



Director of
Central
Intelligence

~~Secret~~



Nicaragua: Prospects for Sandinista Consolidation



25X1

National Intelligence Estimate

~~Secret~~

NIE 83.3-87
August 1987

Copy 326

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 organization of the Department of State.

Also Participating:

The Deputy Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

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

The Director of Intelligence, Headquarters, Marine Corps



25X1

SECRET



25X1

NIE 83.3-87

**NICARAGUA: PROSPECTS FOR
SANDINISTA CONSOLIDATION**



25X1

Information available as of 21 August 1987 was used in the preparation of this Estimate which was approved by the National Foreign Intelligence Board on 28 August 1987.

SECRET

Page Denied

SECRET

25X1

CONTENTS

	<i>Page</i>
SCOPE NOTE	1
KEY JUDGMENTS	3
DISCUSSION	9
Progress Toward Consolidation	9
The Peace Plan	9
Facing Internal Challenges	9
The Economy	10
Popular Unrest	11
The Internal Opposition	13
The War	18
Insurgent Strengths	21
Weaknesses	21
Political Dynamics	22
The National Democratic Resistance	22
Outlook for the Insurgency	23
Probable Effect of the Peace Plan	23
The Sandinista Military	23
Military Capabilities	24
Counterinsurgency Strategy	24
Military Weaknesses	25
Military Outlook for the Regime	26
Soviet Bloc and Cuban Support	27
Increasing Economic Aid	27
Growing Military Assistance	28
Declining Western Economic Support	29
Prospects for a Regional Peace Agreement	29
Key Variables and Alternative Outcomes	30
Aid to the Insurgency	30
Leadership Unity	32
Soviet Bloc Support	32

Page Denied

SECRET

25X1

SCOPE NOTE

Although the outlook for the Nicaraguan insurgency has been the focus of two Intelligence Community Estimates over the past two years, the last overall assessment—*Nicaragua: Prospects for Sandinista Consolidation*—was completed in January 1985. The judgments of all three Estimates generally have proved accurate in predicting the continued consolidation of Sandinista control and the growth of the insurgency as the major regime obstacle. However, there have been significant political and economic developments in Nicaragua during these last two years that merit further analysis of the prospects for Sandinista consolidation:

- The Sandinistas remain in firm control, but they are concerned with mounting popular discontent, fueled primarily by a significant deterioration of the economy. This deterioration is generally worse than we had estimated and has probably resulted in growing popular disillusionment with the regime.
- The Sandinistas have promulgated a new constitution designed to consolidate their control of the political system, and they have retained the state of emergency to keep the internal opposition under control. Nevertheless, the opposition has tried to take advantage of the economic situation to force the regime into permitting greater political freedoms.
- The Soviet Bloc has substantially increased the amount of aid being sent to Nicaragua to bolster the faltering economy, its military aid has increased, and Cuba maintains a considerable advisory presence. Nevertheless, both Moscow and Havana are concerned about Sandinista ability to keep the insurgents at bay and avoid direct US intervention, and they fear having to get even more heavily involved in Nicaragua.
- Finally, the recent Guatemala summit has produced a regional peace agreement among Central American countries, and it is crucial to examine how it will ultimately affect the pace and direction of Sandinista consolidation and the outlook for the insurgency.

The Estimate will provide an assessment of prospects for the Sandinista regime over the next year and a half, taking into account the new Peace Plan. Specifically, it will assess the Sandinistas' domestic policies, focusing on economic, political, and military developments, along with key variables and alternative outcomes.

25X1

Page Denied

SECRET

25X1

KEY JUDGMENTS

We believe the Sandinistas have not changed their longstanding goal of building a Marxist-Leninist state. The new Central American Peace Plan—while perhaps delaying Managua's timetable for consolidation—probably will fail to guarantee significant democratic pluralism in Nicaragua. The Sandinista decision to sign the Plan is primarily a tactical step designed to achieve three major objectives:

- Eliminate the anti-Sandinista insurgency as a threat to the regime. The insurgency has begun to strain Nicaragua's military resources considerably, and Managua faces the prospect of a long and costly struggle should US support for the rebels be continued.
- Reduce the economic burden to Nicaragua of a prolonged counterinsurgency effort. The Sandinistas are beset by a sharply deteriorating economy and rising popular dissatisfaction, and there are no quick fixes in sight.
- Gain renewed international recognition and support for the regime. Although the Soviet Bloc has poured nearly \$2 billion in military and economic aid into Nicaragua over the last two years, Moscow probably wants to reduce the burden and avoid the appearance of Nicaragua as a Soviet client state.

The Sandinista regime has strengthened its internal control mechanisms considerably during the past few years, and it thus appears willing to begin to implement a regional peace agreement in which it promises some democratic pluralism and a lifting of constraints on the opposition in return for an end to all external support of the insurgency:

- The Sandinistas control all the major levers of internal power, including the military and internal security forces, the government bureaucracy, and the mass media.
- The new Nicaraguan Constitution, while honoring civil liberties in the abstract, has provided the Sandinistas a legal cornerstone to restrict opposition activities while cementing the political dominance of the Sandinista Party.
- The Sandinista Directorate, despite some internal differences over tactics, remains firmly united over the basic goal of consolidation of the Marxist-Leninist revolution.

SECRET

25X1

- The internal political opposition is weak and disorganized, and it has been hampered by regime repression and its own internal disputes.

Thus we see little prospect that the democratic opposition will be able to coalesce and gain enough strength to seriously challenge Sandinista control over the next year or so, even if the current Peace Plan is implemented in its initial stages by the regime. Nevertheless, the Peace Plan will offer democratic opposition parties an opportunity to test the regime's willingness to ease restrictions on political activity inside Nicaragua:

- Much will depend on whether the internal opposition and the armed resistance can forge links to exploit the democratic opening promised under the Peace Plan.
- Most internal opposition leaders have been reluctant to identify closely with the armed resistance cause for fear of Sandinista retaliation, and they will probably remain cautious until they can determine the full effect of the new Peace Plan on their ability to challenge the regime and avoid serious reprisals.
- The majority of the urban population, although increasingly dissatisfied with the Sandinistas, probably will remain apathetic about the resistance leadership and reluctant to embrace openly the insurgent cause.
- The regime also will have to confront strikes and demonstrations by independent labor unions, which—because of the dismal economic situation—have the potential to embarrass the Sandinistas seriously.

In our view, the insurgents have improved their combat capabilities substantially since the renewal of US military assistance in October 1986. They now pose a significant military challenge to the Sandinistas, but are unlikely to be able to overthrow the regime over the next 18 months. Moreover, it will be extremely difficult for them to remain a viable force under the terms of the Peace Plan:

- the insurgents have been able to infiltrate and sustain the bulk of their troops—some 14,000 combatants out of a total force of about 18,000—inside Nicaragua. Under the Peace Plan, many insurgents are likely to return to Honduras, which is required to cease all support for the rebels after early November 1987.

25X1

SECRET

25X1

- The insurgents also are better trained and are fighting more competently. They have the tactical initiative in northern and central Nicaragua, but a cutoff of all external support would kill their momentum and severely damage their prospects.
- Insurgent dependence on external resupply has increased considerably, and it will be difficult for them to remain in Nicaragua during the cease-fire called for in the Peace Plan without a reliable source of humanitarian aid, particularly food and medicine. Furthermore, compliance with the cease-fire is likely to put the insurgents at a considerable military disadvantage.
- Finally, the rebels are likely to have significant problems attempting to maintain their manpower strength. They have been unable to recruit in the more heavily populated Pacific coastal lowlands of Nicaragua over the past several years, and their rural recruits may begin to abandon the struggle if they see little hope of future support.

Perhaps equally damaging for the rebels' prospects will be the difficulty of building a political program to take advantage of the Peace Plan. On balance, the pace of rebel political efforts has continued to lag that of their military operations:

- Propaganda efforts have improved over the past year as a result of the startup of Radio Liberacion and a greater awareness on the part of some rebel commanders of the need for effective psychological operations.
- The Plan does not provide any political role for the insurgents other than to accept an amnesty and abide by the cease-fire, however, and Radio Liberacion is required to be shut down under the Peace Plan.
- The new Nicaraguan Resistance political directorate has the potential to bolster the insurgents' credibility both inside Nicaragua and abroad, but differences over strategy under the Peace Plan may cause splits within the leadership.
- We believe the Sandinistas will take strong steps to intimidate the Resistance leadership and prevent any effective political challenge inside Nicaragua.

For their part, the Sandinistas face no constraints on their military efforts under the Peace Plan beyond the call for a cease-fire, and,

SECRET

25X1

although there is a provision for an eventual regional arms control agreement, no time frame is set:

- Over the next year or so, the Sandinista military will probably wage an intense campaign to destroy any rebel units that refuse to take part in the cease-fire. The Sandinistas' manpower and firepower superiority—over 70,000 troops on active duty and some 46,000 in reserve—have allowed the regime to maintain the overall strategic advantage despite mounting rebel pressure.

Soviet Bloc and Cuban military and economic assistance will remain critical for the survival of the regime, and we expect the aid to continue to flow despite recent indications that Moscow is increasingly irritated with Nicaragua's waste and mismanagement of economic resources:

- Economic disbursements from Communist countries totaled over \$1 billion during the last two years, and Moscow is likely to continue substantial economic support under the new Peace Plan.
- Substantial increases in Western aid, however, are unlikely. Over the past two years sympathy for the regime has faded as Sandinista intentions have become more apparent. There may be some increase in multilateral aid, however, if the Central American states are able to sustain a viable peace plan.

On the military side, the Soviet Bloc has supplied almost all the hardware for Nicaragua's military buildup, and we believe Moscow and its allies will continue to provide the Sandinistas with the materiel needed to sustain the counterinsurgency effort:

- Soviet and East European military deliveries to Nicaragua rose to \$584 million in 1986, and the total this year is likely to be close to that figure. The Peace Plan does not place any limits on Soviet or Cuban support for the Sandinistas, although Moscow may use the opportunity presented under the Plan to reduce somewhat its military aid and appear to be supportive of the peace process with little, if any, adverse effect on Sandinista consolidation.
- We believe that Moscow will continue to be sensitive to US injunctions against the presence of advanced fighter aircraft in Nicaragua. Nevertheless, Moscow may eventually deliver the MIGs if permitted to do so under a regional arms agreement.

SECRET

25X1

- We believe Cuba, for its part, will remain heavily committed to supporting the Sandinista regime. It probably would agree to withdraw the bulk of its some 1,500 to 2,000 military advisers and technicians currently in Nicaragua, but only in exchange for a concurrent US withdrawal from the region.

We see no likelihood that Nicaragua will adhere to a regional peace agreement that meets all major US concerns. Managua probably will take some cosmetic steps to permit a democratic opening, suspend support for other regional insurgencies, and engage in arms limitation talks, all for temporary advantage:

- In our view, Managua is likely to continue its strategy of using regional peace negotiations to buy time for the consolidation of the regime, to ease external pressures by demonstrating flexibility to outsiders, and to try to obtain a guarantee that the United States will not attempt to overthrow the regime.
- We believe that, even though Managua has agreed to support democratic pluralism, it will not follow through on internal democratic reforms that would risk its hold on power.
- The Sandinistas probably will continue clandestine support for regional insurgencies once it is safe to do so.

We believe that the future of US funding for the rebels is the single most critical variable:

- In our view, US military and nonlethal assistance has generated considerable military momentum for the opposition, and the fate of the US program will have major implications for the prospects for democracy in Nicaragua.
- A continuation of US aid to the insurgents and the internal opposition, contingent on full Sandinista compliance with a comprehensive peace agreement, would keep the pressure on Managua to allow greater democratic freedoms.
- Increased and extended US support for the insurgents would prevent Sandinista consolidation over the next 18 months, and beyond that, continued aid would make regime consolidation increasingly uncertain.
- On the other hand, the Central American democracies probably calculate that a halt of all US support to the rebels would enable Managua to consolidate its internal revolution, barring direct US military intervention.

SECRET



25X1

— As a result, pressures from Nicaragua's neighbors for continued US support to rebuild their economies and contain potential subversion would increase. At the same time, they would be under greater pressure to seek an accommodation with Managua.



25X1

SECRET

25X1

DISCUSSION

Progress Toward Consolidation

1. During the last two years, the Sandinistas have made continued progress toward their longstanding goal of building a Marxist-Leninist state in Nicaragua. An expanded state of emergency—combined with behind-the-scenes pressure and harassment—has reduced the maneuvering room of the democratic opposition and kept opposition groups in the Sandinista-dominated National Assembly under wraps. By skillfully exploiting divisions among the opposition and by intimidation and arbitrary arrests, the Sandinistas have reduced their opponent's political stature at home and abroad, prompting several prominent opposition leaders to go into self-imposed exile. Tightened censorship, highlighted by the closure of *La Prensa*, the country's last independent newspaper, cinched the regime's monopoly of the media, making it nearly impossible for the opposition's voice to be heard inside Nicaragua. Similarly, the expulsion last year of several prominent antiregime clerics and the closure of the church radio station has put the Catholic Church, the Sandinistas' strongest domestic opponent, increasingly on the defensive. [redacted]

2. Simultaneously, Managua's military buildup, keyed to providing a shield behind which the Sandinistas can consolidate their control and support other regional revolutionaries, has continued apace. The armed forces—which now number over 70,000 active-duty troops plus some 46,000 inactive reserves and militia—are the largest and best equipped in Central America. In addition, the large and pervasive Interior Ministry gives the Sandinistas an effective tool for maintaining internal control and political consolidation. [redacted]

[redacted] Through its control over the police and the national telephone, postal, and prison systems, the ministry reaches into the daily life of potentially every Nicaraguan. [redacted]

The Peace Plan

3. On 7 August 1987, at a presidential summit in Guatemala, President Ortega decided to sign a Central American Peace Plan that essentially requires the Sandinistas to grant considerable democratic freedoms to the unarmed internal political opposition in return for a commitment by other regional states to cease all forms of support for the anti-Sandinista insurgents. Nonregional states, which would include the United States, are requested to suspend such aid. The primary factor that motivated Ortega to sign the agreement probably was a US peace plan announced just before the summit, which he feared might result in continued US aid to the insurgency. The Sandinistas were to be given until 30 September 1987 to implement the US plan. [redacted]

4. Ortega probably viewed the proposed Central American Peace Plan as more advantageous to Nicaragua, which has been under considerable military and economic strains:

- It would not require the Sandinistas to negotiate with the armed opposition.
- Managua would not have to grant political freedoms to the opposition until 7 November 1987, but the United States probably would have to halt aid to the insurgents when current legislation expires on 30 September 1987.

The Sandinistas are essentially gambling that they can keep the opposition under sufficient control while forcing an end to the insurgency. This would give them some hope of reversing a serious economic decline and obtaining additional international economic aid for the regime. [redacted]

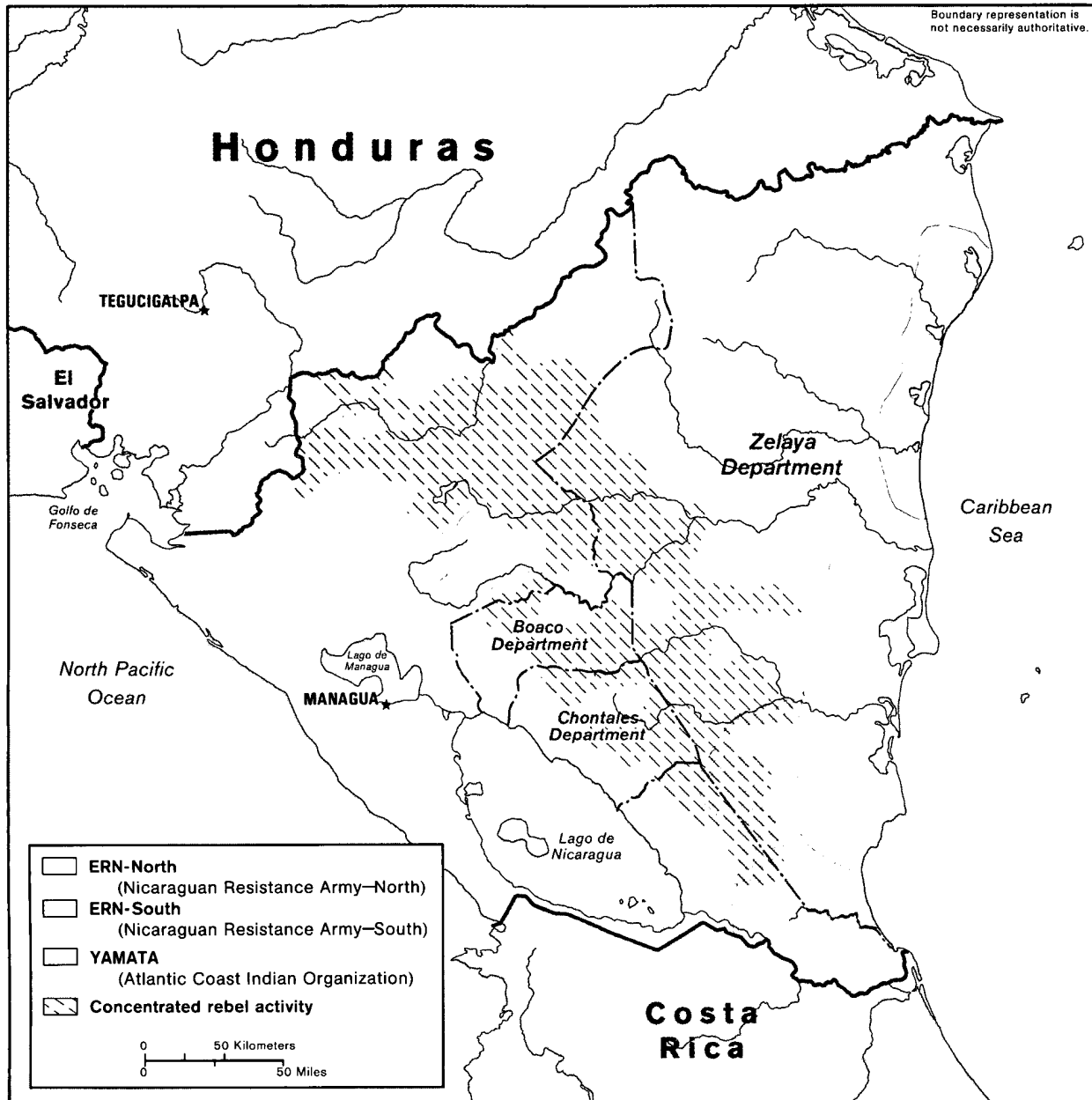
Facing Internal Challenges

5. The Sandinistas enter their ninth year in power facing major domestic challenges, which, in addition to the intensified insurgency, have ensued from their efforts to consolidate the revolution. A deteriorating economy and growing frustration over Sandinista repression have undermined popular support for the regime, increased cynicism among some regime officers, and given opposition parties some hope that they could broaden their political space. Reflecting the

SECRET

25X1

Figure 1
Rebel Operating Areas in Nicaragua



Secret

711111 (545340) 9-87

25X1

heightened popular dissatisfaction with regime policies, several small disturbances, some of them violent, have erupted over the past year. In addition, the continued insurgency has put serious strains on the Sandinistas' limited economic and manpower resources. Finally, as Managua has become almost totally reliant on Soviet Bloc military and economic support for its survival, it has seen its independent image erode both domestically and internationally.

The Economy

6. Halting Nicaragua's deep economic slide will be the key challenge for regime strategists, and they probably hope that the new Peace Plan will allow Managua to devote more resources to economic development. The economy has been in a tailspin because of Sandinista economic mismanagement, and during the past 18 months it has been further strained by the

25X1

SECRET

growing civil war, continuing problems related to the US trade embargo, and the negative impact of increasing state control on overall productivity. Real wages and personal income are half of pre-1979 levels and inflation has skyrocketed, jumping from 330 percent in 1985 to nearly 750 percent last year. We estimate real per capita GDP fell by about 7.5 percent in 1985 and 1986, and that overall economic activity is now one-third below prerevolutionary levels. Hard currency export earnings are less than half of 1984 levels and just a fraction of the prerevolutionary amount. [redacted]

7. The impact of the decline on the living standards of the bulk of the Nicaraguan populace has been severe, and, although the government is moving to ease shortages, living standards will almost certainly continue to decline during the period of this Estimate. Despite emergency food shipments from the Soviet Union, staples such as rice, cooking oil, and beans are likely to be periodically unavailable. Electrical brown-outs, water shortages, and other disruptions in public services will multiply. Although many middle- and upper-income citizens resort to the black markets, where commodities cost many times their official price, this option clearly is not open to most families. As a result, many low-income families, especially in urban areas, must rely increasingly on the informal-barter economy. [redacted]

8. The depth of the economic falloff, the threat of more public unrest, and possibly pressure from Moscow have spurred Managua to lift some controls on the distribution of consumer goods in an effort to ease shortages. The regime has removed roadblocks around the capital that had been set up to stop the flow of contraband goods and suspended police raids on illegal markets. To increase the flow of consumer goods, some production incentives have been implemented, and restrictions were lifted on private importers of consumer goods. Other moves are possible, especially those aimed at reducing corruption and limiting inefficiencies in the distribution system. Although the regime has recently displayed an unprecedented willingness to discuss economic issues with private-sector leaders, we believe the Sandinistas remain unwilling to make concessions to them that would jeopardize Sandinista control over major economic decisions. [redacted]

9. Although the loosening of some economic restrictions probably will help ease distribution bottlenecks, the Nicaraguan economy has deteriorated to the point that there are no quick fixes. With no expectations for significant increases in domestic production, dramatic upswings in Western aid, or a major increase in Soviet assistance, we expect to see continued economic dete-

rioration over the next two years. So do the Sandinistas. In an unusually blunt warning to the people, a government spokesman admitted that economic growth in 1987 will be negative and that Managua's prime objective will be to keep the deterioration from worsening. In such circumstances popular morale will continue to slide. [redacted]

Popular Unrest

10. Popular dissatisfaction with Sandinista policies is likely to intensify, but the regime probably will be able to contain opposition strikes and other demonstrations should it fully lift the state of emergency as required under the Peace Plan by early November. Economic distress is—and probably will continue to be—the root cause of discontent, but Sandinista harassment of the Catholic Church, human rights violations, repression of individual liberties, and indoctrination efforts also rankle many Nicaraguans. Disgruntlement with forced military service continues to run high, although overt resistance has diminished. In the countryside, some 250,000 peasants have already been moved away from areas of insurgent activity—most of them forcibly—exacerbating tensions caused by intrusive government policies and shrinking social services. Deep-rooted ethnic tensions will keep most Atlantic coast Indians suspicious of the Sandinistas. [redacted]

11. Growing disgruntlement has not yet turned into open resistance, and we doubt that it will unless Nicaraguans come to believe they can successfully challenge the regime under the Peace Plan. Antiregime incidents so far appear spontaneous, have lacked clear leadership, and have been suppressed easily. The overwhelming presence of Sandinista security forces accounts for much of the quiescence, although [redacted] the citizenry is preoccupied with the daily search for food and other necessities, especially in urban areas. Emigration is a safety valve. We estimate upwards of 50,000 individuals left Nicaragua last year, most going to Honduras and Costa Rica. Recent US border patrol statistics indicate, however, that the flow of undocumented Nicaraguans into the United States is increasing—up by over 50 percent so far this year. [redacted]

12. Regime officials closely monitor the public mood, and they have been focusing on minimizing rural discontent in order to undermine support for the insurgents. Peasants comprise the bulk of insurgent recruits and in some areas supply rebel field units with food, shelter, information on Sandinista troop movements, and medical assistance. Within the limits im-

SECRET

SECRET

25X1

Central American Peace Plan and Timetable
Cease-Fire

- Takes place in 90 days (7 November 1987).
- “Within constitutional framework.”
- No provision for direct talks with rebels.

External Aid to Insurgents

- Governments will request cutoff of aid to irregular forces to take place in 90 days; permits aid for repatriation or relocation.
- Governments will request rebels to refrain from receiving aid.
- Governments reiterate pledges to prevent their territory from being used by rebels and to refrain from giving or permitting military logistic support for those “who try to destabilize” the Central American governments.

Amnesty

- Takes place in 90 days.
- (Unclear if all political prisoners must be released.)
- Rebels must release their prisoners simultaneously.

National Reconciliation Commission

- To be formed within 20 days from signature.
- Purpose is to verify fulfillment of pledges on amnesty, cease-fire, democratization, and elections.
- Composition: one member and one alternate from government, church, opposition parties, and leading citizens; government chooses church and opposition members from lists they provide.

Democratization

- Takes place in 90 days.
- “Broad, democratic, and pluralist systems” but each nation has right to choose economic and political system without foreign interference.
- Complete liberty for television, radio, and press; no prior censorship; all ideological groups may own and operate news media; full access to media for political groups.
- All political organizations have right to organize and hold public demonstrations.
- End to state of siege/emergency.

Free Elections

- “Once the conditions that characterize a democracy have been established,” the governments must establish free elections.
- Central American Parliament elections by July 1988; OAS, United Nations, and (unidentified) third states to observe.
- Municipal, legislative, and presidential elections to be overseen by international observers; schedule in accordance with current constitutions.

Arms Control Talks

- Security and verification agreements to be negotiated with Contadora mediation; talks to include measures to disarm rebels.
- (No date for termination of negotiations.)

Refugees

- Governments pledge to protect and aid; facilitate repatriation.

Development

- Governments pledge to reach accords to expedite development; joint negotiations for international aid.

International Verification

- Purpose is to verify and follow up on provisions of document, including reconciliation.
- Membership: OAS and UN Secretary General; Central American, Contadora, and support group foreign ministers.
- Will analyze progress within 120 days.
- Central American presidents to meet within 150 days.

(Other)

- Accord is a presidential agreement, not a treaty; no provision for legislative ratification.
 - Agreement, not a treaty; no provision for legislative ratification.
 - Agreement is open ended.
 - No sanctions for violations of agreement.
-

SECRET

25X1

Signature (7 August 1987)

- Governments appeal to regional states suffering from insurgencies to reach agreement ending hostilities.

15 Days (22 August 1987)

- Central American Foreign Ministers meet as an Executive Commission to regulate and make viable compliance with agreements contained in this document; organization of work commissions.

20 Day (27 August 1987)

- National Reconciliation Commissions to be formed.

90 Days (7 November 1987)

- Cease-fire takes place.
- Governments request cutoff of external aid to rebels.
- Governments ask rebels not to receive aid.
- Government grants amnesty; rebels release prisoners.
- Democratization provisions take effect, including political freedoms, press freedom, and end of state of siege restrictions.

20 Days (7 December 1987)

- International Verification and Follow-Up Commission analyzes progress made in fulfillment of agreement.

150 Days (7 January 1988)

- Central American Presidents will meet to discuss the report of the Verification Commission.

By First Semester 1988 (30 June 1988)

- Simultaneous elections for the Central American Parliament, with international observation.

No Time Periods Given

- Arms control talks begin, with Contadora mediation.
- Time period for duration of agreement.

posed by the economic crisis and the Peace Plan, Managua is likely to pursue aggressively the two-pronged strategy it adopted in late 1985 to deal with rural unrest—expand socioeconomic benefits—including distribution of individual land titles—while stepping up legal sanctions against regime opponents.

13. Although major urban areas are securely under government control, discontent in the cities would be more potentially damaging to the regime. Unrest there could be more explosive, especially if it were widespread. The regime will have to confront embarrassing strikes and labor unrest. Even if it lifts the state of emergency, however, it still has the legal right to use force to control public disorders and prevent violence. Nevertheless, the regime would be required by the Peace Plan to remove all restrictions on freedom of assembly and the mass media, thus permitting greater opposition freedom to challenge Sandinista policies. The owners of *La Prensa*, Nicaragua's last independent newspaper shut down in 1986, already have requested permission to resume publication without censorship.

14. We believe the unity of Sandinista leaders will reinforce the ability of the security apparatus to deal with potential unrest. Top Sandinista leaders, since coming to power in 1979, have maintained a unity extraordinary for any collegial-type government leadership. Policy differences have been tactical rather than strategic, and we believe there is little disagreement over basic goals and directions. Moreover, because the Army, the bureaucracy, and the National Assembly are dominated by Sandinistas, institutional roadblocks to implementation of Directorate policies are almost nil:

- Nevertheless, although details are sketchy, there are signs that differences over economic policy within the ruling nine-man Sandinista National Directorate have become more pronounced in recent months. Underscoring hardliner opposition to recently announced reforms, Directorate member Luis Carrion, a strong backer of Interior Minister Tomas Borge, has publicly criticized advocates of economic pragmatism as following a path benefiting "... the interests of the rich and the merchants." On balance, although we believe hardliner dissatisfaction is unlikely to lead to serious splits in the Directorate or decisionmaking paralysis, the regime probably will have continued differences over whether and how to implement the various democratic provisions of the Peace Plan.

The Internal Opposition

15. Opposition political leaders appear convinced that the country's mounting economic woes are creating a climate of discontent that will work to their benefit under the Peace Plan, but we are not so sanguine. Deep factional disputes plaguing most parties, as well as serious penetrations of their ranks by

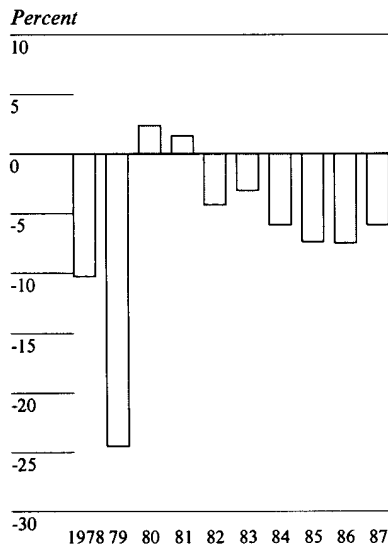
SECRET

25X1

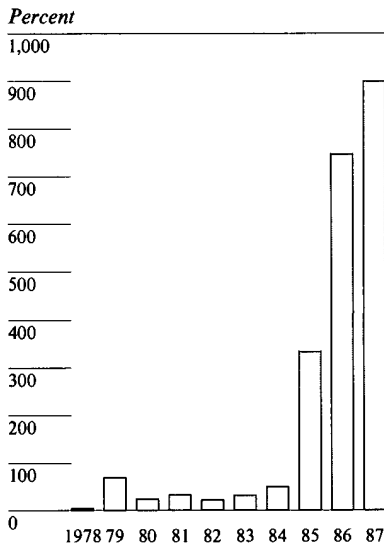
Figure 2
Nicaragua: Economic Indicators, 1978-87

Note scale change

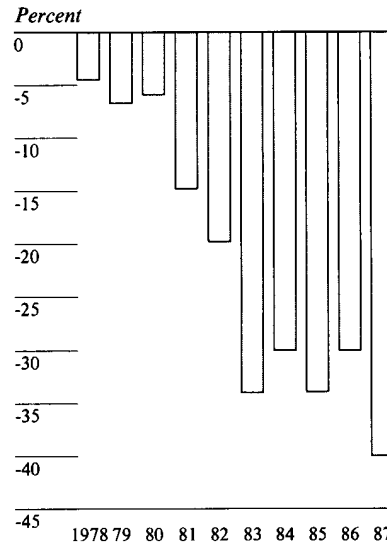
Real Per Capita GDP Growth



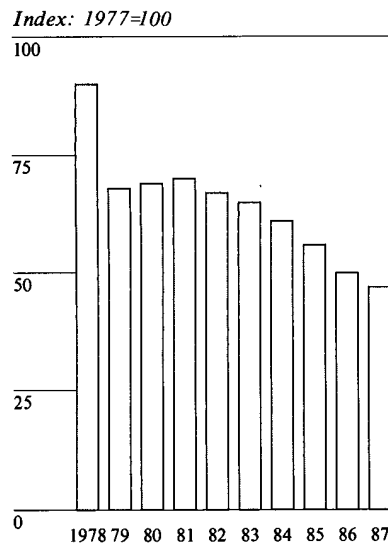
Consumer Price Inflation



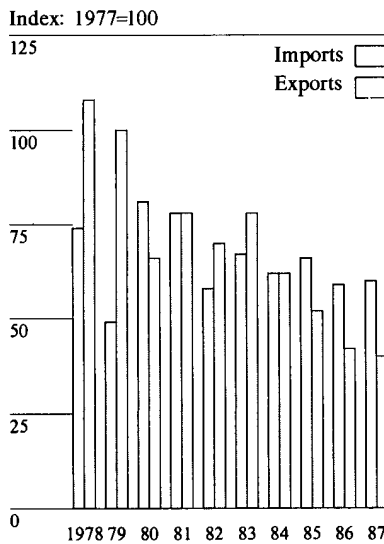
Budget Deficit as a Share of GDP^a



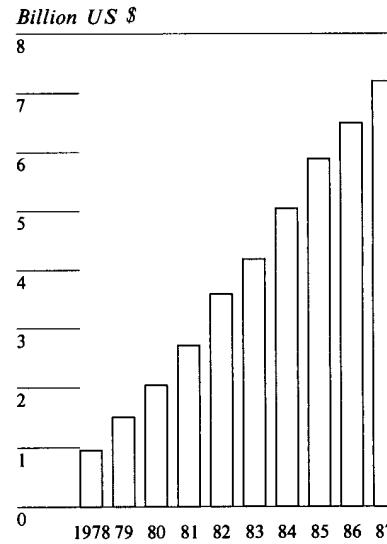
Per Capita Income



Export/Import Volumes



External Public Debt



^a Does not include large losses by government-owned businesses.

313992 8-87

25X1

25X1

25X1

25X1

25X1
25X1
25X1

Page Denied

25X1
25X1

25X1
25X1

25X1

25X1
25X1
25X1

Next 1 Page(s) In Document Denied

25X1

25X1
25X1

25X1

25X1

25X1

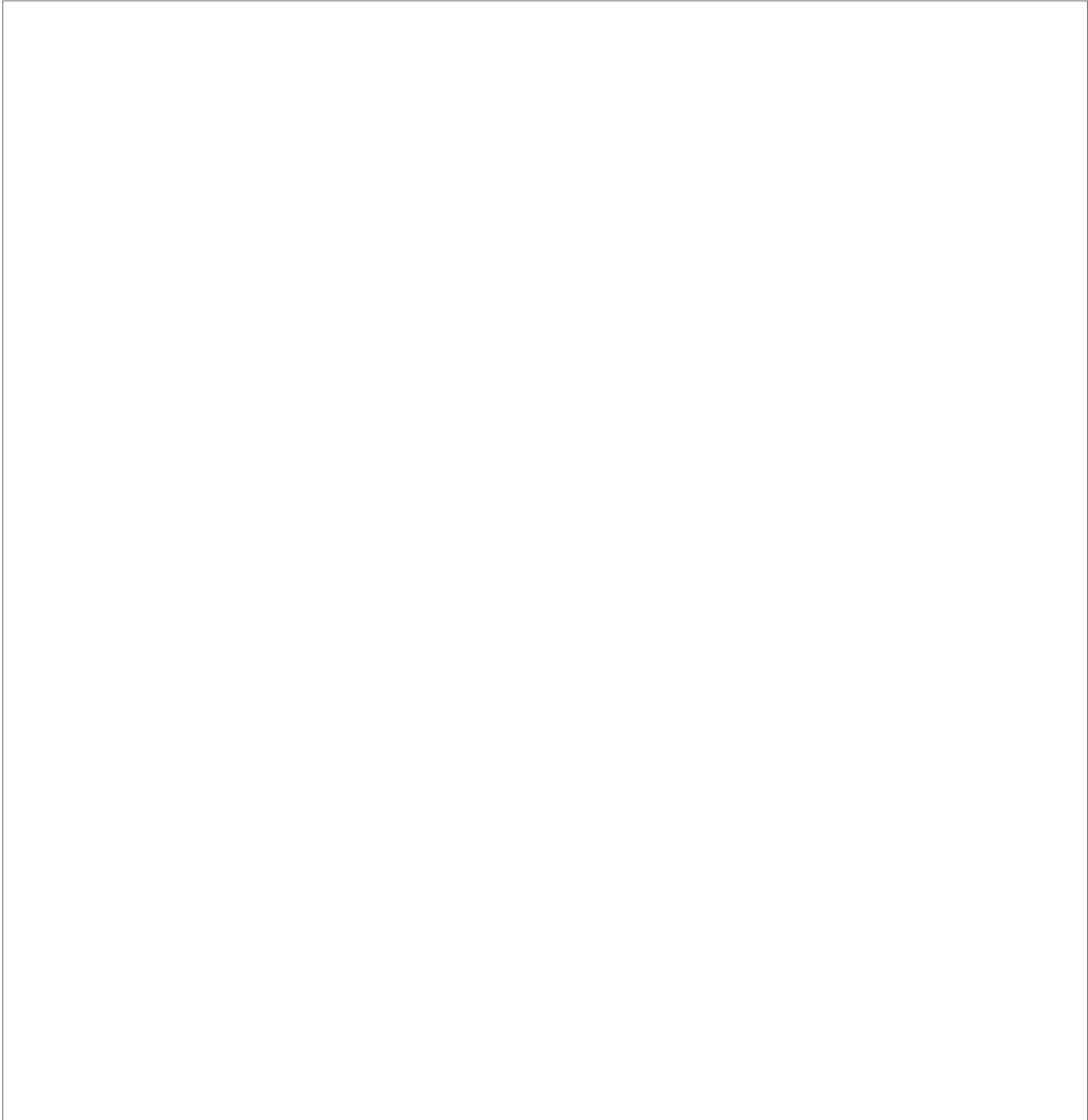
25X1

SECRET




25X1

25X1



Sandinista agents, probably will undermine their grass-roots organization efforts as well as their ability to mobilize popular support. The Democratic Coordinating Board—the main opposition coalition and one that includes political, labor, and private-sector groups—is moribund, torn by internal splits and divided over the extent to which it should participate in political structures dominated by the regime. Nevertheless, opposition groups already have held several small

demonstrations, and more are probable in the months ahead as the opposition seeks to test Sandinista willingness to adhere to the agreement. 


25X1


16. Winning international support will be an uphill battle for the democratic opposition, and they need considerable external support if they are to have any hope of prospering. Most West European governments see the opposition as uninspired, hopelessly divided,

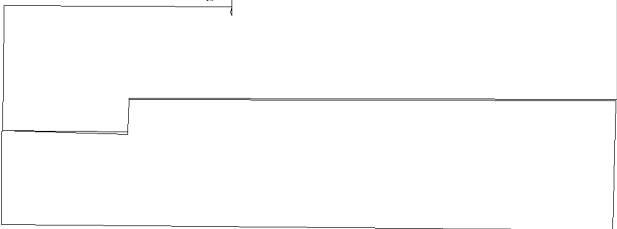
SECRET




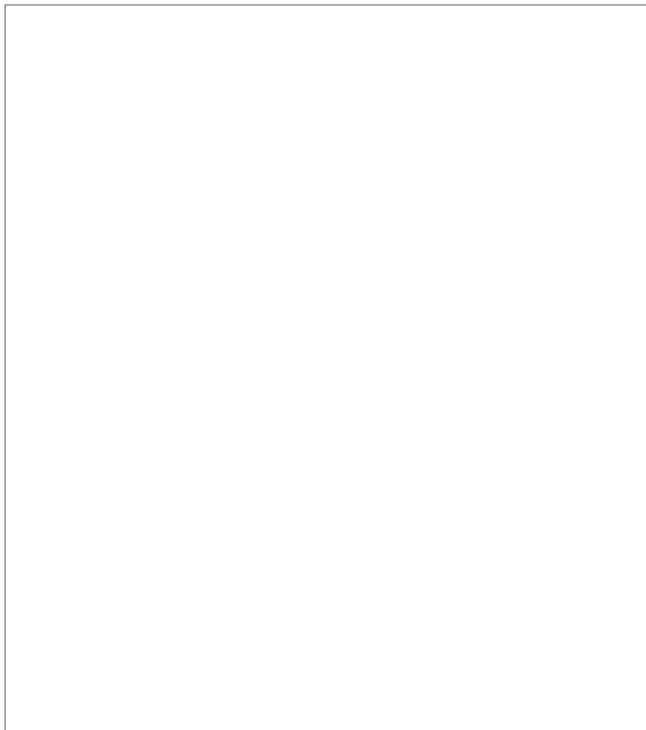
25X1


and too weak to challenge the regime. We believe Western capitals are unlikely to provide meaningful financial or political backing, despite the opportunity provided by the Peace Plan. The majority of South American and Caribbean governments probably share similar sentiments. Guatemala provides political and limited financial assistance to the Social Christian Party and may increase its support as a result of the Peace Plan. Other Central American governments, wary of being accused of interference in Nicaragua's internal affairs, are likely to continue to focus on verbal efforts to get the Sandinistas to live up to the democratic provisions of the Plan. 

17. Additionally, the internal opposition will be hard pressed to take advantage of any potential opening to expand political cooperation with the insurgents' political leadership. 




Moreover, because many in the internal opposition probably are uncertain about the viability of the insurgency, we believe they will probably see stronger links to rebel political leaders as too dangerous, at least until they can fully assess the implications of the Peace Plan. 



19. Managua has been quick to state that its constitution and existing amnesty law already guarantee most of the political rights demanded by the Peace Plan. Further, the Sandinistas probably will delay lifting all the state-of-emergency restrictions or permitting other opposition rights until the insurgents fully comply with the cease-fire and foreign states cease all support for the insurgency. The Sandinistas have a political advantage in dealing with the insurgents because the Peace Plan requires them to initiate a dialogue only with the unarmed opposition groups. 

25X1

25X1


20. The new Constitution, promulgated in January 1987, while honoring civil liberties in the abstract, provides the Sandinistas a legal cornerstone to restrict opposition activities while cementing the political dominance of the Sandinista Party. Underscoring the Sandinistas' narrow definition of democracy, the Constitution is described in the preamble as an instrument for the institutionalization of the achievements of the revolution. Restrictive parameters for political participation—for example, the Constitution stipulates that groups "advocating a return to the past" will not be recognized—will give the regime a legal rationale to undermine the opposition even further while maintaining a positive international image. Reflecting the regime's determination to keep the opposition in check, the state of emergency was reinstated immediately after the Constitution went into effect. 

25X1

25X1

25X1

25X1

21. Against this background, it probably will be difficult for the International Verification Commission—which will consist primarily of the Contadora and Support Group Foreign Ministers—to reach a consensus about any violations in Sandinista compliance with the Peace Plan. In the past, these Ministers have been reluctant to take any strong actions that could be regarded as interference in a state's internal affairs. The Peace Plan itself also does not provide for sanctions in the event of violations. Thus the Plan is heavily weighted in favor of the governments in power, which are given the right to determine their own "political model . . . without outside interference of any kind." 

25X1

25X6

25X1

The War

22. With extensive external support, the anti-Sandinista armed opposition have become a significant challenge to the regime and its consolidation. Nevertheless, we do not believe the insurgency is capable of

SECRET

25X1

Creating the New Constitution

Drafting a new constitution that would cement Sandinista dominance absorbed the attention of the National Assembly for much of the past two years. Assembly members made highly publicized trips to Western Europe, Latin America, and the Socialist Bloc to consult with constitutional experts. The Sandinista-controlled press gave wide coverage to Assembly-sponsored town meetings held to canvas popular opinion. Underscoring the Sandinista recognition of the importance of winning international applause, several meetings were held in the United States. The final draft was completed last fall and approved by the National Assembly in December 1986. The Sandinistas will almost certainly point to their Constitution as proof of their compliance with the Peace Plan.

Even though major democratic parties are excluded from the Assembly because they boycotted elections in 1984, the regime stacked the drafting process in its favor:

- The Sandinistas and their allies among the legal opposition parties dominated the Assembly commissions charged with drafting the Constitution.
- “Open town meetings” sponsored by the Assembly to foster “debate” on the Constitution were a triumph of rhetoric over substance; comments and questions were subject to prior review and participation was limited to regime backers.

Even though Assembly President Carlos Nunez, a member of the Sandinista National Directorate, privately characterized the Constitution as a tool of the revolution and said it would not provide a legal basis for the overthrow of Sandinista power, there are signs that the Constitution has caused concern among regime hardliners. Some ideologues fear it will provide an opening for the political enemies of the Sandinistas. Others see it as a departure from the radical line of the revolution.

The final draft passed by the National Assembly was far less dogmatic than the two earlier versions. Wording that would attract negative international comment was excised or watered down. A close look at the document, however, leaves little doubt that it ties Nicaragua's future to that of the Sandinista National Liberation Front. Key provisions include:

Provision	Comment	Provision	Comment
Political pluralism Exists without ideological restrictions except for those that seek a return to the conditions present under former President Somoza or advocate a similar system.	Provision is so broad that any political opposition group who advocates changes in the political system could be declared illegal.	Presidential prerogatives Issues executive decrees with the force of law in fiscal and administrative matters. Assumes legislative powers when Assembly in recess. Can declare a state of emergency.	Confirms preeminence of president. Reelection allowed. Will make succession question potentially divisive.
Mixed economy All forms of property must serve the nation's higher interest and contribute to the creation of wealth to meet the needs of the country.	Allows broad limitations on private property and profits by assigning a public purpose to private property.	National assembly Can grant and cancel the legal personality of civil and religious entities.	We believe these provisions will be abused to suppress political parties and the Catholic Church.
National economy The state directs and plans the national economy to guarantee and defend the interests of the majority and to guide it in terms of the objectives of socioeconomic progress.	Makes the state the manager of every aspect of the national economy.	Electoral council Proposed by President, approved by Assembly. To organize and supervise elections. Final arbitrator of complaints and challenges presented by parties.	Gives regime total control over electoral process.
National defense The Army is a national army, and as the direct heir of the National Sovereignty Defense Army is the people's armed force.	The Army, in reality an armed wing of the Sandinista Party, is the permanent guardian of party interests.	Constitutional reform Assembly can reform at presidential request, or at the request of at least one-third of the members of the Assembly. Approval of partial changes to provisions requires 60 percent of Assembly delegates. Two-thirds vote required for total change.	Ensures that only the Sandinistas will be able to make changes.

25X1

SECRET



25X1

Nicaraguan Rebel Organizations

Insurgent Leadership



314046 8-87

25X1

The Resistance Assembly

Currently composed of eight delegations of six members each, the Assembly represents a cross section of the political opposition in exile and includes members of the Social Christian Party, the Social Democratic Party, the Liberal Party, the Conservative Party, the Southern Opposition Bloc, labor, business, and agriculture/rebel military organizations. Six seats have also been allocated for Atlantic coast natives, pending their decision to subordinate their organization to the movement. The Assembly is responsible for drafting and legislating studies, laws, and regulations pertaining to the resistance. It is also charged with establishing the economic, social, and juridical precepts for a future provisional government. The Assembly also elects the Resistance Directorate.

The Resistance Directorate. Currently consists of six members—seventh seat is vacant awaiting participation by Atlantic coast representatives. The directorate is the resistance's executive body and is responsible for managing and administering financial and material resources in agreement with the rules established by the Assembly.

The Nicaraguan Resistance Army (ERN)

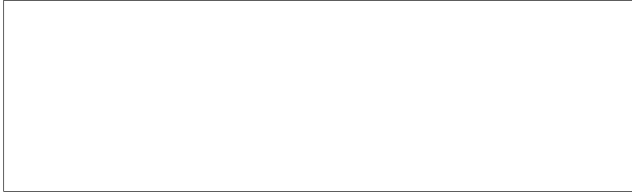
The ERN-North. Formerly called the Nicaraguan Democratic Force (FDN), the ERN-North is the largest and by far the most active rebel military organization. It claims an overall strength of some 16,000 and has conducted widespread operations in rural northern,

central, and southern Nicaragua. Headed by former Somoza National Guard Col. Enrique Bermudez, it is composed largely of peasants and some former National Guard and ex-Sandinista personnel.

The ERN-South. Known previously as the Southern Front, the ERN-south consists of groups affiliated with the Southern Opposition Bloc (BOS) and formerly allied to ex-Sandinista leader Eden Pastora. It claims a combat strength of 1,800 men and has reported a low to moderate level of operations, largely in southeastern Nicaragua.

The Atlantic Coast Indian Organization

Called Yatama, this recently formed organization unites three Indian guerrilla factions formerly known as Kisan, Misura, and Misurasata. Yatama—concerned mostly with Atlantic coast autonomy issues—thus far has been reluctant to formally ally itself with the Nicaraguan resistance, and its own tenuous unity is threatened by bitter, underlying personal rivalries between some of its leaders. Yamata may have over 600 fighters operating along Nicaragua's east coast, but, thus far has carried out only limited tactical activity.



25X1

25X1

25X1

25X1

25X1

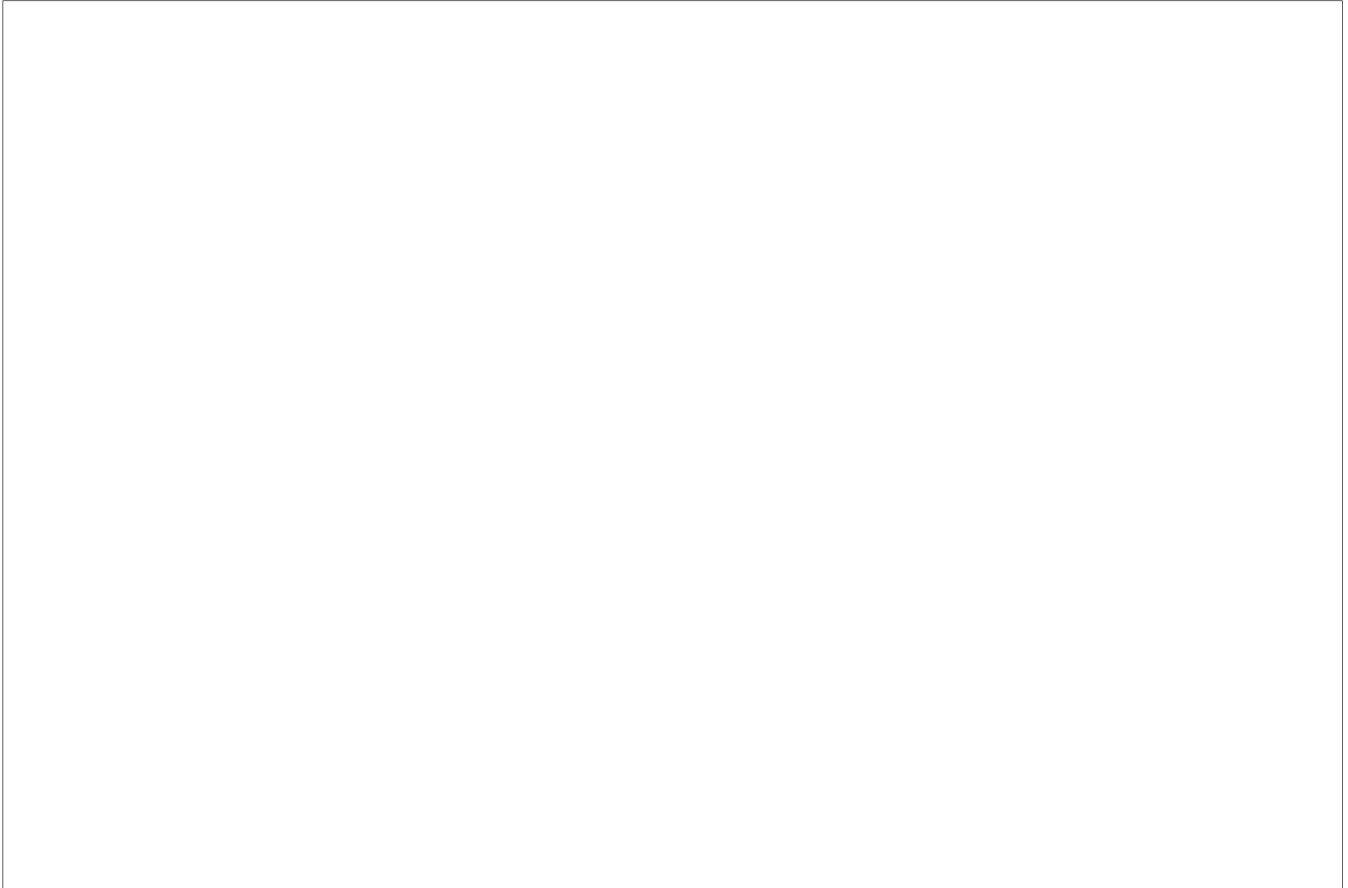
25X1


25X6

SECRET






25X1




toppling the regime over the next 18 months. Moreover, the Peace Plan represents a major blow to the military prospects of the insurgents, and they will face a variety of serious problems and uncertainties in the coming months. 

23. 


 the insurgents have successfully infiltrated and maintained the bulk of their combat forces inside Nicaragua. The guerrillas' logistic pipeline has improved and usually is meeting basic ammunition and quartermaster supply needs of tactical commanders on a timely basis. In their areas of operation in northern and central Nicaragua, the rebels have sustained a larger force presence and generally maintained the tactical initiative. They have forced the Sandinistas to react to a widespread and much more intense campaign of attacks, ambushes, and sabotage. Rebel military successes have increased the regime's casualties and economic costs and clearly strained the capabilities of its armed forces. Rebel air defense also has improved as a result of the acquisition of Redeye missiles. 

Insurgent Strengths

24. The rebels are better trained and equipped and are fighting more competently, carrying out more night operations, and more effectively breaking contact when confronted by superior Sandinista numbers or firepower. Although the bulk of insurgent actions have focused on relatively small and poorly defended objectives, they have also hit some military outposts and small garrisons. Some recent actions indicate the rebels are increasing their capability to operate successfully against more significant military targets. The rebels have suffered setbacks when they eschewed small-unit tactics and became decisively engaged by Sandinista counterinsurgency units. However, they have periodically inflicted losses on similar Sandinista units. Although we have received some reports of rebel desertions, we judge overall morale to be good, and the majority of the rebel foot soldiers to be strongly motivated. 

Weaknesses

25. Although individual operations are often tactically successful, the ability of the insurgent strategic command to coordinate these efforts toward overall

25X1

25X1

25X1

25X1

25X1

25X1

SECRET

[Redacted]

25X1

strategic objectives is still limited. Leadership effectiveness among rebel commanders also is uneven, and the level of tactical success attributable to some units appears relatively low.

[Redacted]

26. The rebels remain highly dependent on external support for the logistic resources needed to fight the war and for the technical expertise required for effective aerial resupply operations.

[Redacted]

[Redacted]

Assuming that a ceasefire then comes into effect, the rebels will need humanitarian assistance, particularly food and medicine, to sustain their forces inside Nicaragua.

[Redacted]

27. Despite their tactical gains, the rebels' numerical strength has not grown, primarily because their rural recruitment base has been largely exhausted over the past several years. Rebel operations remain confined largely to relatively remote rural areas where low population densities will not afford much prospect for substantial force growth in the near term. The various insurgent factions continue to report an overall strength of some 18,000, about 14,000 of which are said to be in country. The rebels have not yet demonstrated the capability to penetrate major towns or conduct significant operations in the more populous western portions of the country. Any increases in strength over the longer term will continue to depend on the insurgents' ability to expand their operations into urban areas, further improve their logistic capabilities, and undertake more meaningful efforts to gain the political support of the population.

Political Dynamics

28. Although insurgent leaders appear to better recognize the value of psychological operations, the

pace of rebel political efforts in the countryside continues to lag well behind that of their military operations. Some commanders are conducting political lectures in their tactical areas of responsibility, but we do not know their impact on the population. They also lack a firm political infrastructure in their areas of operation. Moreover, many commanders are not politically sophisticated and are often inclined to rely on military rather than political means to extend insurgent influence.

25X1

25X1

25X1

29. Although the rebels' overall human rights record appears to have improved considerably, reports persist of violations by some units. Rebel attacks on some economic infrastructure targets and armed agricultural cooperatives are increasing the costs of the war to the population as well as the regime, but these have played directly into Sandinista propaganda efforts to portray the rebels as brutal. The insurgents still lack a charismatic spokesman and have not articulated a positive political program that distinguishes their antipathy toward the Sandinistas from their attitudes toward those goals and achievements of the 1979 revolution that still enjoy popular support.

25X1

25X1

25X1
ZSAI
ZSAI

30. A clandestine AM station, Radio Liberacion, has been established to broadcast the rebels' political message, and it is attracting an increasing audience of Nicaraguans seeking independent reporting of events. The regime is now jamming the radio in most of the Managua area, where one-third of the population lives. Aerial leaflet drops have also been conducted on the insurgents' behalf. These developments are increasing the population's awareness of the insurgency. However, the creation of the in-country economic and political infrastructure needed to sustain the anti-Sandinista insurgents over the longer term will continue to depend on more effective rebel efforts at the grassroots level.

25X1

25X1

The National Democratic Resistance

31. The recent formation of a new, more broadly based insurgent umbrella organization, the Nicaraguan Resistance, has begun to enhance the rebels' political image abroad, but its effectiveness in challenging the Sandinistas' international and domestic credibility will depend on its various factions overcoming longstanding policy differences and personality conflicts. Over the past several months, Resistance political leaders have for the first time met openly with several Latin American leaders. Guatemala's President Cerezo, for example, recently held meetings with them and offered Guatemala as a site for future meetings, and

25X1

SECRET

they also have held meetings with Presidents Duarte and Azcona. Polls conducted among refugees from Nicaragua, however, suggest the rebel leadership still is little known in country. Moreover, past infighting and resignations of key leaders hurt the organization, and it will probably continue to have difficulty coordinating strategy. []

32. The ability of the Resistance to establish more effective links within the internal political opposition will probably be limited by effective Sandinista internal security measures. Most will remain reluctant to place their lives and political and economic interests at risk, especially while the rebels' long-term prospects are uncertain. The regime has fully penetrated most opposition organizations, and their leaders have little, if any, capability to operate clandestinely. The depth of popular support enjoyed by most groups and their ability to mobilize it within Nicaragua are also problematic. []

Outlook for the Insurgency

Probable Effect of the Peace Plan

33. If adherence to the Peace Plan results in a cutoff of US support for the insurgency at the end of September 1987, along with an end to support from Honduras and other regional states by early November, we judge there will be serious negative consequences for the Nicaraguan resistance. Unlike the Salvadoran and Guatemalan rebels, the anti-Sandinista insurgents do not have an adequate internal support network, and they have little remaining time to develop one. Thus, a key to the insurgents' survival inside Nicaragua would be to get enough humanitarian support to sustain themselves as a viable and cohesive force:

- The reduction in military support will probably make the rebels reluctant to engage in heavy combat operations over the next few months, and they are likely to lose the tactical initiative. Morale is likely to plummet, and the insurgents may be hard pressed to prevent increased desertions.
- Over time, many insurgents may be tempted to return to Honduras either armed or as refugees, causing considerable problems for Tegucigalpa.
- Efforts to increase the Nicaraguan population's awareness of the insurgency, such as Radio Liberacion and leaflet drops, will have to cease under the Peace Plan, which prohibits any outside propaganda support for the insurgent groups.

— It will be difficult for the insurgents to comply with the cease-fire without placing themselves at considerable military risk. Even an in-place cease-fire, with adequate verification, would put them at a military disadvantage should the cease-fire break down.

— In addition, the insurgent directorate will have to deal with such problems as whether to accept amnesty, how to be represented in cease-fire negotiations, and what links to attempt to form to the internal political opposition. Such issues may cause splits within the directorate. []

34. The Peace Plan calls for the verification commission to analyze the progress made toward fulfillment of its provisions beginning 30 days after the cease-fire begins. Its report will not be presented to the five Central American presidents until early January 1988—150 days after signing. It is doubtful that the commission will be prepared to find Nicaragua out of compliance unless the Sandinistas blatantly violate the agreement. Even if the commission's report includes allegations of noncompliance, there is no clear basis in the agreement for justifying resumption of outside aid to the insurgents. The longer the rebels are cut off from external support, the greater the probable degradation of their capabilities. []

35. If the peace process should fail and aid be restored by early 1988, we believe the insurgents would encounter near-term difficulty in resuming their operations and regaining lost momentum. Over time, however, we judge they would again become a considerable drain on the regime's economic and military resources. The rebels' prospects for maintaining political unity and implementing an effective grassroots political strategy would remain less certain and would be a key variable to the insurgency's future. We continue to believe increased military success coupled with a viable political program that produced active support in the cities would begin to shift the strategic balance in the rebels' favor. Intensified rebel military action in rural areas alone eventually may force the regime to yield control of some portions of the country to the insurgents, but would not result in the regime's defeat, barring the direct intervention of external forces. []

The Sandinista Military

36. Sandinista leaders regard the next 18 months as critical to the regime's survival, and their military strategy will be designed to destroy the insurgency as a

SECRET

viable force while discouraging any intervention of US forces. The regime appears to calculate that the next US administration will be less inclined to take direct military action against Nicaragua. If the regime can survive politically, economically, and militarily for the next year and a half, the Sandinistas believe their prospects for consolidating power over the longer term will be greatly improved. []

Military Capabilities

37. Over the past two years, the size and capabilities of the regime's conventional defense and counterinsurgency forces have continued to increase. We estimate the Sandinista armed forces now number over 70,000 active-duty troops and that inactive reserve and militia elements hold an additional 46,000 personnel. Although command and control problems persist, the military's ability to integrate ground, air, and artillery forces in defense and counterinsurgency operations continues to improve gradually. []

38. Conscription has been successfully institutionalized and is affording the Sandinistas a significant military manpower base. Ongoing Soviet deliveries are maintaining the regime's firepower capabilities and are adding to equipment inventories for counterinsurgency and conventional defense operations. These developments have allowed the regime to maintain the overall strategic advantage despite growing rebel military pressure. Nevertheless, Sandinista capabilities are being strained by the level of rebel activity. []

Counterinsurgency Strategy

39. The Sandinistas initially attempted to prevent the infiltration of large numbers of insurgents into Nicaragua. That effort failed, and since early this year the regime has sought to wage an intense war of attrition designed to wear down insurgent forces and outpace their resupply efforts. The Sandinistas have continued aggressive small-unit patrolling across the Honduran border and have undertaken several large-scale but short-lived operations against rebel base areas inside Honduras. The Sandinistas' manpower and firepower advantage have so far prevented the insurgents from seizing and holding terrain and from moving into more heavily populated areas of Nicaragua. The regime's military operations probably have forced some rebel units to divert from their assigned to less lucrative targets. Nevertheless, Sandinista forces have not been able to destroy any sizable rebel units nor significantly impair rebel resupply activities. []

Table 1
Trends in the Military Buildup

	1985	1987
Manpower		
Active-duty forces	67,000	72,000
Inactive-duty forces	39,000	46,000
Major weapons		
Armor		
T-55 medium tanks	109	131
PT-76	27	26
Armored personnel carriers and reconnaissance vehicles	185	272
Artillery		
122-mm BM-21 multiple rocket launchers	24	36
122-mm single tube rocket launchers	0	14
Howitzers (various calibers)	69	69
Antitank guns (various calibers)	125	149
Air defense		
Air defense guns (various calibers)	188	444
Surface-to-air missile launchers, SA-7/14	379	480+
Radars	18	25
Aircraft		
MI-25 attack helicopters	6	11
MI-8/17 armed transport helicopters	15	40
Ships		
Patrol boats	14	20

40. Sandinista efforts to ensure the loyalty, or at least the neutrality, of the rural populace will remain a key dimension of their counterinsurgency strategy. Within the limits imposed by the economic crisis, Managua is likely to pursue its policies of expanding socioeconomic benefits, particularly distribution of individual land titles. In areas of high discontent in central and southern Nicaragua, the regime probably will continue resorting to more repressive measures—including broad land confiscations—to discourage local support for the rebels. Forced resettlements also are likely to continue. Managua probably is counting on a highly touted autonomy program to help reduce antiregime sentiments along the Atlantic coast. []

41. Over the next year or so, the military will continue to attempt to wage an intense, all-out campaign designed to eliminate any rebel units. The Sandinistas will try to set a tempo of operations that

SECRET

25X1

Improved Sandinista Military Capabilities

Conventional Defense Forces

With substantial Soviet equipment deliveries, the conventional forces—those designed to meet the contingency of a US invasion—have grown steadily and now include some nine mechanized infantry battalions and seven armor battalions. At least six, perhaps seven, brigade headquarters have been established to provide regional command and control. Platoon and company-level training is conducted routinely and brigade-size exercises—large scale by Central American standards—have been carried out on an annual basis. Although numerous problems persist, brigade-level exercises conducted in December 1986 showed marked improvements in the Sandinistas' ability to integrate tank, infantry, and artillery tactics and to coordinate helicopter combat air support to ground forces. The fact that those exercises took place while large-scale counterinsurgency operations were under way indicates that the capacity of the regime to manage and plan the overall military effort also has improved. []

Counterinsurgency Forces

The development of counterinsurgency forces also has progressed significantly and the number of specially trained units has continued to grow. The regime has maintained 13 large irregular warfare battalions (BLI) designed to provide strategic maneuver capability for major operations against the insurgents. At least 10 light hunter militia battalions (BLC) also have been created to enhance the tactical maneuver capability of regional commanders. In the past 12 months, the regime has increased the number of border guard battalions from seven to eight, raised the number of active-duty reserve battalions from 17 to 20, and increased the number of active-duty militia brigades committed against the insurgents from 12 to 20. Although command, control, and communications problems are widespread, the Sandinistas' ability to use infantry, artillery, and air support for counterinsurgency operations gradually is improving. []

Air Force and Air Defense Forces

Although increasingly vulnerable to rebel air defense weapons, the regime's armed helicopters remain critical assets in the counterinsurgency war. Soviet deliveries thus far have offset most of the regime's aircraft losses, and the helicopter inventory has grown over the past two years to about 40 MI-8/17 transport helicopters and 11 MI-25 attack helicopters. Despite occasional aircraft losses, pilot proficiency and the willingness to take risks on behalf of committed troops has grown. Aircraft maintenance, although strained and backlogged, has kept 70 to 80 percent of the helicopter force operational. The Sandinistas remain intent on acquiring high performance jet fighters, but thus far have not been able to persuade the Soviets to ignore US warnings and provide such aircraft. []

The number of air defense weapons and radars has increased, but the military's ability to identify and react to unknown aircraft remains severely constrained by command and control problems, poor maintenance, and inadequate training. When forewarned of rebel resupply drops, however, the military does attempt to preposition its air defense assets to threaten specific insurgent aerial resupply missions. The introduction of more sophisticated air defense guns and surface-to-air missiles is probable over the next two years, but these will not decisively enhance air defense capabilities significantly without improved command and control. []

Reserve Forces

The Sandinistas are giving renewed emphasis to the development of their reserve force structure. Overall reserve strength is now about 46,000 men. Some 8,000 demobilized counterinsurgency veterans have been incorporated into the general reserve manpower pool and are being recalled annually for 30 days of training. Periodic training of organized reserve units is continuing and some have been recalled for conventional defense and counterinsurgency operations. However, the morale, training, and logistic support to these units is generally poor. []

outpaces any residual rebel resupply effort and forces the insurgents to expend their munitions. Assuming that the Honduran Government suspends all support for the insurgents, the Sandinistas are likely to undertake new efforts to seal the Honduran border and prevent any transit of rebel personnel. []

Military Weaknesses

42. The lack of widespread domestic support for the war and poor troop morale in most units continue

to cause serious problems for the regime. Conscription has been highly unpopular, and the regime appears reluctant to increase the burden of the war on the large urban population base around Managua for fear of provoking internal unrest. Desertion rates remain relatively high—10 to 20 percent among first-time conscripts and as high as 30 percent among some mobilized reserve units. Moreover, the unrelenting pace of operations the regime has been attempting to achieve against the rebels is causing battle fatigue in engaged units and casualties among key personnel.

SECRET

The regime's tactical commanders and helicopter pilots are spread thin relative to the level of insurgent activity, and they have been sustaining casualties that will be difficult to replace. [redacted]

43. The regime also is facing growing logistic shortfalls made worse by the country's deteriorating economic conditions. Food shortages are increasing and shortages of quartermaster supplies and communications equipment have also been noted, especially in recently mobilized units. Logistic support capabilities have been adversely affected by the military's abysmal vehicle maintenance, and spot shortages of petroleum products have been reported. The Sandinistas already devote some 60 percent of their national budget to defense, and they would need increasing external support to meet their military resource needs should the conflict continue at its current intensity. [redacted]

Military Outlook for the Regime

44. With the Peace Plan in effect, the Sandinista armed forces will probably attempt to take full advantage of it to deal a potentially decisive blow to the insurgency. The Sandinistas may be able to regain the tactical initiative even before a cease-fire as a result of possible rebel efforts to conserve resources and manpower in anticipation of a complete suspension of US support. After November, any rebel units that fail to abide by the cease-fire would be at a major disadvantage; Managua would probably seek to concentrate its forces and attempt to defeat them in detail. Furthermore, the Sandinistas are likely to undertake new efforts to patrol the Honduran border and prevent any clandestine resupply or infiltration. [redacted]

45. As the insurgent threat diminished, the Sandinistas probably would begin to reduce their active-duty force strength, both as a propaganda gesture and to reduce domestic political and economic pressures ensuing from the military buildup. Recently activated reserve units would be demobilized and some militia units currently committed against the rebels would probably revert to inactive status. Depending on the tactical and political situation, and the regime's perceptions of US intentions, a reduction of active-duty troop strength from over 70,000 to perhaps some 40,000 to 50,000 would be possible over the next 18 months. [redacted]

46. Even with a Peace Plan in effect, the Sandinistas would still seek to make qualitative improvements in their force structure through training and new equipment acquisitions from the Soviet Union. Al-

though the regime might abide by the letter of a peace agreement over the next year and a half, the Sandinistas would almost certainly disregard its provisions when convenient over the longer term. The regime's total military establishment would remain the largest in the region and a threat to the security of neighboring countries. [redacted]

47. If the peace process should fail, the Sandinista armed forces would continue to make further, gradual improvements in organization, tactics, and command and control, but would be unlikely to achieve any quantum increase in capabilities that would provide the regime a decisive strategic edge or allow it to defeat the insurgency while the rebels receive adequate external support. An increase in active-duty strength—perhaps to some 80,000—would be probable over the next year, but would further strain logistic and leadership shortfalls and would require more Soviet and Cuban support. The regime's military capabilities against the insurgents would continue to depend on the level of Soviet and Cuban assistance,

Cuban Military Presence

The Intelligence Community has reviewed its analysis of the Cuban military presence in Nicaragua in light of new information. [redacted]

[redacted] We now judge the number of Cuban military personnel in Sandinista military region headquarters, national-level logistic centers, national and regional intelligence entities, and the Air Force to be somewhat less than previously estimated. At the same time, we have generally reaffirmed our past estimates of Cuban presence in major unit headquarters, military schools, and the Nicaraguan Ministry of Interior.

	Old	New
Major unit headquarters	229-445	220-445
Military region headquarters	70-105	21-35
Advisory groups	70-140	0
Military schools	450-600	450-600
National-level logistic units	150-250	30-100
General staff	30-50	20-30
National military intelligence activities	100-150	30-50
Cuban Embassy	5-10	5-10
Air Force	60-70	20-30
Navy	20-30	20-30
Ministry of Interior	550-800	550-800
Administrative cell	20-25	0
Total	1,754-2,675	1,366-2,130
(Rounded)	(2,000-2,500)	(1,500-2,000)

SECRET

especially Havana's willingness to make up pilot losses and Moscow's readiness to replace equipment and aircraft and ensure adequate supplies of fuel. [redacted]

48. Under these conditions, we judge the Sandinistas would continue to hold the strategic advantage, although the regime's control in some parts of the countryside might gradually erode. A string of major tactical defeats coupled with mounting and unreplaced helicopter losses probably would force the Sandinistas to adopt a more defensive strategy that would afford the rebels more maneuver room and increase their prospects for more popular support. Although the regime would not survive an insurgency that enjoyed widespread active support and increased operational capability in the populous urban centers of western Nicaragua, this is unlikely to occur over the next 18 months. [redacted]

Soviet Bloc and Cuban Support

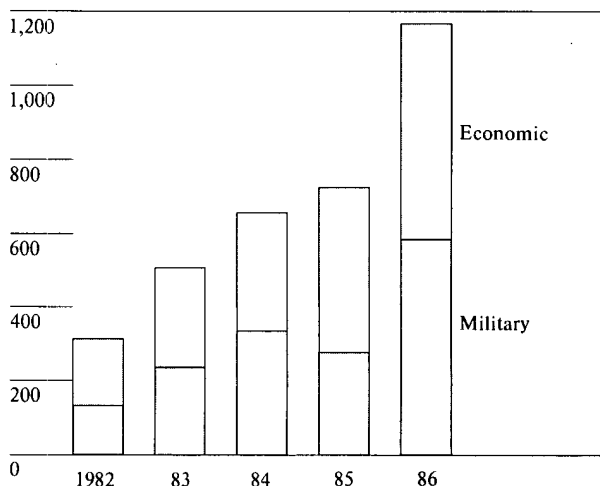
Increasing Economic Aid

49. Despite signs that Moscow is increasingly irritated with Nicaragua's waste and mismanagement of economic resources, Soviet Bloc and Cuban support probably will continue at a high level. Economic disbursements from Communist countries reached \$582 million in 1986, reflecting the Soviets' continued long-term objective of exploiting the Nicaraguan conflict to isolate Washington diplomatically and encourage Latin American leftists. [redacted]

[redacted] Nevertheless, although Communist aid is crucial to keeping the Nicaraguan economy afloat, it is unlikely to be sufficient to reverse the country's economic deterioration. [redacted]

50. Soviet assistance is unlikely to reverse continued economic deterioration. It probably will follow the pattern set last year, when the USSR committed \$312 million in consumer and nondevelopment capital and only \$25 million in long-term investment capital. Credits for current expenditures are likely to be used to import food and other consumer goods, machinery, and spare parts, although the largest single expenditure probably will be for petroleum products. Moscow, which became Nicaragua's virtual sole source of petroleum products after Mexico suspended deliveries in mid-1985, provided over \$114 million in oil in 1986. We believe that recent claims by Nicaraguan diplomats that the Soviets are halving oil deliveries are disinformation designed to put pressure on Mexico and Venezuela to resume concessionary oil sales. Moscow

Figure 3 *Million US \$*
Nicaragua: Soviet Bloc Economic and Military Assistance, 1982-86



[redacted] 313993 8-87 25X1
also may continue to make hard currency loans to purchase critically needed Western spare parts, to pay priority debts owed to Western creditors, and to retain access to trade credits and development funds. Future East European assistance is likely to include, as did 1986 disbursements, consumer and capital goods, large-scale investment projects, and short-term hard currency loans. [redacted]

51. Cuban assistance—which is mostly in the form of training for Nicaraguan students and in labor services provided by Cuban advisers, construction workers, teachers, and medical personnel—dropped to \$45 million last year from a peak of \$70 million in 1982 and 1983, and is likely to stay there for the period of this Estimate. The cutbacks reflect the gradual withdrawal of several hundred Cuban civilians over the past two years, many of whom left because of Havana's own financial problems and the completion or cancellation of many of Cuba's training and construction projects. We estimate that there are now about 2,000 to 2,500 Cuban civilians working in Nicaragua. [redacted]

52. We believe the Soviet Bloc and Cuba will supply, even if reluctantly, whatever economic aid is

SECRET

25X1

Table 2
Summary of Economic Assistance
Disbursements to Nicaragua, 1979-86

Million US \$

	1979	1980	1981	1982	1983	1984	1985	1986	Total
Total	208	478	735	605	732	669	708	785	4,920
Soviet Bloc and Cuba	17	45	86	179	273	323	449	582	1,954
USSR	0	0	10	60	115	140	235	325	885
Cuba	15	35	50	70	70	65	55	45	405
East Germany	2	10	22	28	55	73	108	149	447
Bulgaria	0	0	3	8	18	23	32	21	105
Czechoslovakia	0	0	1	13	14	20	8	26	82
Other	0	0	0	0	1	2	11	16	30
Middle East	0	0	125	23	37	39	31	21	276
Libya	0	0	125	23	10	12	12	18	200
Iran	0	0	0	0	27	27	1	3	58
Algeria	0	0	0	0	0	0	18	0	18
Latin America	50	150	294	225	220	120	80	40	1,179
Mexico	15	80	217	150	175	80	36	8	761
Venezuela	5	15	50	45	15	8	2	0	140
Other	30	55	27	30	30	32	42	32	278
OECD	85	140	82	95	100	90	86	77	755
United States	30	82	17	7	4	0	0	0	140
Netherlands	6	15	16	24	18	21	16	15	131
Spain	10	15	15	15	15	15	12	10	107
Sweden	8	8	4	9	12	17	18	18	94
West Germany	18	13	14	10	17	5	6	3	86
Norway	1	1	0	2	2	6	5	10	27
Other	12	6	16	28	32	26	29	21	170
Other countries	1	3	7	6	9	11	10	20	67
Multilateral	51	118	121	64	83	75	42	35	589
Private sources	4	22	20	13	10	11	10	10	100

25X1

necessary to prevent the Sandinista economy from collapsing. Moscow will try to pace the growth of its assistance and shift more of the burden to its reluctant East European allies. However, Moscow already has warned the Sandinistas that they must use more effectively the aid provided. Although we believe Managua's recent decision to ease some restrictions on the private sector reflects Soviet pressure, we doubt the Sandinistas will move quickly to make other reforms the Soviets may be urging. Both Managua and Moscow probably hope that the Peace Plan will enable the Sandinistas to get increased Western aid, thus reducing the burden on the Soviet Bloc and avoiding the appearance of Nicaragua as a Soviet client state.

Growing Military Assistance

53. The Soviet Bloc has supplied almost all the hardware for Nicaragua's military buildup, and we believe Moscow and its allies will continue to provide the Sandinistas with the materiel needed to counter the insurgent threat. Soviet and East European military deliveries to Nicaragua climbed to \$584 million in 1986, and preliminary data suggest that the value of Communist military deliveries to Nicaragua during the first half of 1987 was \$360 million. Radars, air defense weapons, helicopters, munitions, and trucks probably will continue to top the aid list. At least 30 helicopter transports and gunships were delivered last year, doubling the size of the Sandinista helicopter

25X1

SECRET

fleet. Seven more helicopters were delivered in June 1987, and more are expected. To enhance Sandinista ability to counter insurgent resupply efforts, at least six early warning radars, 18 radar-directed air defense guns, some 80 smaller optically guided antiaircraft guns, and two coastal patrol boats also were delivered earlier this year. The Soviets might be willing to augment their small contingent of military advisers and technicians, but will probably continue to maintain a low profile. []

54. Despite periodic reports that the delivery of Soviet advanced fighter aircraft to Nicaragua is imminent, we believe that the Soviets continue to be sensitive to US injunctions. Moscow still believes that, at a minimum, the United States would destroy the aircraft and might well use their introduction as an excuse for a direct invasion of Nicaragua. Indeed, the recent US decision to sell F-5 aircraft to Honduras, a development both Moscow and Managua previously had indicated would justify Nicaragua's arming itself with similar aircraft, sparked little public reaction from Moscow. Nevertheless, Moscow will continually reassess the prospects of US military response to the introduction of MIGs and might well deliver the aircraft if permitted to do so under a regional agreement. []

55. We believe Cuba, for its part, probably will remain heavily committed to supporting the Sandinista regime. Cuba's 1,500 to 2,000 military advisers are currently involved in counterinsurgency operations, intelligence activities, the training of military conscripts, and helping Nicaragua absorb, maintain, and operate its growing inventory of Soviet weapons. Cuban pilots are performing a variety of combat support missions, including troop transport, medevac, and air cover for arms convoys. Moreover, Cuban-piloted Nicaraguan helicopters fly combat missions against insurgent forces. Havana may also offer to participate in any further arms control negotiations in order to formally insert itself into a negotiation process from which it has so far been excluded. Cuba probably would agree to withdraw the bulk of its military advisers from Nicaragua, but only in exchange for a concurrent US withdrawal from the region. []

Declining Western Economic Support

56. The Peace Plan calls on the Central American governments to undertake joint negotiations for international aid, but Managua's approaches are unlikely to meet with significant success. Although total financial support from the Soviet Bloc has been increasing by

more than \$100 million during each of the last two years, official financial support from the West has fallen by an average \$70 million annually, reaching a low of \$152 million in 1986. Managua's nonpayment of debt—combined with growing international disenchantment with Sandinista internal repression and with the regime's poor human rights record—spurred the falloff. Some additional foreign aid is probable, however. The major Contadora and Support Group states, such as Mexico, Brazil and Argentina, probably will provide token support, and various West European states may be more forthcoming. Sweden, Norway, Spain, and Finland—which together accounted for more than half of West European aid to the Sandinistas last year—are either increasing aid or maintaining their levels of assistance in 1987. The Scandinavian countries view their aid to Managua as leverage to influence the regime to moderate its political system, and Spain apparently wants to maintain its historical ties. []

Prospects for A Regional Peace Agreement

57. We believe that Managua has not deviated from its strategy of using regional peace negotiations to buy time for the consolidation of the regime, to ease external pressures by demonstrating reasonableness to outside observers, and to try to obtain a guarantee that the United States will not overthrow the regime. Thus the Sandinistas are likely to give the appearance of abiding by the new Peace Plan, while continuing to call for direct talks with the United States to settle outstanding differences. Managua may delay some of the democratic provisions called for in the agreement, however, such as the lifting of censorship and full freedom of assembly, by claiming that the insurgents are not abiding by the cease-fire or that all external support for the rebels has not ceased. Reports indicate that the Sandinistas are worried about allowing the opposition too much initial freedom, and Managua will probably play for time while seeking to undermine the insurgency. []

58. Managua also is likely to continue trying to entice or coerce its neighbors, particularly Honduras and Costa Rica, into signing bilateral accords. Managua most likely will strive to embarrass Tegucigalpa further by calling attention to any continued presence of insurgent camps, hospitals, logistic centers, or political offices in Honduras. Managua also is likely to press Costa Rica by dangling the prospect of reinitiating its suit at the International Court of Justice. We also believe the Sandinistas will direct new campaigns

SECRET

25X1

against both Costa Rica and Honduras, portraying the insurgents as defeated and the United States as willing to abandon its Central American allies. [redacted]

25X1

59. The Sandinistas also may be preparing to suspend support to insurgent groups in El Salvador and Guatemala, at least temporarily. [redacted] Salvadoran insurgents believe they have been sold out by Managua at the Guatemala summit. At the same time, they are publicly insisting that—unlike the anti-Sandinista rebels—they have a firm popular support base and do not receive any external assistance. Both the Salvadoran and Guatemalan insurgents have said they welcome a dialogue with their governments but will not disarm first, as required by the Peace Plan. Over the longer run, the Sandinistas probably will continue clandestine support for these insurgencies once they are ensured it is safe to do so. [redacted]

25X1

60. The Sandinistas probably will move aggressively to undertake their commitment to participate in negotiations under Contadora auspices concerning security verification and arms control. In this way they can continue to demonstrate their desire for peace while seeking continued Contadora political and economic support. Managua may calculate that it will have greater leverage in these talks than its neighbors, because its own insurgency is likely to be defeated more quickly and, therefore, it will not require a large military force or substantial numbers of foreign military advisers. It can also seek to remove the US military presence in the region and to halt the delivery of F-5's to the Honduran Air Force. If it should fail in these efforts, it can argue that its own acquisition of fighter aircraft is justified. [redacted]

25X1

25X1

25X1

Key Variables and Alternative Outcomes

61. US funding for the rebels is the single most critical—and immediate—variable that could tilt the situation more favorably to either side. Developments affecting the unity of regime and opposition leaders, as well as continued Soviet support for the Sandinistas, also are important factors that could come into play. [redacted]

25X1

25X1

Aid to the Insurgency

62. *US Aid Cutoff.* In our opinion, a total cutoff of US military and nonlethal assistance would kill most of the momentum generated against the regime and severely damage insurgent prospects. If the insurgents anticipate a cutoff—and probably some of them do—they most likely would respond by scaling back com-

25X1

bat activity and stockpiling as many weapons and as much ammunition as possible. Morale, however, would suffer, and many probably would give up the fight and accept amnesty or return to Honduras or Costa Rica as refugees. Others would go into hiding or continue fighting indefinitely. The current insurgent political structure is unlikely to survive, and leaders of the smaller factions eventually might begin negotiating with the regime to return to Nicaragua. Tegucigalpa probably would conclude that, if no further US aid to the rebels is forthcoming, it should begin to curtail its own military cooperation with them, while pressuring them to leave Honduras entirely. [redacted]

63. After a cutoff in US aid, the Sandinistas might initially lift the state of emergency and permit some democratic freedoms to satisfy international opinion, but not enough to risk its hold on power or jeopardize the continuation of the revolution in Nicaragua. As a result, most democratic political leaders and businessmen probably may eventually lose hope in the possibility of a regime change and swell the exodus of refugees. The regime, however, probably will continue the trappings of democratic pluralism indefinitely in order to retain international support. [redacted]

64. From a regional perspective, the Central American democracies probably would calculate that a decision to halt US support to the rebels would enable Managua to consolidate its internal revolution, barring a direct US military intervention. Because refugee outflows to Honduras and Costa Rica would probably increase substantially in the wake of Sandinista consolidation, both Tegucigalpa and San Jose almost certainly would demand greatly increased US economic assistance to help them respond to the influx and the greater perceived threat to their internal security. Honduras and El Salvador also probably would request continued US military aid as a hedge against subversion by internal leftists. [redacted]

65. Over the longer run, we judge that Honduras and Costa Rica would eventually attempt to reach an uneasy accommodation with the Sandinista regime, either bilaterally or through the regional peace process. However, such deals with Managua would probably exacerbate the growing concern of military leaders and rightist elements in Guatemala, Honduras, and El Salvador over the domestic and regional impact of the peace process. These forces might move to take power from a civilian government that sought accommodation with the Sandinistas, especially if US military and economic aid decreased substantially after the Peace

SECRET

Nicaraguan Export of the Revolution

Export of the revolution is a key facet of Nicaraguan foreign policy, and in recent years, Managua, like Havana, has taken steps to institutionalize its aid to leftist revolutionaries. The Sandinista Party's International Relations Department (DRI) is responsible for selecting foreign leftists for political and military training. The Directorate of Military Intelligence (DIM), a component of the Sandinista People's Army, oversees instruction as well as the transfer of insurgents passing through Nicaragua for training in Cuba. The Interior Ministry also is [redacted] involved in the training of foreign leftists and maintains an armory to remodel and renovate weapons used by them. [redacted]

Aid to Salvadoran Rebels

Salvadoran insurgents remain the prime beneficiaries of Nicaraguan support.^a Nevertheless, Managua began to cut back weapons deliveries to them in 1984, largely out of heightened concern about possible US military action in the wake of the intervention in Grenada the previous year. The supply pipeline remains in operation with the Sandinistas' focusing on providing explosives, communications gear, and other expendables. [redacted]

[redacted]

[redacted]

We believe Managua probably relies primarily on land routes through Honduras to resupply the Salvadoran rebels. The Nicaraguan-Honduran border is relatively porous and Honduran leftists—many trained in Nicaragua—play key roles in the supply effort. Seaborne deliveries reportedly still occur as well, but aerial resupply appears, at best, infrequent. [redacted]

The decline in weapons deliveries has not translated into cutbacks in other areas of assistance. [redacted]

[redacted] Salvadoran insurgents continue to receive political and military training in Nicaragua. In addition, the Salvadoran rebel high command remains headquartered in Managua [redacted]

[redacted]

[redacted] Rebels often transit Nicaragua on their way to Cuba for advanced training, and Soviet Bloc funds for Salvadoran insurgents are funneled through Nicaragua. Some wounded guerrillas apparently are treated in a Managua hospital. [redacted]

Aid to Other Regional Leftists

The Sandinistas also maintain close links to other radicals throughout the region, providing weapons, supplies, military and political training, communications and propaganda support, free transit and safehaven, and funds:

- Managua has aided the infiltration of Cuban- and Nicaraguan-trained Honduran subversives into Honduras [redacted] in the past four years in an attempt to set up an insurgent network.
- Costa Rican Communists—part of the so-called Mora-Canas Brigade—have undergone training in Nicaragua. Brigade members have obtained combat experience by serving with government units fighting anti-Sandinista rebels in southern Nicaragua. [redacted]

Beyond Central America

Nicaragua, working in tandem with Cuba, is a key source of training and support for South American guerrillas. In addition, the regime facilitates contacts among Latin American leftists:

- Ties to Colombian leftists are especially extensive and well documented. All major Colombian guerrilla groups have received training in Nicaragua and one of them, the M-19, maintains an office there. Guerrillas captured by Colombian security forces last year claimed that Nicaragua was the principal source of support for the America Battalion, a coalition of Colombian insurgents and some Ecuadoreans fighting in southwest Colombia. Moreover, in the aftermath of the M-19 seizure of the Palace of Justice in Bogota in November 1985, Colombian authorities recovered six rifles that can be traced to Nicaragua—four from stocks of the former Somoza regime and two from supplies sent to the Sandinistas by Venezuela in 1979.
- Nicaragua has longstanding ties to Argentine Montoneros, and last year Nicaragua reportedly was backing efforts by an exiled Argentine leftist to unify radical groups in South America.
- Managua provides organizational assistance to Ecuador's major terrorist group, Alvaro Vive Carajo. Militants from the group reportedly have received military training in Nicaragua.

SECRET

25X1

Nicaraguan Export of the Revolution (continued)

[redacted]

Nicaragua also has links to a handful of Caribbean leftists. Last year, for example, Managua agreed to provide military training to members of the two major

leftist parties in the Dominican Republic—the Dominican Communist Party and the Dominican Liberation Party. Subsequently, Sandinista officials met with representatives of Jamaica's People's National Party to discuss political cooperation. Nicaragua also is in contact with Haitian Communists, some of whom resided there during the Duvalier regime. [redacted]

25X1

25X1

Plan was in effect. They may also respond to any increase in leftist subversion in their own countries with violent repression. [redacted]

66. *Continued US Aid.* We believe that continued US aid to the insurgents, perhaps contingent on full Sandinista compliance with the peace agreement by 7 November, would boost rebel morale and keep the pressure on Managua. Nevertheless, even increased and extended US aid is not likely to result in the overthrow of the regime within the next 18 months, although it would probably prevent full Sandinista consolidation. If US aid should continue beyond the next 18 months, however, the prospects for Sandinista consolidation would likely become increasingly uncertain. However, much will depend on the degree the rebels are able to survive the peace process and maintain and eventually increase their troop strength:

- There is some danger, however, that the Sandinistas would use contingency aid as an excuse to abrogate the Peace Plan. Nevertheless, it is more likely that Managua will continue to nominally abide by the agreement, gambling that it can risk increased democratic pluralism in order to destroy the insurgency. [redacted]

Leadership Unity

67. Open fissures in Sandinista ranks, although unlikely, almost certainly would weaken the regime's grip on power. Competing agendas among Directorate members over implementing the terms of the Peace Plan could damage party loyalties, undermine already flagging popular support, and embolden the opposition. To avoid a repetition of the debacle in Grenada, where leadership splits led to a US military interven-

tion, Moscow and especially Havana probably would step in to try to diffuse disagreements among Sandinista leaders. President Ortega's visit to Cuba almost immediately after signing the Peace Plan may in part have been designed to demonstrate Castro's public support for the agreement. [redacted]

68. For the insurgents, maintaining leadership unity while adapting to the Peace Plan will be a key variable. Resignations of political moderates from the recently expanded insurgent directorate would not only damage the rebels' international image, but give Sandinista propagandists additional ammunition to cast them as throwbacks to the Somoza era. Moreover, failure to develop strong links to the internal political opposition would weaken insurgent prospects for increasing political support inside or outside of Nicaragua. To do so, however, both they and the internal political opposition will need considerable external financial support, as well as more effective efforts at the grassroots level. [redacted]

Soviet Bloc Support

69. Although there is little likelihood that the Soviet Bloc and Cuba will substantially reduce support for Nicaragua, their willingness to increase aid is less ensured. Moscow may use the opportunity presented under the Plan, however, to reduce its military aid and appear to be supportive of the peace process with little if any adverse effect on Sandinista consolidation. Sandinista calls for new infusions of aid might lead Moscow to counsel Nicaragua to offer some concessions—especially with respect to political freedoms—as a means of increasing the prospects for western aid and avoiding identifying Nicaragua as a Soviet client. [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

Page Denied

25X1

25X1

Next 2 Page(s) In Document Denied