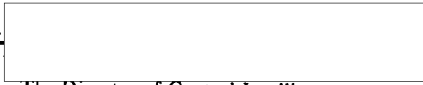


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The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

NIC 04908-86  
23 October 1986

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

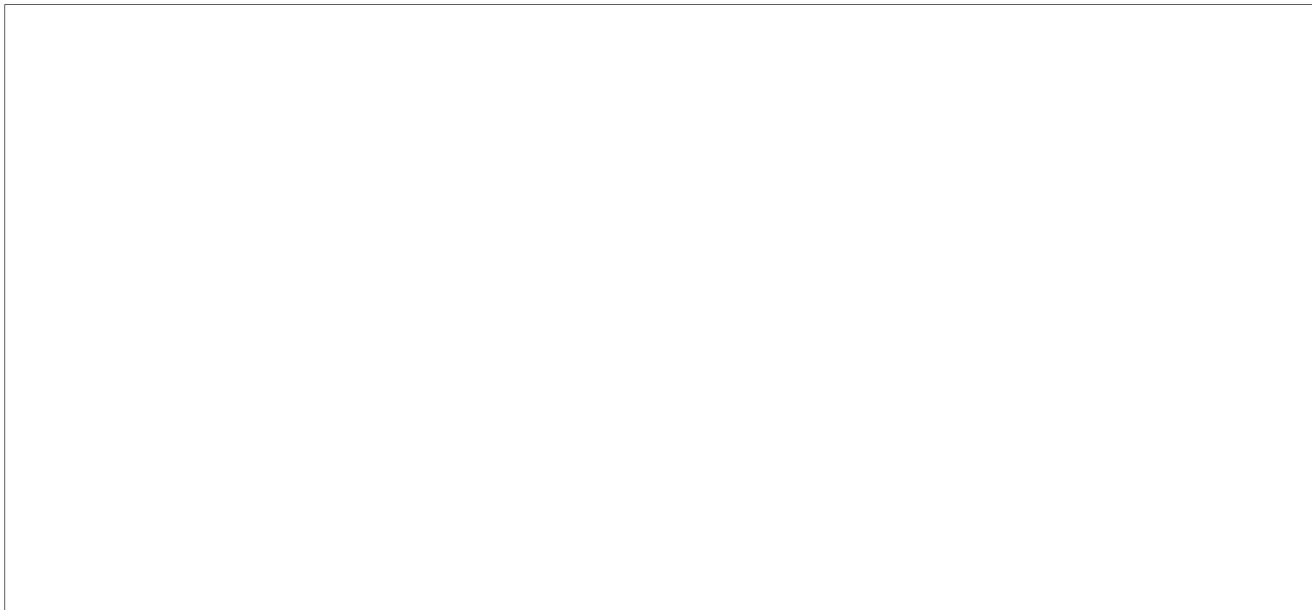
VIA: National Intelligence Officer for Warning

FROM: Robert D. Vickers, Jr.  
National Intelligence Officer for Latin America

SUBJECT: Latin America Warning and Forecast Meeting  
October 1986

1. The following items were discussed at the Intelligence Community's Warning and Forecast Meeting held on 22 October 1986.

Nicaragua



3. Meanwhile, there has been a moderate buildup of Sandinista forces along the Honduran border opposite FDN concentrations in the Yamales salient.

-- The buildup is probably related to Sandinista attempts to prevent the reinfiltration of many of the over 10,000 FDN troops in the salient.



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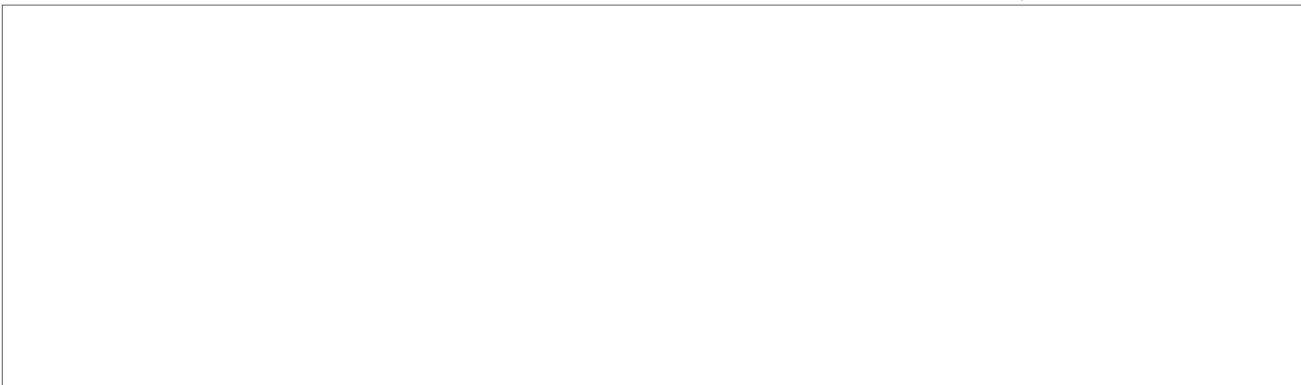
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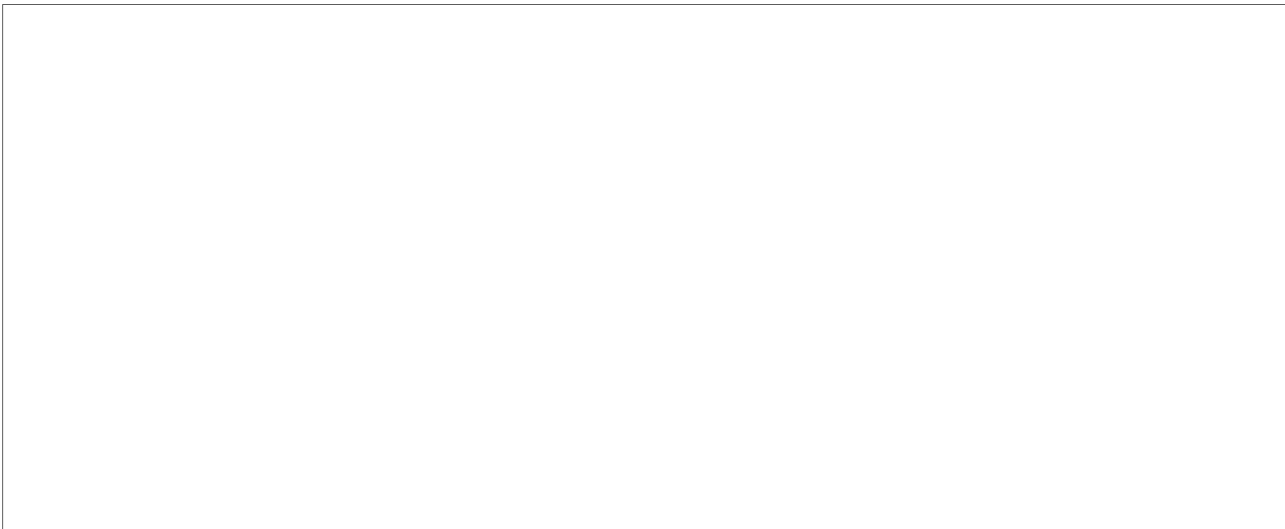
-- A major Sandinista incursion into Honduras appears unlikely at this time, especially because of weather conditions and the lack of a major logistical buildup, but small probes and harassment of FDN forces probably will continue.

WARNING ISSUE: The possibility that Cuba will send MIG-21s to Nicaragua before the end of the year cannot be ruled out, despite the risk of US retaliation. There also is still a possibility of another major Sandinista incursion into Honduras by early 1987, particularly if small scale clashes in the Yamales salient escalate into a major confrontation.



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El Salvador



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WARNING ISSUE: The Sandinistas, building on their experience in overthrowing Somoza after the disasterous Managua earthquake, probably are giving the FMLN close advice and support in their new political action program. Over the longer term, there is a danger that Duarte will lose considerable popular support unless he can handle the earthquake relief effort efficiently and with a minimum of official corruption.

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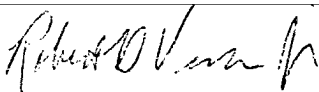
Ecuador

5. The political dispute between President Febres-Cordero and the opposition-controlled Congress has been interrupted by the end of the normal legislative session, and it resulted in the forced resignation of only one cabinet member.

- Nevertheless, the confrontation is likely to continue outside of Congress, and it could be exacerbated by the potential return from Panama of one of the President's major opponents, the former mayor of Guayaquil, Abdala Bucaram Ortiz.
- Congress itself is not scheduled to reconvene until mid-1987, but at that time it may resume efforts to force the resignation of more cabinet members.
- Meanwhile, the military, which strongly supports Febres-Cordero, is likely to monitor developments closely and use heavy-handed tactics to counter any opposition demonstrations or labor strikes.

WARNING ISSUE: The continued confrontation between Febres-Cordero and the opposition is likely to make it difficult for the President to carry out an effective economic recovery program to offset the sharp drop in government oil revenues over the past year. Nevertheless, the chances of an imminent crisis appear to have receded.

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Robert D. Vickers, Jr.

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Participating in the NIO/Latin America Warning Meeting of 23 October 1986 were representatives of the following agencies:

- DIA: DIO/DIA
- DIA/DE3
- DIAC/DB3C3
- DIA/DB3C2
- DIA/DC4A
- DIA/DB6D2
- DIA/DB5C2
- JSI-4B

National Security Agency

Department of State/INR

CIA Participants:

- ALA
- SOVA
- OGI
- OIA
- CRES
- LDA
- OIR
- OSWR
- DO/LA
- DO/CATF
- NIO/W
- ICS/HC
- NPIC
- FBIS
- JPRS

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