sufficient aid from the Soviet Bloc. Furthermore, insurgent attacks against the economy run the risk of a popular backlash. The regime is likely to use insurgent attacks as the excuse for further deterioration of living standards and as a pretext for a harsher crackdown on the private sector.

31. A principal insurgent goal will continue to be the creation of a viable multifront war that would

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strain the Sandinistas' logistic capabilities and tax their inadequate command and control system. Such a scenario, however, is contingent upon closer strategic coordination between the guerrilla groups and greater sharing of FDN resources. While there is likely to be some increased cooperation between the FDN and the Miskito Indians, it is unlikely that rebel forces in the south will be able to create a viable threat in the near term. Pastora's forces lack the resources, and he still appears reluctant to cooperate meaningfully with the FDN unless he is given a leading role. The FDN leadership apparently believes his capability for disruption offsets the potential value of his international stature and charisma as an insurgent leader.

32. Assuming continued external support at least at current levels, the guerrillas will try to further expand their forces in rural areas. Insurgent strength may grow substantially over the next year if the guerrillas are able to capitalize on the increasing disaffection with Sandinista policies and a rapidly deteriorating economy. The insurgents need to develop a more effective political strategy and new support networks in order to channel generalized discontent in more populated areas into active armed opposition to the Sandinista regime. A key factor is likely to be the willingness of the Catholic Church and opposition political and labor groups to openly defy the government and risk repression by the regime. While these groups may become more outspoken in their political support of the insurgency if it continues to grow in strength, they are unlikely to be able to provide effective clandestine logistic support within the next year or so.

33. Thus, the insurgents are unlikely to increase their operations significantly in the more heavily populated Pacific coast region or in urban areas by early 1986. They are also unlikely to be able to hold a town of any significance for more than a short period of time, even in the northwest, because of the superior firepower and mobility of Sandinista forces. The insurgents are likely to come under external pressure to establish a "liberated zone," which would provide them with a psychological and propaganda victory. However, this would be difficult to sustain logistically without considerable outside support, and would pose tactical risks to insurgent forces.

#### Sandinista Response

34. Sandinista near-term strategy is likely to continue to focus on containing the FDN in the north, neutralizing Pastora's forces and Indian groups in the

south and east, and isolating forward FDN units in the central highlands. The Sandinistas are likely to launch a major new counterinsurgency campaign late this year, focused primarily on the northern and southern border areas (see inset on page 15). They probably hope to establish a more permanent presence in an effort to block insurgent infiltration of personnel and supplies into Nicaragua from Honduras and Costa Rica. By cutting insurgent supply lines, the Sandinistas would complicate insurgent planning, inhibit sustained operations, and isolate those guerrilla units operating deep within Nicaraguan territory. It is doubtful, however, that the Sandinistas have the logistic capabilities to maintain adequate forces in these areas to fully accomplish these goals.

35. The likely increased Sandinista military presence in the border areas will raise the probability of more frequent clashes with Honduran and Costa Rican security forces. While recent events suggest that the Sandinistas may be willing to escalate the frequency and size of their cross-border operations against insurgent base camps and staging points, we believe that Nicaragua will remain wary of launching a large-scale counterinsurgency drive into Honduras or Costa Rica for fear of provoking a potential US military response. Nevertheless, Nicaragua may be willing to provoke small-scale clashes with Honduran and Costa Rican units in an effort to pressure them into accepting either a demilitarized zone or a multilateral peacekeeping force, possibly under Contadora auspices. For their part, both Honduras and Costa Rica will attempt to avoid military confrontations with Sandinista forces in an effort to reduce domestic political controversy.

36. Managua will continue its efforts to reduce support to the insurgents by exerting diplomatic as well as military pressure. The Sandinistas will attempt to attain a diplomatic solution to their security problems—preferably in the form of separate bilateral deals or, alternatively, within the context of a favorable Contadora agreement. So far, however, Managua remains unwilling to make significant concessions in a multilateral framework that would threaten its consolidation and seriously undercut broader Sandinista objectives.

#### Alternative Scenarios

##### Insurgent Gains

37. A scenario we view as less likely but still possible is a major shift in the strategic balance in

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### Prospects for a Sandinista Dry-Season Offensive

The Sandinistas are likely to launch another major military campaign against the insurgents during the next dry season—beginning in November or December—when government forces are more mobile and can better employ air and artillery support. The offensive undoubtedly will focus on the FDN in the northwest and is likely to be characterized by steadily increasing tactical activity as the Army saturates this zone with troops and equipment from other areas. The campaign probably will build slowly and could be subject to delays caused by logistic and other operational problems. In the past, such campaigns have been preceded by a series of indicators, including:

- Widespread draft roundups.
- Truncated training of new recruits.
- Logistic preparations, such as road improvements and increased resupply activities.
- Mobilization of reserve and militia units from outside the area of operations.
- Large-scale troop movements as well as the deployment of armor, artillery, and air assets to the area.
- Establishment of fire-support bases and clearing of "free-fire" zones.

- Small-scale "rehearsal" operations, followed by large-scale sweep operations by the counterinsurgency battalions.

In addition to these past indicators, a renewed Sandinista military drive would probably be preceded by:

- Extension of military service for those conscripts scheduled to be released in late 1985.
- Reinstitution of the draft and expansion in the number of counterinsurgency battalions.
- Increased helicopter deployments, perhaps including the Hinds, to the northern airfields.

The campaign would be likely to resemble the last one in which the Sandinistas deployed over 40,000 troops backed by armor, artillery, and air support. The Sandinistas will again try to deal the guerrillas a decisive blow, but insurgent forces will probably be able to withstand the offensive by increasing their activities in the east and in the central highlands and by withdrawing when necessary to their sanctuaries in Honduras and Costa Rica. Thus, while the offensive is likely to disrupt insurgent plans and logistics, it is unlikely to diminish overall guerrilla capabilities seriously.

favor of the insurgents. If the insurgents are successful in raising significant levels of international financing and support to complement renewed US assistance, and if they garner greater support in populated areas, guerrilla strength may grow considerably, perhaps doubling over the next year. Successful insurgent actions such as seizing and holding an important city for a short period of time, inflicting large losses on one or several counterinsurgency battalions, and overrunning a military garrison or two would increase the domestic and international stature and perception of the guerrillas' military capabilities. Such a series of insurgent tactical victories that resulted in heavy government losses and major desertions would also help to encourage domestic opposition to the regime, including more widespread popular demonstrations. This may result in increased questions about the stability of the regime, but is unlikely to result in the overthrow of the Sandinistas within the next year or so.

#### Insurgent Decline

38. Another less likely scenario is a major shift in the strategic balance in favor of the Sandinistas that

results in a significant decline in insurgent capabilities. A series of Sandinista military victories or insurgent loss of key sanctuaries and support bases in neighboring countries might result in a significant erosion of insurgent morale and prompt increased desertions. Similarly, domestic and international support for the insurgent cause might be seriously undercut should the insurgents commit widespread atrocities. While such actions might greatly weaken guerrilla strength, they would be unlikely to result in the insurgency's total demise during the period of this Estimate.

#### Future Soviet-Cuban Role

39. The Soviets, in our judgment, will continue to provide the necessary military and economic aid to Managua to support its counterinsurgency effort and prevent serious economic deterioration. In this regard, President Ortega recently seized upon the prospective renewal of US aid to the insurgents as a pretext for lifting Nicaragua's moratorium on the delivery of new weapon systems. We believe, therefore, that the number of foreign military advisers—principally Cubans and, to a lesser extent, Soviets—will increase somewhat as the Sandinistas acquire more sophisticated weaponry.

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40. Soviet Bloc arms deliveries over the next year are likely to be directed toward:

- Further enhancing the firepower and mobility of Nicaraguan ground forces by delivery of more armored vehicles, artillery, and trucks.
- Acquiring a greater heliborne counterinsurgency capability by delivery of more MI-8/17 and possibly MI-24/25 helicopters.
- Developing an effective nationwide air defense system by delivery of more radars and possibly SA-2/3 surface-to-air missiles.
- Expanding the Sandinista Navy's coastal defense capabilities by delivery of more patrol boats and surveillance radars.

While Moscow may not want to exacerbate US-Soviet relations at present by supplying MIG-21s, we cannot rule out a Soviet-approved delivery of L-39s or other subsonic jet fighter aircraft in the coming year. The Soviets might believe that such a move not only would circumvent the US proscription of MIGs, but also provide aircraft easier for the Sandinistas to absorb and employ in a counterinsurgency role.

41. The Soviets may be willing to increase slightly the number of advisers providing technical and other types of security assistance to the Sandinista regime, but they probably would be unwilling to increase substantially—at least in the near term—their presence in Nicaragua because of broader political considerations. In our judgment, the Soviets will continue to maintain a low profile in Nicaragua, preferring that the Cubans play a more direct role in the counterinsurgency effort.

42. Cuba's decision about whether to increase its support to Nicaragua will depend largely on the fortunes of the insurgents, the performance of the Sandinista Army, the stability of the Sandinista regime, the amount and type of popular resistance, and the possible reaction of the United States. If the security situation in Nicaragua were to deteriorate significantly, Cuba would commit additional military advisers who might assume a more active combat support role. Cubans probably will help fly and maintain the Hind helicopter gunships, and Cuban personnel may also increase their intelligence support role—particularly signals intelligence collection and analysis—and their involvement in tactical planning at the battalion level. However, we do not believe Havana would risk the threat of a possible US military response against either Cuba or Nicaragua by sending

Cuban combat units to fight against anti-Sandinista guerrillas within the next year or so.

### Impact on Sandinista Policy

43. We believe the insurgency will remain a major obstacle to the Sandinistas' full consolidation of a Marxist-Leninist one-party state within the period of this Estimate. Sandinista efforts to combat the insurgency—such as the military draft, imposition of state emergency controls, and increased expenditures on defense—have been key factors in determining Sandinista strategy toward the domestic opposition. The demands of the war and the need to maintain Western support have forced the Sandinistas to tolerate nominal political dissent and have prevented a more repressive approach toward the church and the private sector. The insurgency has driven the Sandinistas to pursue negotiations both with the United States and in the regional context of the Contadora process.

44. Nevertheless, the Sandinista leaders are committed revolutionaries who are unlikely to make significant concessions to the domestic opposition as long as they can count on continued Soviet and Cuban support and are able to contain internal dissent at acceptable levels. The Sandinistas will probably continue to use a mix of incentives and repression to defuse organized opposition. Pervasive security and military forces will continue to have an intimidating effect on potential dissidents, especially the urban middle class, and selective repression is likely to achieve the regime's objectives without pushing broad constituencies into the armed opposition.

45. A further growth of the insurgency may prompt Managua to make limited concessions in negotiations with the Indians and may even lead the Sandinistas to engage in a dialogue with Pastora's badly weakened forces. Such a move would not threaten the regime's basic interests and might drive a wedge between the insurgent groups. This would allow the Sandinistas to concentrate their military effort against the FDN, which they consider the most serious threat. Rising casualties and expenditures of scarce economic resources may induce the Sandinistas to accept a less advantageous settlement at Contadora as a tactical move to stop the insurgency, or they may sweeten their offers of bilateral deals to their neighbors. Sandinista concessions might include nominal progress on the issue of national reconciliation while continuing to avoid direct talks with the FDN.

### Implications for the United States and the Region

46. Although we do not expect the insurgency to be able to topple the Sandinistas in the coming year, we

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judge that the prospect of a prolonged war of attrition will place greater strains on the Sandinista leadership and provide incentives to continue negotiations. As the insurgency grows, it probably will be able to attract additional external funding and draw increasing international attention. Insurgent pressure, coupled with fear of direct US intervention, will continue to make the Sandinistas willing to consider their support to regional insurgencies as a subject for negotiation.

47. Nevertheless, the insurgency poses risks to US interests in the region. The Sandinistas' aggressive counterinsurgency effort over the next year is likely to include frequent cross-border operations into Costa Rica and Honduras. Although Managua's primary intention will be to attack insurgent units and facilities, there is some danger of escalating hostilities with local military and security forces in both countries. The Sandinistas' fear of a potential US military response is likely to temper their actions to some extent, but they are increasingly anxious to eliminate insurgent use of Honduras and Costa Rica as support bases and sanctuaries. As a result, in recent months they have demonstrated a willingness to take greater risks by attacking Honduran and Costa Rican security forces, without so far provoking a US response. Thus, we cannot be certain that Nicaragua will not take even greater risks in the future, sending forces across the border more frequently in an attempt to force Costa Rica and Honduras into either bilateral agreements with Managua or international supervision of their frontiers.

48. In the event of a serious escalation of border hostilities, both Honduras and Costa Rica would seek outside assistance to counter Nicaraguan military superiority. Tegucigalpa and San Jose might request a

firmer public pledge of US support as well as increased security assistance, while Costa Rica would also be likely to seek further support from its Latin American neighbors, perhaps eventually invoking the Rio Treaty. Honduras and Costa Rica might also curtail relations with Nicaragua, and may cut diplomatic ties in an extreme circumstance. The perceived threat of US intervention resulting from increased border hostilities may revitalize Contadora negotiations and force Nicaragua to take a more favorable view toward the talks.

49. Increased border clashes and more frequent Nicaraguan raids into Honduras and Costa Rica are likely to fuel debate in Tegucigalpa and San Jose over the issue of support to anti-Sandinista rebels. As election campaigns in Honduras and Costa Rica heat up, an escalation of border hostilities will almost certainly increase pressure on both governments to impose further limitations on the guerrillas, particularly if the insurgent presence in these countries increases substantially. The new Honduran government, to take office in January 1986, may be even more reluctant than the current administration to continue cooperation with the anti-Sandinistas. Costa Rica, for its part, may accept international supervision of its frontiers, thus putting pressure on Honduras to do likewise.

50. As the insurgent conflict inside Nicaragua continues to escalate, the United States is likely to be faced with increased Soviet arms deliveries and greater Cuban military involvement. This will further upset the regional military balance and complicate US force planning. Honduras and Costa Rica, although encouraged by the prospective renewal of US funding of the insurgents, are likely to seek a firmer commitment to their defense and a clearer definition of US policy regarding the future of the Sandinista regime.

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