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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

REF ID: A303579

National Intelligence Officers

7 June 1979

MEMORANDUM FOR: Deputy Director for National Foreign Assessment

FROM : Acting NIO for Latin America

SUBJECT : Forecast of Impending Developments in Nicaragua [redacted]

(b)(3)

1. This memorandum contains my judgement on the likely unfolding of events in Nicaragua over the next 18 months or so. [redacted]

(b)(3)

2. The political ferment and violence in Nicaragua is leading to an overthrow of the government which, unlike palace revolutions in Bolivia, Peru, and Argentina, will be a true revolution in the sense that virtually all social and political structures will be changed radically when the dust settles. [redacted]

(b)(3)

3. While there may be some effort to hold elections in an attempt to establish a representative government after Somoza is ousted, in my judgement, this would fail because of the intensity of popular feelings that all vestiges of the Somoza regime must be abolished. [redacted]

(b)(3)

4. I believe that a revolutionary council would be established headed by "Commandant Zero" or one of the other insurgent leaders. The National Guard would doubtless be disbanded and replaced by a revolutionary army with the responsibility for preventing foreign incursions from Guatemala, Honduras, El Salvador, or elsewhere, and to maintain internal order. [redacted]

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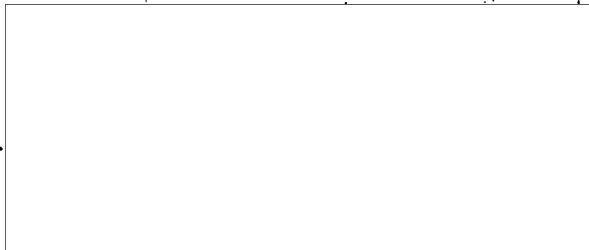
5. I anticipate that all private enterprises would be nationalized, probably without compensation. The Revolutionary Council would then set about establishing a government bearing a strong resemblance to that established by Fidel Castro after the overthrow of Batista. [redacted]

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6. A revolutionary court would go through the motions of trying Somoza and those members of the Somoza regime and the oligarchy who remained in Nicaragua, finding them guilty of crimes against the Nicaraguan people, [redacted]

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~~executing most, and exiling a few. US and other foreign businessmen would be expelled from the country and forced to leave behind all their valuables. Some might be tried and imprisoned for supporting Somoza.~~ [redacted]

(b)(3)

7. Early after its establishment, the new regime would recognize Cuba and probably invite Fidel Castro to visit the country. It would condemn the US for its long history of support to the Somoza regime, but would probably heed Castro's advice not to alienate the US totally. Castro would doubtless offer to send technicians to Nicaragua to assist the new government in getting established and offer advisors to assist in forming the army and the security forces. These offers of Cuban assistance would be accepted with alacrity. [redacted]

(b)(3)

8. Insurgents' success in ousting Somoza and replacing him with a revolutionary/socialist government would stimulate restive forces in El Salvador to take similar action against the Romero government and the so-called "14 families" which control the economy of El Salvador. It would likely also have profound repercussions in Guatemala where the Cuban-backed Guerrilla Army of the Poor (EGP) has harrassed the government of President Lucas. While I do not anticipate that the EGP would succeed in overthrowing Lucas, its insurgent activity would add to the malaise of the region. [redacted]

(b)(3)

9. The foreign beneficiary of all this would be Cuba and, indirectly, the Soviet Union, both of which would view the events as an erosion of US influence in the Western Hemisphere. The USSR would stay in the shadows but provide Cuba with any support it needed. [redacted]

(b)(3)

10. Omitted from the above scenario is any action the United States or other nations might take to prevent this eventuality. Without discussing the various options available, which would require a much longer paper than this, it is my considered opinion that none would do more than to slow down or temporarily derail the train of events. [redacted]

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[redacted]

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