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The Director of Central Intelligence

Washington, D.C. 20505

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National Intelligence Council

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NIC 03123-87
29 July 1987

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
July 1987

1. The following items were discussed at the Latin America Warning and Forecast Meeting on 22 July 1987.
23 July 87

2. Nicaragua

The wet weather thus far has had only a slight impact on rebel aerial resupply operations, although insurgent air assets remain thin.

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In coming months we expect the level of fighting to remain at about current levels, but more attacks on military targets, such as the recent attack on San Jose de Bocay, are likely. There probably will be some sabotage operations in the Pacific Coast region, but no major guerrilla attacks are likely. We see little likelihood of any major insurgent activity in the northeast as the Indians continue to be beset with internal political problems.

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3. Esquipulas

Prospects for the Central American presidential summit in Guatemala seem good, and it will probably take place as scheduled around 7 August. The Sandinistas decided to attend after the Core Four agreed--albeit reluctantly--to invite the Contadora countries to attend as observers. Costa Rican President Arias has been especially opposed to Contadora participation, viewing its presence as an effort by the pro-Sandinista Mexicans to fold his proposal into the current Contadora draft treaty and reduce pressure on Nicaragua.

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In any event, no treaty is likely to emerge from the August summit, but there will likely be an agreement to meet again, possibly this fall. The Sandinistas may benefit from the continued delay if they escape the summit without exposing themselves. The future role of the Contadora countries is uncertain, but they could try to reassert their role in the process, undercutting the Core Four's hopes of controlling the negotiating process and bolstering Nicaragua's position in the talks.

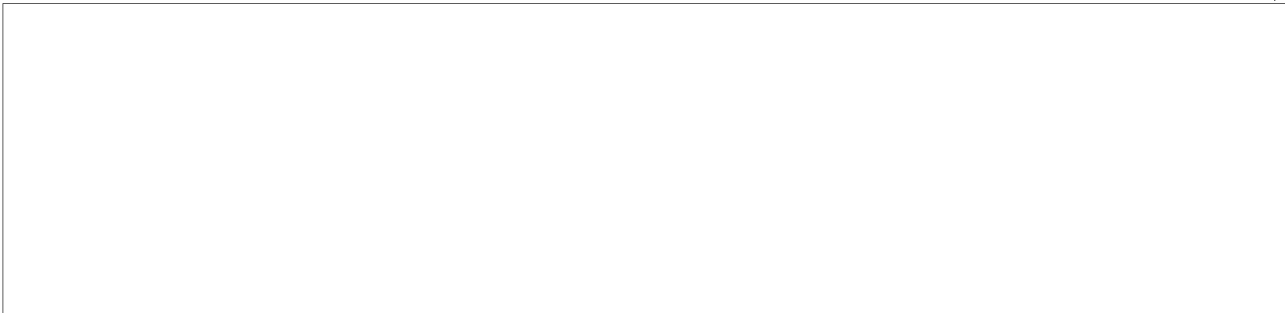
WARNING ISSUE: Although at this juncture no treaty seems likely, Mexico and Nicaragua may collaborate and put forward a draft proposal for a partial agreement that avoids any prior Sandinista concessions on internal political reforms. Furthermore, they may call for a halt in any external aid to the Nicaraguan resistance until the Arias Plan is finalized.

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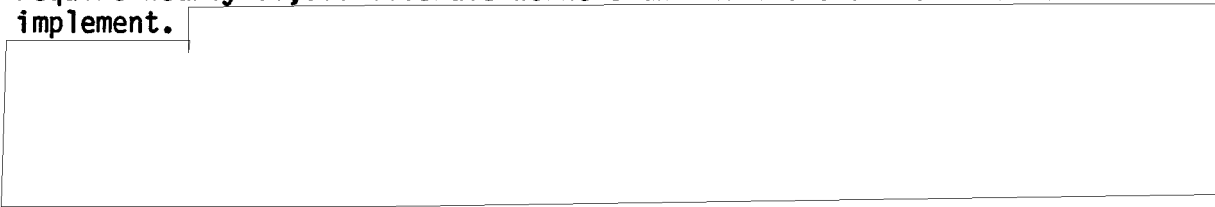
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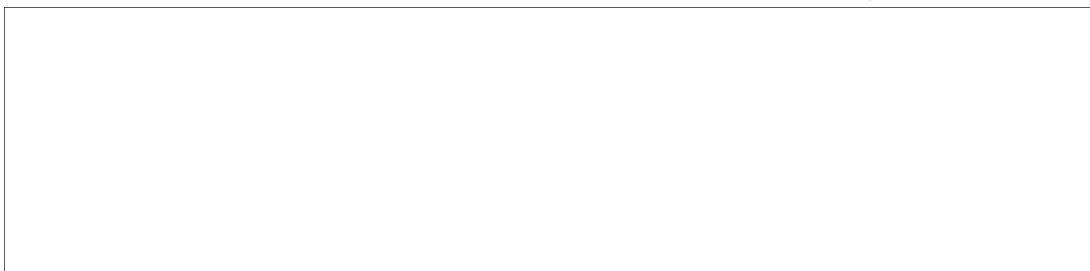
4. Haiti

Unrest has subsided but tensions remain high and further violence and work stoppages are likely. The military-controlled ruling council has lost considerable public trust and, despite frequent reiterations of its commitment to elections, it will likely remain a focal point for opposition demonstrations. At the same time, however, the council is not confident that the civilians are capable of remaining in power for long, and there are indications that the military is making plans to return to power. Meanwhile, the electoral commission is fueling the confusion, calling for the approval of an unworkable election decree that will require nearly 30,000 literate workers and millions of dollars to implement.



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WARNING ISSUE: Continued unrest and violent demonstrations are almost certain, and it remains to be seen if national elections can be held on schedule. Extremists on the left appear intent on forcing a confrontation with the government, looking to derail the election process and provoke a right-wing reaction. Right-wing plotting will also persist.



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5. Dominican Republic

Despite the increased unrest over the past two months--sparked by demands for land reform and improved social services--President Balaguer's popularity remains high and he is confident that he can control the demonstrations. The unrest, however, has spread gradually from the rural areas into Santo Domingo. Until recently, the demonstrations have not been led by any group, but the left is becoming

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increasingly interested in provoking unrest and the labor unions backed the 28 July general strike. Balaguer is trying to undercut support for the unrest by declaring wage increases and spending considerable time in the countryside distributing land and launching social development projects. He has few resources to draw on, however, and believes the United States has failed to fulfill its financial obligations, which has reduced his ability to respond to the unrest. Cuban President Castro, meanwhile continues to look for opportunities to improve relations with Santo Domingo. [Redacted]

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WARNING ISSUE: The potential for further unrest--prompted at least in part by the left--will remain high, but at this juncture poses no threat to the stability of the government. Over the longer run, however, the left is likely to gain a greater political role, and leftist leader Juan Bosch may become the leading contender for the next President of the Dominican Republic.

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Robert D. Vickers, Jr.

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Participating in the NIO/Latin America Warning Meeting of
22 July 1987 were representatives of the following agencies:

DIA: DIO/DIA
DIA/DE3
DIA/DB3C2
DIA/DB3C1
DIA/OA-5
JSI-4B
DIA/CAJIT

National Security Agency

Department of State/INR

Department of the Army

CIA Participants:

ALA
OGI
OIA
LDA
OIR
DO/LA
DO/CATF
DO/EP5
NIO/W
NPIC
FBIS
NIC/AG

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SUBJECT: WARNING REPORT FOR LATIN AMERICA
DATE: 29 July 1987

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1 - SRP
1 - IPC/DDI
1 - D/CPAS (Room 7F17, HQS)
1 - D/OIR (Room 2E60 HQS)
1 - D/LDA (Room 1H19 HQS)
1 - D/SOVA (Room 4E58 HQS)
1 - D/OIA (Room 3N100 BLDG 213)
1 - D/NESA (Room 6G00, HQS)
1 - D/OEA (Room 4F18, HQS)
1 - D/OSWR (Room 5F46, HQS)
1 - D/NPIC (Room 6N100 BLDG 213)
1 - NPIC/PEG (Michael Flowers, [REDACTED])
1 - NPIC/IEG/C/S/AB [REDACTED] Room 3C525 Bldg 213)
1 - FBIS/C/LRB/Lamar (Room 1011, KEY BLDG)
1 - FBIS/ELAAD/Franklin (Room 402, KEY BLDG)
1 - NPIC/IAD/AAD [REDACTED] Room 3S236, BLDG 213)
1 - D/ALA
1 - D/OGI
1 - C/DDO/LAD, Room 3C2016, Hqs
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1 - DDO/PCS (Room 2D55 Hqs)
1 - DDO/EPS [REDACTED] Room 2D24 Hqs)

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