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MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
Secretary of StateTHE HONORABLE CASPAR W. WEINBERGER
Secretary of DefenseTHE HONORABLE WILLIAM J. CASEY
Director, Central Intelligence

SUBJECT: Fact Sheet on Central America

Attached at Tab A is a revised Fact Sheet on the situation in Central America. This document represents considerable work by our staffs over the last four days to produce an up-to-date summary of the situation. As you will note, it has been re-casted to support the report of the HPSCI last week.

The Defense Department is prepared to print and publish this document as a joint State/DOD release by Wednesday, May 25, 1983. Would you please review Tab A and indicate your concurrence by 4:00 p.m., Tuesday, May 24, 1983. Absent a call to the contrary, we will plan to make distribution at a joint State/DOD press briefing on Wednesday, May 25, 1983.



William P. Clark

Attachment

Tab A - Fact Sheet: Central America: Situation Report

TAB A

CENTRAL AMERICA: A SITUATION REPORT

(BOX OR ITALICIZED PREFACE)

Preface

On May 13 the Permanent Select Committee on Intelligence of the House of Representatives issued its committee report in which it concluded that "the Sandinistas have stepped up their support for insurgents in Honduras" and further concluded that Cuban and Nicaraguan aid for insurgents "constitute a clear picture of active promotion for 'revolution without frontiers' throughout Central America by Cuba and Nicaragua." The committee also reiterated its earlier finding regarding the guerrillas in El Salvador that they "are well trained, well equipped with modern weapons and supplies, and rely on the use of sites in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments provided to the Committee is convincing."

This summary of Cuban, Nicaraguan, and Soviet activities in Central America contains recently declassified evidence and materials supports the conclusions of the House Permanent Select Committee on Intelligence. It is being issued in the interest of contributing to a better public understanding of developments in the region. It refers only to activities that are publicly known or can be revealed without jeopardizing intelligence sources or methods.

This report does not attempt to analyze social and economic conditions in the Central American countries. Rather, it describes how politically motivated violence is being used to exploit the demands for more democracy, social justice, and economic development in Central America in order to bring extreme leftist groups to power.

Introduction

Today, far more than at any time in the past, extreme leftist forces in Central America are supported by an extensive foreign intelligence and training apparatus, modern military equipment, and a large and sophisticated propaganda network. With Soviet bloc support, Cuba is using contacts nurtured over more than 20 years to provide political and military training, plus material and propaganda support, to many violent groups in a number of Central American countries. The immediate goals are to consolidate control of the Sandinista Directorate in Nicaragua and, with their help, to overthrow the Governments of El Salvador and Guatemala. Honduras and Costa Rica also have been targeted (see Map #1).

Mexico and Central America: A Global Perspective



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I. Nicaragua

When Fidel Castro seized power in Cuba, he set the pattern which, 20 years later, the Sandinistas are repeating in Nicaragua. Castro established a dual government. An inner core of trusted guerrillas controlled and built the instruments of power (the army, the secret police, "revolutionary tribunals," and new mass organizations), while his democratic allies were kept busy in formal institutions such as the Council of State and government ministries. This deception helped him gain power and neutralize his democratic allies until they could no longer unite against him. Many of these allies later were executed, imprisoned, or left the country.

In Nicaragua, the genuinely democratic opposition to Somoza established a "broad opposition front" in coalition with the Sandinistas, who assured their democratic allies (as Castro had in 1957-59) of their commitment to democratic elections "after Somoza." The noncommunist international endorsement of the Sandinista-led "broad coalition" served to deceive many Western governments about the true character of the Sandinista Directorate. It isolated Somoza from virtually all international economic and military resources as the military struggle reached its peak in June and July 1979. It also helped to create an important political coalition which opposed the June 1979 U.S. proposal for an OAS peacekeeping force that would have supervised free elections after Somoza's defeat. As in Cuba, decades earlier, it provided a political network that could be used by the extreme left for continued deception of Western opinion and governments, while obtaining financial support from the West. On June 23, 1979 the OAS gave provisional recognition to the anti-Somoza forces, contingent upon the establishment of a democratic political system including free political parties, free elections, free trade unions, religious freedom, and an independent media. On July 12, 1979, during the final bargaining leading to Somoza's departure, the Sandinistas sent a written promise to the OAS that they would hold free elections and guarantee democratic freedoms. The Sandinistas have yet to implement this promise.

During this period, Cuba provided about 500 tons of weapons and other military supplies to the Sandinista units directly. Cuba also trained and deployed an "Internationalist Brigade," whose personnel fought with the Sandinistas. And on July 18, 1979, Julian Lopez Diaz, a leading Cuban covert action operative, flew to Managua from Costa Rica, where he had been the Sandinistas' key adviser. He became, and remains, the Cuban Ambassador.

After their victory, the Sandinistas followed Castro's example and established a dual governing structure. The inner core was headed by the FSLN nine-person Directorate, which immediately moved with Cuban help to establish a new army, an internal security

apparatus, and a variety of controlled organizations: neighborhood "defense committees," trade unions, professional organizations, and media organs. The Sandinistas also dominated the nominally independent executive branch: the Junta, the quasi-legislative Council of State, and most government ministries.

The Sandinistas encouraged their democratic allies to participate in these executive branch institutions, both to use their skills and their international credibility. This helped obtain more than \$1.6 billion in Western aid from July 1979 to the end of 1982. The United States, along with other democracies, immediately recognized the new government. During the first 18 months of the regime, the United States provided more than \$118 million in direct aid and endorsed more than \$220 million in Inter-American Development Bank credits.

Disguised but systematic repression of the democratic political parties, trade unions, and media began within weeks of Somoza's departure. In August and September 1979, the Sandinistas launched a campaign against the social democratic and Christian Democratic trade unions and their national federations, and tried to consolidate organized labor in two Sandinista-controlled groupings. A conference of Sandinista leaders in late September 1979 produced a specific plan for consolidating power. It stated that the democratic groups were to be "isolated" and brought under Sandinista control and that "while political parties must be permitted to exist" because of "international opinion," the Sandinistas would "work within them to get them to support the revolution."

Finally, in August 1980, the Sandinistas declared publicly that elections would not be held until 1985. Even then, these will not be "bourgeois elections" but rather, will serve to "ratify" the revolution.

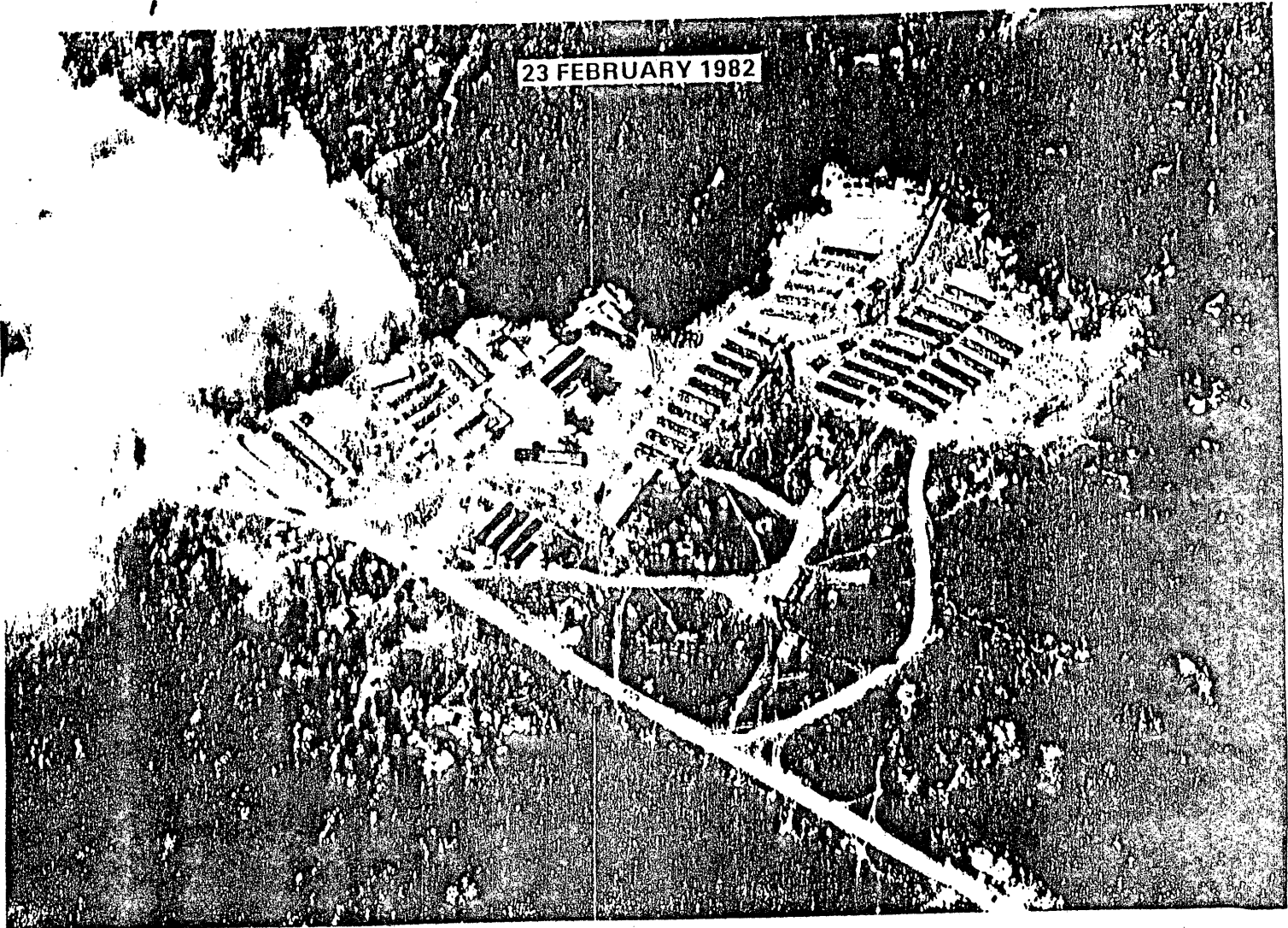
As a further indication of internal repression, in December 1981, the Sandinistas began destroying more than 40 villages of the Protestant, English-speaking Indians in Northeastern Nicaragua. About 15,000 escaped into Honduras and the remainder were either killed by the FSLN or forceably relocated to detention camps or from their homes. The photographic evidence (photos 1, 2, and 3) of this cruel activity is undeniable.

This campaign has largely succeeded; genuinely democratic groups and ethnic minorities have been excluded from real political influence and suppressed. Although some are being permitted to survive under constant surveillance and pressure, the control by the Marxist-Leninist Sandinista directorate is incontestable.

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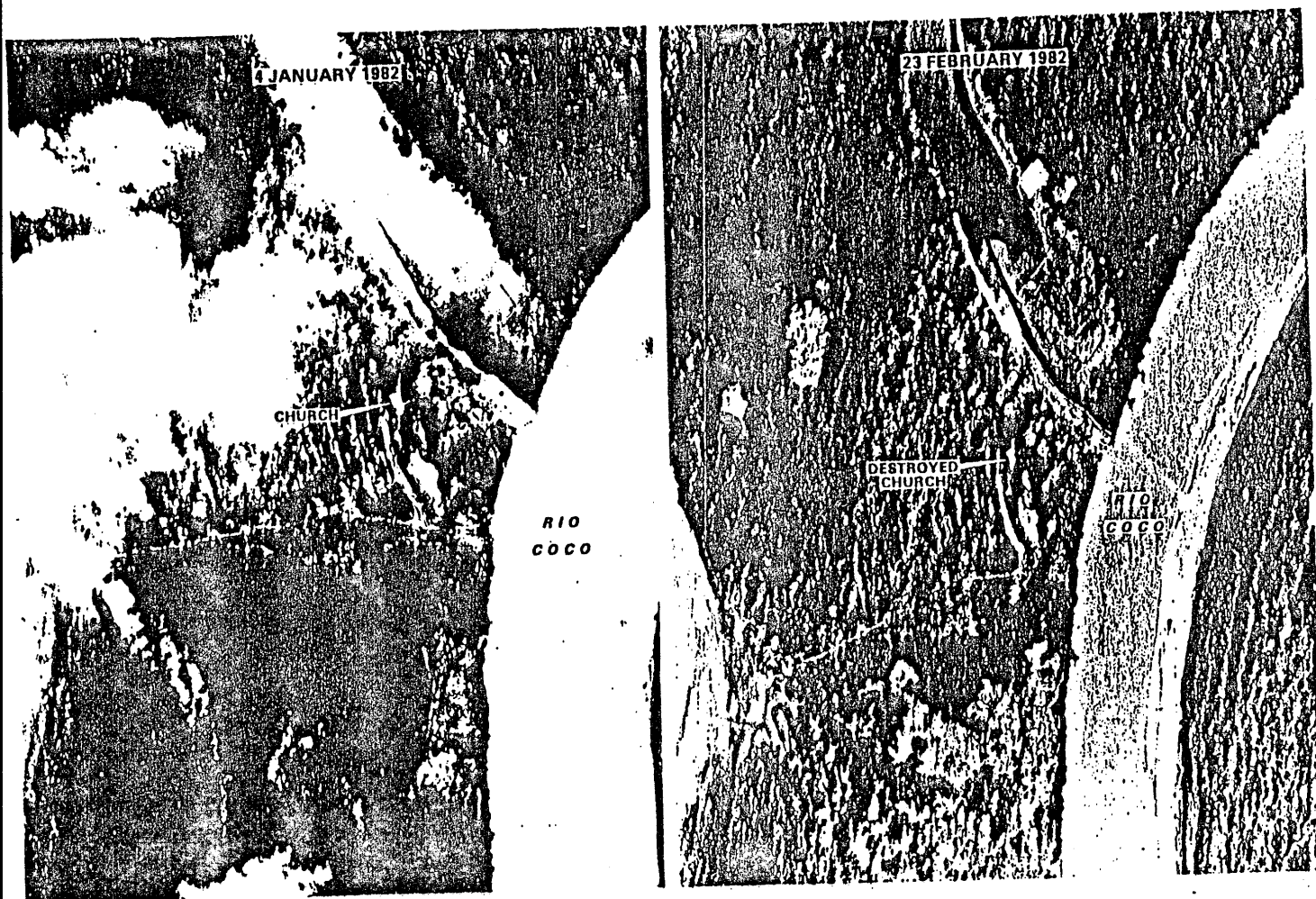
NICARAGUAN DETENTION CAMP FOR RELOCATED INDIANS SUMUBILA, NICARAGUA

23 FEBRUARY 1982



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DESTROYED VILLAGE RAYA PURA, NICARAGUA



DESTROYED VILLAGE PALO YUMPA, NICARAGUA



Within a week after the Sandinistas, takeover, Cuba had some 100 military and security personnel in Nicaragua. Three months later, by October 1979, this figure had increased to 200. Today, Nicaragua "hosts" 7,000 to 8,000 Cubans, including 1,500 to 2,000 military and security advisers, and many high-level Sandinistas have counterpart Cuban advisers. Cubans have trained virtually all Nicaraguan recruits in the General Directorate of Sandinista State Security, the new secret police responsible for internal control. Since this force is crucial to maintaining Sandinista control over the populace, many of the police are trained in Cuba.

The Sandinista military buildup also began immediately. Somoza's National Guard numbered about 9,000 before 1979, and 15,000 at the height of the fighting. The Sandinistas have increased their military forces to some 25,000 regular troops, with another 50,000 in active reserve and militia forces. In addition, they have added 40 new military bases and a powerful array of Soviet bloc weaponry, including medium tanks, armored personnel carriers, mobile rocket-launchers, and helicopters. Preparations are being made for combat jet aircraft.

For example, construction of a new dual runway airfield at Punta Huete, near Managua is proceeding at an extremely rapid pace. About 800 meters of the estimated 3,600 meter main runway have been completed and work begun on a parallel runway-taxiway and large, square area being leveled for a probable parking apron (see photo 4).

The project is the largest airfield construction underway in Central America and is probably being conducted with Cuban technical assistance. The location of Punta Huete strongly suggests that the new airfield, when completed, will be Nicaragua's main military airbase as well as the longest military airfield in Central America. This suggestion is based on: the relatively isolated location across Lake Managua (about 12-km northwest of Managua); the estimated length of the runway, as well as the fact it will have a dual runway-taxiway (which could support a volume of air traffic exceeding current levels at nearby Sandino International Airport); and the use of concrete paving.

II. Castro's Strategy

Fidel Castro brings to his renewed and expanded political-military activism in Central America his own personal experience in Cuba, his efforts to export revolution in the Western Hemisphere (particularly during the 1960s), as well as nearly a decade of highly effective collaboration with the Soviet KGB and Soviet military. He also has cultivated close ties with the PLO and Libya in support of terrorism, subversion, and pro-Soviet factions in

PUNT HUETE AIRFIELD

April 18, 1983

PASSAGE PARKING FACILITY

SECRET

Africa and the Middle East. Castro has evolved a method of operation with the following principal components:

- A. Unification of the extreme left;
- B. Establishment of a "broad coalition"--led by the extreme left but including some noncommunist opposition elements--which makes direct or ambiguous promises of a "broad based" government after victory;
- C. Use of the "broad coalition" and systematic propaganda/political action techniques in order to obtain noncommunist international support and isolate the target governments from Western political and material help;
- D. Provision of Soviet bloc/Cuban/other anti-Western military support as an incentive for extreme left unity.

This approach proved successful in Nicaragua. It was then turned against El Salvador in late 1979. Similar efforts have been made in Guatemala since 1980, accompanied by stepped-up covert activities against Honduras and Costa Rica in 1981 and 1982. The rapid expansion of these violent techniques in Central America is illustrated by the fact that while the total armed strength of the extreme left in El Salvador, Guatemala, Honduras, and Costa Rica was estimated at about 1,450 in 1978, it increased to 3,000 in 1979, 5,500 in 1980, and 7,600 in 1981. At the same time, estimated arms flows to these guerrilla forces increased from negligible amounts in 1978 to hundreds of tons.

III. El Salvador

Soon after defeating Somoza, the Sandinistas began training guerrillas from El Salvador and other Central American countries. This was the beginning of a steadily expanding partnership between Cuba and the Sandinistas in exporting subversion in the region--a partnership that has included the establishment in Nicaragua of numerous guerrilla training camps, the transportation of tons of weapons, and the establishment on Nicaraguan territory of guerrilla command and control facilities along with a variety of propaganda and covert activities.

In December 1979, to overcome differences over the tactics needed for a communist victory, Castro summoned the leaders of the leftist terrorist groups and the Salvadoran Communist Party to Havana for a unity meeting. This produced agreement to form a coordinating committee, which was announced publicly in January 1980. It was also at this meeting that Castro reportedly outlined his strategy: El Salvador and Guatemala would be "next," with Honduras to be used as a corridor for the transit of guerrillas and arms.

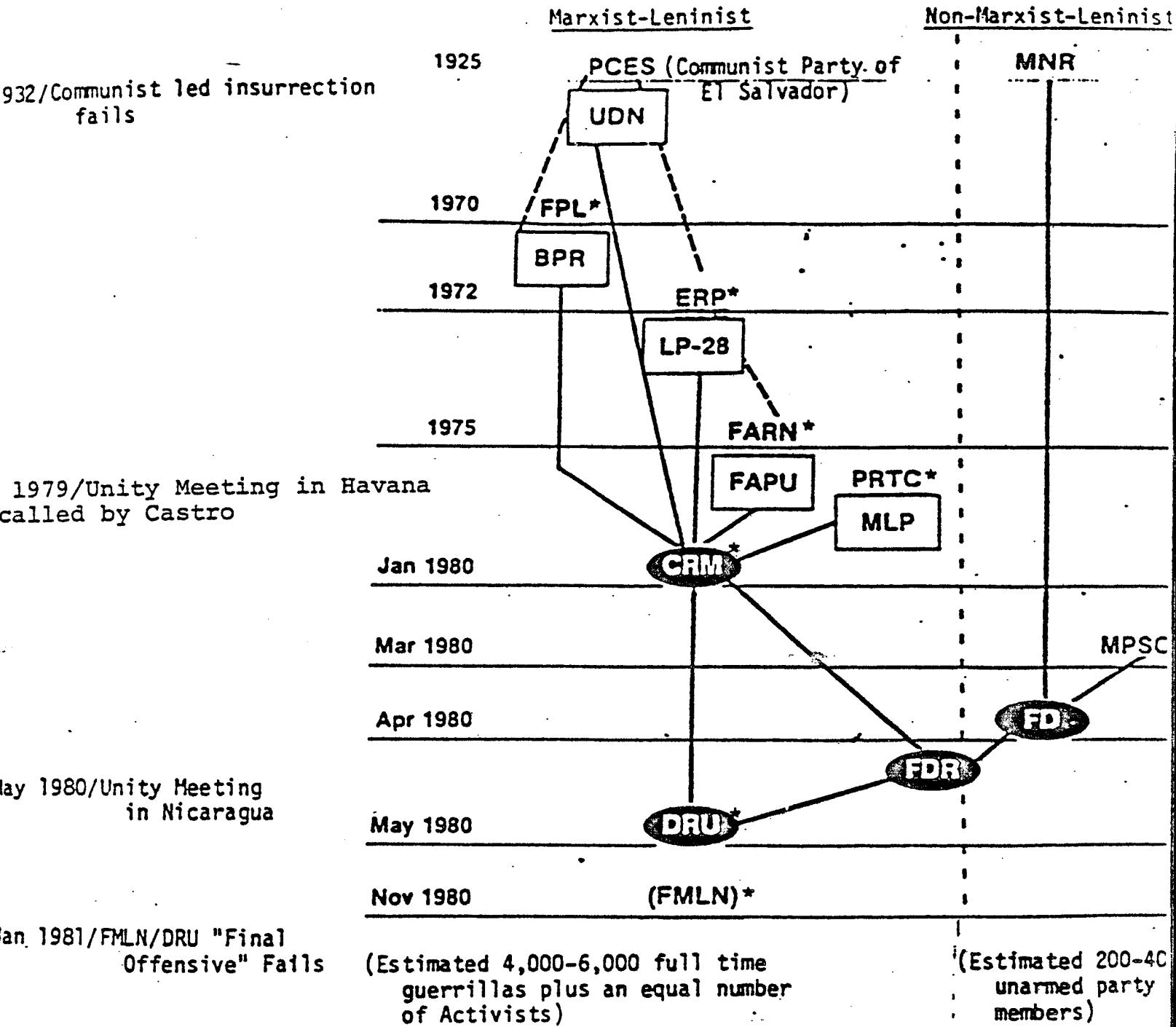
Three small noncommunist groups in El Salvador formed the "Democratic front" in April 1980. Shortly thereafter, the Marxist-Leninist leaders and the noncommunist leaders of the "Democratic front" formed the "Revolutionary Democratic Front" (FDR), thereby establishing the "broad coalition" which has been used to give the impression that the guerrillas are democratic and not Marxist-led. In May 1980, a meeting in Cuba united the military and political components of the extreme left under a "United Revolutionary Directorate" (DRU). In November 1980, a military alliance of the five insurgent factions, the Farabundo Marti Liberation Front (FMLN), was created. Chart #1 depicts the evolution of this organizational framework.

The FMLN/FDR became the command structure for the Marxist-Leninist organizations and also the directing authority over the "Democratic front," for which representatives of three small noncommunist groups often act as spokesmen. The result was an unequal coalition in which the Marxist-Leninist groups controlled the armed units, weapons, intelligence, and covert support from the Soviet bloc/Cuba, while the non-Marxist-Leninist element provided a useful facade for maintaining international respectability.

Having achieved the unified command for the extreme left, a communist-led "broad coalition," and some noncommunist international support, Cuba moved to increase the military strength of the Salvadoran guerrillas with full but discreet support from the Soviet bloc. In April 1980, Salvadoran guerrilla leaders met in the Hungarian Embassy in Mexico City with representatives of Cuba, the USSR, Bulgaria, East Germany, Poland, and Vietnam. In June and July 1980, the Salvadoran communist leaders went to Moscow and then with Soviet endorsement visited East Germany, Bulgaria, Vietnam, and Ethiopia--all of which promised him military and other support. The commitment of weapons was estimated at about 800 tons.

Between late 1979 and early 1981, the Salvadoran guerrilla force expanded from about 2,000 to 4,500. The Cuban/Soviet bloc military supply operation used Western weapons (some from Vietnam) for "cover" and covertly shipped some 200 tons of weapons through Cuba and Nicaragua to arm the Salvadoran guerrillas for their intense but unsuccessful "final offensive" in January 1981.

Although the offensive failed, it led President Carter to authorize spending U.S. military aid for the first time since 1977 to "support the Salvadoran government in its struggle against left-wing terrorism supported covertly with arms, ammunition, training and political and military advice by Cuba and other communist nations."



Legend:

- Faction which left the Communist Party
- Front Organization
- Umbrella Organization
- * Violent Extreme Left Group or Command Authority

Throughout 1981, Cuba, Nicaragua, and the Soviet bloc aided in rebuilding, rearming, and improving the Salvadoran guerrilla forces, which expanded their combat and terrorist operations in the fall. By 1982, the Salvadoran FMLN guerrillas had about 5,500 to 9,500 full-time fighters and an estimated 5,000 to 10,000 part-time activists who provided logistical and political support as well as combat services. The FMLN headquarters in Nicaragua evolved into an extremely sophisticated command-and-control center--more elaborate in fact, than that used by the Sandinistas against Somoza. Guerrilla planning and operations are guided from this headquarters, where Cuban and Nicaraguan officers are involved in command and control. The guidance flows to guerrilla units widely spread throughout El Salvador. The FMLN headquarters in Nicaragua also coordinates propaganda and logistical support for the insurgents, including food, medicines, clothing, money and--most importantly--weapons and ammunition.

Although some spontaneous guerrilla actions take place as targets of opportunity appear, the headquarters in Nicaragua decides on most locations to be attacked and coordinates supply deliveries. The guerrillas themselves have centralized their control procedures. For example, on March 14, 1982, the FMLN clandestine Radio Venceremos, then located near the Salvadoran border, broadcast a message to guerrillas in El Salvador urging them "to maintain their fighting spirit 24 hours a day to carry out the missions ordered by the FMLN general command (emphasis supplied)." The alleged suicide of the number one and two leaders of El Salvador's largest guerrilla group (the FPL) in their homes in Managua in April 1983 provided more clear evidence of the guerrillas' base in Nicaragua.

After El Salvador scheduled free elections for a Constituent Assembly for March 28, 1982, the Salvadoran Government invited the social democrats (MNR) and the communist-front UDN, both of which support the FMLN, to compete openly in those elections. This offer was rejected and the top priority of Cuba, Nicaragua, and the guerrillas became the disruption or prevention of these elections. In December 1981, after meetings in Havana with Salvadoran guerrilla leaders, Fidel Castro directed that external supplies of arms to FMLN units be stepped up to make possible an offensive to disrupt any chance for a peaceful vote.

During the first 3 months of 1982, arms shipments into El Salvador surged. Cuban-Nicaraguan arms flowed through Honduras into El Salvador by sea, air, and overland routes. In February, for example, Salvadoran guerrilla groups picked up a large shipment on the Salvadoran coast, near Usulután, after the shipment arrived by sea from Nicaragua.

In addition to vitally needed ammunition, these supply operations included greater quantities of more sophisticated heavy

weapons. Deliveries in 1982 included M-60 machineguns, M-79 grenade-launchers, and M-72 antitank weapons, thus significantly increasing the guerrillas' firepower. One guerrilla unit received several thousand sticks of TNT and detonators from Nicaragua (only five sticks are need to blow up an electrical pylon). Individual units also regularly received tens of thousands of dollars for routine purchases of nonlethal supplies on commercial markets and for payments (including bribes) to enable the clandestine pipeline to function. On March 15, 1982, the Costa Rican Judicial Police announced the discovery of a house in San Jose, with a sizable cache of arms, explosives, uniforms, passports documents, false immigration stamps from more than 30 countries, and vehicles with hidden compartments--all connected with arms smuggling through Costa Rican territory, diverted from Nicaragua or via third countries, to the Salvadoran guerrillas. Map #2 displays the known major infiltration routes for arms being illicitly infiltrated into El Salvador.

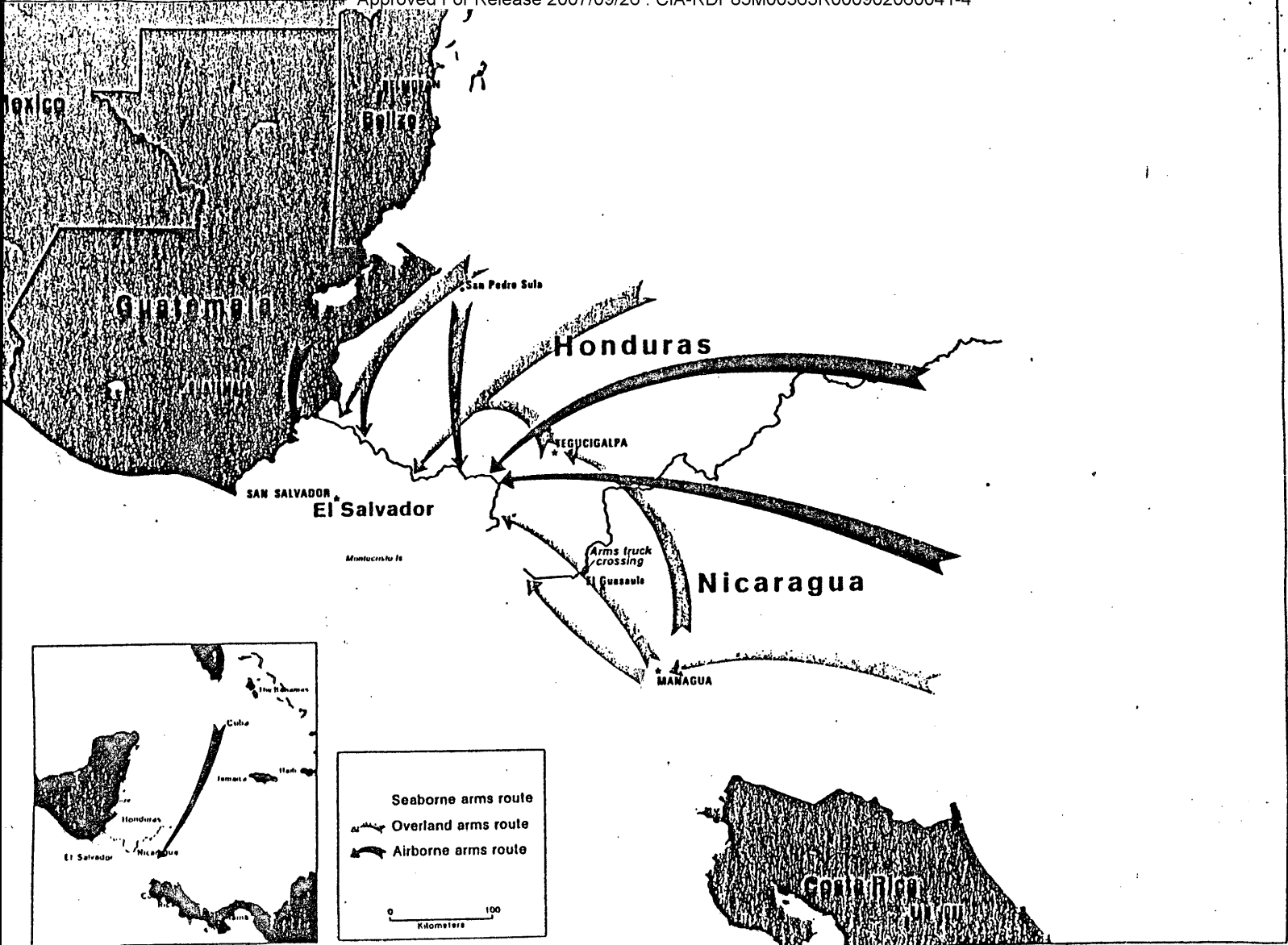
With this support, thousands of Salvadoran guerrillas attempted to prevent the March 1982 election by destroying public buses, blocking highways, and attacking villages, towns, and voting places. Nonetheless, in the presence of several hundred election observers from democratic countries and about 700 foreign journalists, the people of El Salvador repudiated the extreme left by voting in overwhelming numbers. More than 80% of the eligible voters participated.

Following their obvious repudiation in the elections, the FMLN leaders reacted as they had after their failed 1981 "final offensive." They consulted in Nicaragua and Cuba to plan strategy and to obtain more and better military and communications equipment for their forces. For the next 6 months, they continued terrorist harrassment and economic sabotage. In mid-October 1982, they used their expanded capabilities to begin a new series of military attacks. By early 1983, the guerrillas had controlled about a dozen towns for more than 2 months, and their morale clearly had recovered--in part due to the continued Cuban, Nicaraguan, and Soviet bloc support, which enabled them to sustain operations despite their rejection by the Salvadoran people. During 1982, guerrilla operations resulted in about 2,500 government forces wounded and 1,300 killed. These intensified attacks have continued through the first 5 months of 1983.

Although Castro has often denied responsibility for shipping weapons to the Salvadoran guerrillas, German Social Democrat leader Hans-Jurgen Wischnewski stated publicly in 1981 that Castro had admitted the Cuban role. Cuban Vice President Carlos Rafael Rodriguez confirmed Cuban training of Salvadoran guerrillas in interviews given in the fall of 1981. In an article published in the Toronto Globe and Mail on February 12, 1982, a reporter interviewed a Salvadoran guerrilla trainee. The trainee described

Map of Central American Arms Routes

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courses for Salvadoran guerrillas in demolition and intelligence operations, taught by Cubans, and attended by the Salvadorans at that time.

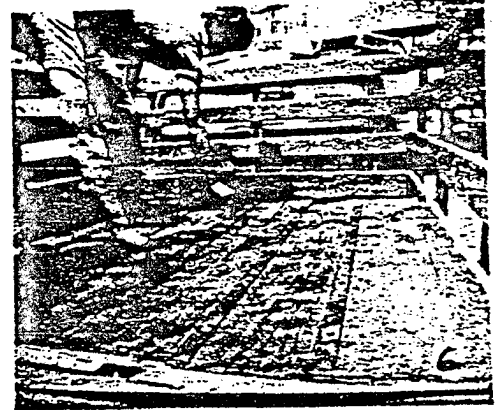
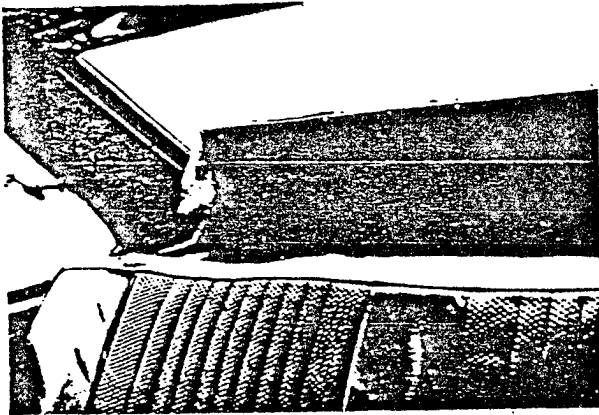
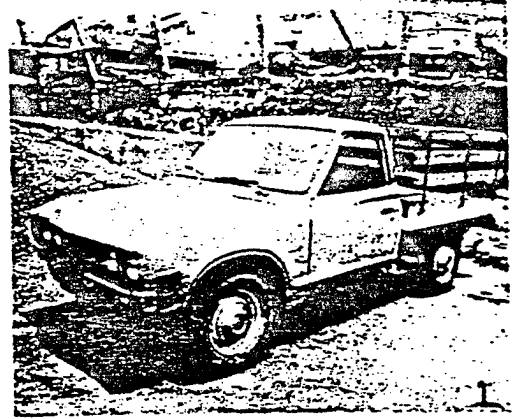
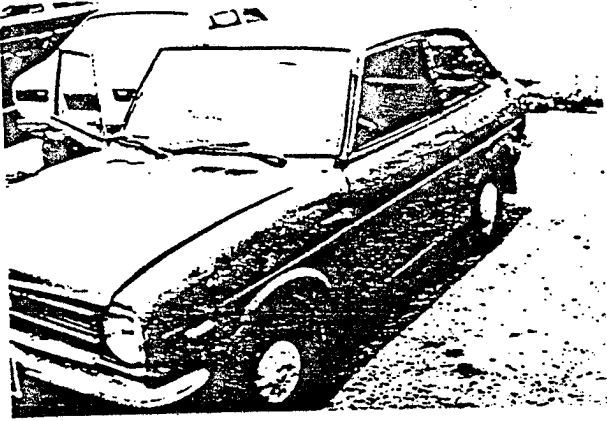
A guerrilla leader told the San Diego (March 1, 1981) in El Salvador that "the Salvadoran guerrillas have a permanent commission in Nicaragua overseeing the smuggling of weapons from that country to here." He also said there have been Cuban advisers in the Province of Morazan, and that even Vietnamese advisers had made trips to guerrilla camps in El Salvador.

Papalonal airfield is one example of the smuggling of weapons from Nicaragua to guerrillas in El Salvador. Papalonal is a commercially underdeveloped area 23 miles north of Managua. The airfield is accessible only by dirt roads. In late July 1980, the airfield was an agricultural dirt airstrip approximately 800 meters long, but by early 1981 the strip had been lengthened by 50 percent to approximately 1,200 meters. Hangars were constructed to stockpile arms for the Salvadoran guerrillas. C-47 flights from the airbase, confirmed by photographic evidence, corresponded with sightings in El Salvador. Several pilots who regularly flew the route into El Salvador have been identified in Nicaragua. This particular route has been closed down, but air infiltration over new routes continues to this day.

In addition to the air infiltration routes, the Salvadoran guerrillas make extensive use of sea and overland infiltration routes through Honduras and Guatemala from Nicaragua. Photo #5 taken in May 1983, in San Salvador, demonstrates that the guerrillas use sophisticated vehicular concealment devices to confound detection by local authorities.

Details of Cuban/Nicaraguan support have been provided by two high-level FMLN leaders captured in mid-1982. One of them, alias "Alejandro Montenegro," was seized on August 22, 1982, in conjunction with a raid on an FMLN safehouse in Honduras. Montenegro's importance is underscored by the fact that the September 1982 taking of 108 civilian hostages in San Pedro Sula, Honduras, was essentially an attempt by a leftist Honduran terrorist group (with close ties to the Salvadoran insurgents) to secure his release. The hostage seizure, which Cuba evidently helped plan, failed because Montenegro had already been transferred to Salvadoran military authorities. Montenegro provided some significant information:

- He said that the Cubans played a major role in training those who conducted the successful January 27, 1982, raid on the Salvadoran air base at Ilopango, which damaged or destroyed a dozen aircraft.
- Montenegro himself directed the attack, leading an eight-man team that had received 5 months of special infiltration and sabotage training in Cuba.



- He said that he personally had attended two high-level meetings with Cuban officials in 1981--one in Havana and the other in Managua--to review the situation in El Salvador and obtain strategic advice.
- One of the guerrillas captured with Montenegro made five trips to Managua in 1982 to pick up arms for the insurgents, using a truck modified by the Sandinistas to carry concealed weapons.
- The Sandinistas have three repair shops for such vehicle modifications under the direction of a special section at the Ministry of Defense. Vehicles similarly modified are shown in Photo #5.

Montenegro also confirmed that Nicaragua remains the primary source of insurgent weapons and ammunition, although he added that the guerrillas do capture some weapons and ammunition from the Salvadoran military.

The other captured Salvadoran guerrilla leader, Lopez Arriola, admitted attending a platoon leaders' course in Cuba in July 1979. He said that:

- Hundreds of Salvadoran guerrillas have received military training in Cuba;
- Cubans give special courses for combatants, commanders, staff officers, and intelligence officials;
- He had attended an insurgent strategy meeting in Havana in June 1981, at which Castro himself appeared.

Lopez Arriola also revealed that the Sandinistas control weapons delivered from Vietnam to Nicaragua for the Salvador insurgents and that the guerrillas must ask for permission to draw on the supplies. He added that the Sandinistas give the insurgents an extensive base of operations in and around Managua and provide a school for their children.

IV. Guatemala

In Guatemala, the guerrillas tried and failed to disrupt the national elections of March 7, 1982. However, widespread perceptions of extensive electoral fraud by the government led to a military-civilian coup on March 23, 1982. The new President, retired General Efraim Rios Montt, acted quickly.

He disbanded various semi-official groups that had cooperated with the far right in violence against opposition leaders and offered amnesty for guerrillas who surrendered before the end of

June 1982. From that point on, the Guatemalan Government implemented an intensive counter-insurgency program. This included the establishment and arming of village self-defense forces in the Indian highlands, and started supporting Civic Action programs consisting of medical, food, and economic assistance.

In April and July 1981, Guatemalan security forces captured large caches of guerrilla weapons at safehouses in Guatemalan City. Traces made on the serial numbers of U.S.-manufactured weapons revealed that 17 of the M-16/AR-15 rifles found had been shipped to American units in Vietnam in the late 1960s and early 1970s and left behind. Several vehicles captured at the safehouses bore recent customs markings from Nicaragua.

During 1982, both Cuba and the Soviet Union increased their efforts to bring about a firmly unified guerrilla command in Guatemala. On February 9, 1982, a Guatemalan guerrilla leader called a press conference in Havana to proclaim the unity of the four principal Guatemalan guerrilla groups. The Cubans and the Soviet bloc have continued to provide military training and support to various factions of the Guatemalan insurgency.

V. Honduras

The new democratic government of Honduras--inaugurated in January 1982--increased its cooperation with the United States and neighbors in the region to neutralize the threat posed by the buildup in Nicaragua as well as by the communist guerrillas in the region. Having failed in 1981 to persuade Honduras to be neutral by promising that Cuba and Nicaragua would "spare Honduras" from the terrorism affecting El Salvador and Guatemala, Cuba now seeks to intimidate Honduras and its leaders into passivity through acts of terrorism. By doing so, the Cubans hope to increase the chance that the Salvadoran guerrillas can succeed.

Cuba and Nicaragua have worked actively to keep the Honduran Government from cooperating with El Salvador's efforts to prevent the transit of guerrilla supplies. Increased Cuban/Nicaraguan training and support have been provided to the Honduran extreme left, and Havana has stepped up efforts to promote unity among the Honduran leftist groups as part of a campaign to destabilize the Honduran Government. Examples of extreme leftist actions in Honduras during 1981 included the following:

- In early January 1981, Honduran police caught six persons unloading weapons from a truck enroute from Nicaragua. The six identified themselves as members of the International Support Commission of the Salvadoran Popular Liberation Forces, a part of the FMLN. They had in their possession a large number of altered and forged Honduran, Costa Rican,

and-Salvadoran passports and other identity documents. One truck contained more than 100 M-16/AR-15 automatic rifles, 50 81mm mortar rounds, about 100,000 rounds of 5.56mm ammunition, machinegun belts, field packs, and first-aid kits. More than 50 of the M-16 rifles were traced to U.S. units assigned to Vietnam in 1968-69.

-- In April 1981, Honduran authorities intercepted a tractor-trailer that had entered Honduras from Nicaragua at the Guasule crossing. Ammunition and propaganda materials were hidden inside the walls of the trailer. The same arms traffickers operated a storehouse in Tegucigalpa, Honduras, with a false floor and special basement for storing weapons.

The link between Cuba/Nicaragua and the regional infrastructure behind the expanded guerrilla activity is evident from information obtained following a raid late in 1981 by the Honduran police on a safehouse for the Morazanist Front for the Liberation of Honduras. This organization was described in the pro-government Nicaraguan newspaper El Nuevo Diario, by "Octavio," one of its founders, as a political-military organization formed as part of the "increasing regionalization of the Central American conflict." The raid occurred on November 27, 1981, in Tegucigalpa. Following a gunfight the Honduran police ultimately captured several members of this group. This FMLN cell included a Honduran, a Uruguayan, and several Nicaraguans. The captured terrorists told Honduran authorities that the Nicaraguan Government had provided them with funds for travel expenses, as well as explosives.

Captured documents and statements by detained guerrillas further indicated that the group was formed in Nicaragua at the instigation of high-level Sandinista leaders. The group's chief of operations resided in Managua. Members of the group received military training in Nicaragua and Cuba. The documents included classroom notebooks from a 1-year training course held in Cuba in 1980. Other captured documents revealed that guerrillas at one safehouse were responsible for transporting arms and ammunition into Honduras from Esteli, Nicaragua.

Our information shows that Nicaraguan agents and Salvadoran extreme left groups have played a leading role in the Honduran operation:

- The Salvadoran guerrillas have links with almost all Honduran terrorist groups and assist them in subversive planning, training, and operations.
- The December 1982, kidnapping of Honduran President Suazo's daughter in Guatemala apparently was the work of a Guatemalan Marxist-Leninist guerrilla faction with ties to Havana and Managua.

- Discussions reportedly were held in mid-1982 among the Cubans, Sandinistas, and Salvadoran insurgents about terrorist activities against the Honduran Government.
- Captured Salvadoran and Honduran terrorists have admitted that explosives used in bombing attacks in the Honduran capital are obtained in Nicaragua.

IV. Costa Rica

Costa Rica has a long democratic tradition and the highest standard of living and social services in Central America. In 1978 and 1979, its leaders cooperated with the supply of military equipment to the Sandinistas and permitted the Sandinistas and other leftist groups to live there in peaceful exile. In May 1982, Luis Alberto Monge, a social democrat strongly opposed by both the extreme right and left, was inaugurated as President.

Because Costa Rica has attempted to stop the continued use of its territory for the supply of weapons to the region's Marxist-Leninist guerrillas, Cuba and Nicaragua also have made Costa Rica a target for subversion. During 1982, for example:

- Cuba funded a new leftist political party designed to unify various leftist elements and attract broader popular support;
- The Cubans and Sandinistas provided weapons and training for Costa Rican leftist terrorists;
- Nicaragua has instigated terrorist actions in Costa Rica, leading to increased tensions between the two countries. Although the Sandinistas denied complicity, the July 3, 1982, bombing of the Honduran airlines office in San Jose took place at Nicaragua's direction, according to a Colombian M-19 member arrested by Costa Rican authorities on July 14, 1982.
- The captured terrorist also stated that the July 3, bombing was part of a broader Nicaraguan plan that included sabotage, kidnappings, bank robberies, and other terrorist acts designed to discredit Costa Rica internationally.
- In November 1982, Salvadoran guerrillas attempted to kidnap a Japanese businessman in San Jose. The attempt was stopped by the Costa Rican authorities. More than 20 other Salvadoran extreme leftist cells continue to work inside Costa Rica to destabilize the government.

- Since the beginning of 1982, several guerrilla arms caches and safehouses have been uncovered in Costa Rica. Some arms may be for use by radical groups inside Costa Rica, as well as for shipment to guerrilla movements in El Salvador.
- As previously noted, in March 1982, the Costa Rican Judicial Police discovered a large arms cache in a house in San Jose. Among the nine people arrested there were Salvadorans, Nicaraguans, an Argentine, a Chilean, and a Costa Rican. Costa Rican police so far have seized 13 vehicles designed for arms smuggling. Police have confiscated more than 170 weapons including machineguns, TNT, fragmentation grenades, a grenade-launcher, ammunition, and 500 combat uniforms.

Havana continues to have many hopeful signs in Latin America. In Suriname, Cuban and Grenadan contacts and influence had been growing since the spring. Oswaldo Cardenas Junquera, the Cuban covert action official who had been involved with the New Jewel Movement well before it took power in Grenada, was assigned to Suriname as Ambassador in October 1982. In December, the military dictator Bouterse executed 15 leaders of democratic trade unions, political parties, university groups, and the media, bringing his movement into the Cuban orbit.

VII. Soviet and Cuban Propaganda Activities

Beginning in early 1980, the Soviet bloc and Cuba complemented their subversive activities in Central America by launching a massive propaganda and disinformation campaign. Initially the campaign focused on U.S. policy toward El Salvador, in an effort to block U.S. aid, although it also dealt with U.S. involvement in Guatemala and Honduras. The campaign was intended to expose an allegedly U.S.-sponsored plot, "discovered" by Cuban intelligence, to invade El Salvador using the armies of Honduras and Guatemala with assistance from Brazil, Argentina, and Colombia. This "plot" was characterized as a last ditch effort by the U.S. President to transform the situation in El Salvador in favor of government forces prior to the U.S. elections in November 1980.

Captured documents indicate that the FMLN has coordinated the FDR's international activities (in the United States, Canada, and Europe) from Mexico City. The Soviets in Mexico City are also in contact with the Salvadoran guerrillas. Logistics and international relations policy, however, are handled in Havana. The Cuban press agency, Prensa Latina, provides international communications for the FDR and its representatives abroad.

The Soviets and Cubans held a key meeting in June 1980 with several Salvadoran insurgent leaders in Havana to establish a strategy for an international political campaign on El Salvador.

Evidence from guerrilla documents indicates that the strategy includes:

- Propaganda: Spokesmen should emphasize that the Salvadoran "revolution" represents the people and is fighting against oppression and for freedom from outside intervention. The United States seeks direct military intervention in El Salvador to keep the "junta" in power.
- International Support: Representatives should gain recognition and support for the insurgents from a broad range of international organizations and political and regional groups.
- U.S. Initiatives: Representatives should strengthen ties with sympathetic American organizations and seek support from American politicians.
- Public Posture: From the outset, representatives should call for a dialogue to seek resolution of the conflict. "The policy of a dialogue is a tactical maneuver to broaden our alliances, while at the same time splitting up and isolating the enemy." Representatives should take up the banner of peace, and maintain that they seek only lasting peace and justice.
- Humanitarian Organizations: The Salvadoran insurgents should establish a front organization to funnel aid and money from humanitarian organizations.

A comparison of the strategy, laid out in guerrilla documents, with actual events shows that the Soviets, the Cubans, and the Salvadoran guerrilla leadership in Nicaragua have followed it closely. During the past three years, they have engaged in various overt and covert activities designed to influence public opinion in Western Europe, Latin America, Canada, and the United States. These activities include: overt propaganda, overt diplomatic activities to gain recognition for the "revolution" in international organizations, circulation of forgeries, use of front groups, covert placement of media items, and staging of demonstrations and protests on El Salvador.

Soviet propaganda has been aimed at discrediting U.S. policy in El Salvador, and widespread use has been made of forgeries and disinformation to substantiate the message. Moscow also has employed its large international fronts, such as the World Peace Council and the World Federation of Trade Unions, in support of the propaganda campaign. A World Peace Council-sponsored "Solidarity on El Salvador" meeting took place in April 1981, in Ecuador. The conference was sponsored jointly by the Latin American Association for Human Rights, the Socialist International, and the Permanent

Conference of Latin American Political Parties. The World Peace Council played a discreet role, perhaps because it is so widely known as a Soviet front.

Communist parties in Europe, Latin America, Canada, and Australia participated in the propaganda campaign and helped organize demonstrations. Their publications have continuously printed articles on El Salvador and contributed to the misinformation circulating about the situation in that country. For instance, the Communist Party of Spain, in its magazine Mundo Obrero Semanal, amid pictures of blood-covered bodies, accused the United States of encircling El Salvador with the aid of Honduras and Guatemala, of sending tanks and helicopters "piloted by Yankees," of invading El Salvador, and of murdering Salvadoran Archbishop Romero.

Meanwhile, the FDR-FMLN, with Soviet and Cuban support, has directed the establishment of "Solidarity Committees" throughout Europe, in Canada, and even in Australia and New Zealand. These serve as propaganda outlets and conduits for aid contributions to the guerrillas. These committees also have helped plan, in conjunction with Communist parties and local leftist groups, many of the demonstrations that have taken place in support of the Salvadoran guerrillas. The timing and location of the demonstrations, such as those held worldwide after the failure of the January 1981 FMLN "final offensive" and those to protest the March 1982 Salvadoran elections, show that they resulted from a well-coordinated effort.

VIII. Extent of Outside Support

Since the Sandinista victory in July 1979, both Cuba and Nicaragua have steadily increased the size and quality of their "Revolutionary" military forces. The Soviet complicity in this militarization of the region is undeniable.

Soviet military deliveries to Cuba increased dramatically in 1979 to an average of more than 65,000 tons by 1981. They apparently remain at this level today.

At the same time, the Soviet bloc, with Cuba support, has been assisting Nicaragua's huge military buildup including weapons, military equipment, over 40 new facilities, and extensive training:

- In February, a Soviet ship delivered about 270 military trucks to the port of Corinto, bringing the total Soviet bloc truck inventory in Nicaragua to more than 800.
- In April, an Algerian merchant ship delivered four Soviet heavy tank ferries, one small patrol boat, and 12 BM-21 mobile multiple-rocket-launchers. These had been delivered previously to Algeria by Soviet ships and stored on the docks.

- The tank ferries provide the Sandinista army with an offensive water-crossing capability, while the mobile rocket-launchers gave them a mass firepower weapon unmatched in the region.
- In mid-1982, the Sandinistas completed a new garrison for their Soviet T-54/55 tank battalion just outside of Managua.
- They also completed two new infantry battalion garrisons near Managua.
- In addition, they have begun work on another major military installation south of the capital.
- As is evident from photos #6-8, all of these military installations have a common layout similar to Cuban garrisons, and there is little doubt that they are being designed and constructed with Cuban assistance.
- It is noteworthy that Cuban Defense Minister Raul Castro visited Nicaragua in mid-1982 with a high-level military delegation, ostensibly to offer aid for flood damage. It was announced later that 2,000 Cuban construction workers were being sent to Nicaragua. Since then, we have detected a spurt in military construction activity.
- Then in November 1982, a Soviet bloc ship delivered an additional group of 25 T-54/55 tanks, bringing the total to about 50. The delivery followed a visit by Sandinista Directorate member, Daniel Ortega, to Moscow earlier in the year. To enhance the mobility of Sandinista ground forces, the Soviets have delivered MI-8 helicopters. AN-2 aircraft and armored personnel carriers also have been provided.
- In early December 1982, we learned that eight new 122 mm howitzers also had been delivered, supplementing the 12 152 mm guns delivered in 1981.
- Finally, in late December 1982, we detected the first delivery of sophisticated Soviet electronic gear--a high frequency/direction-finder intercept facility of a type seen previously in Cuba. This equipment should be able to intercept signals from throughout Central America and would be especially useful in pinpointing Honduran military communication sites.
- The Cubans also have constructed a major strategic road between Puerto Cabezas and the interior. This road facilitates the movement of troops and military supplies to the troubled northeast border area.

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CUBAN-STYLE SPECIAL TROOPS TRAINING FACILITY LAKE MANAGUA, NICARAGUA

19 FEBRUARY 1982

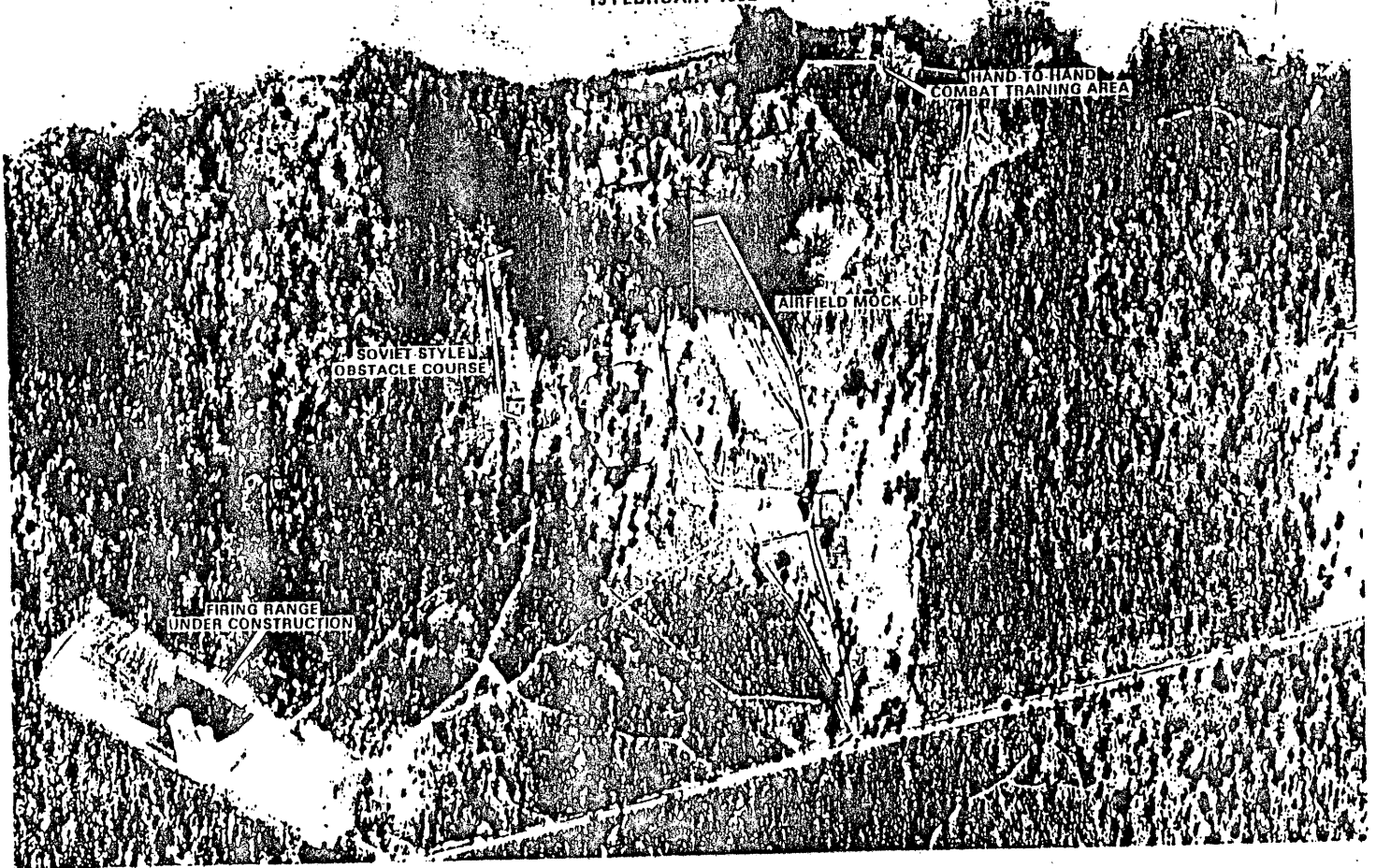
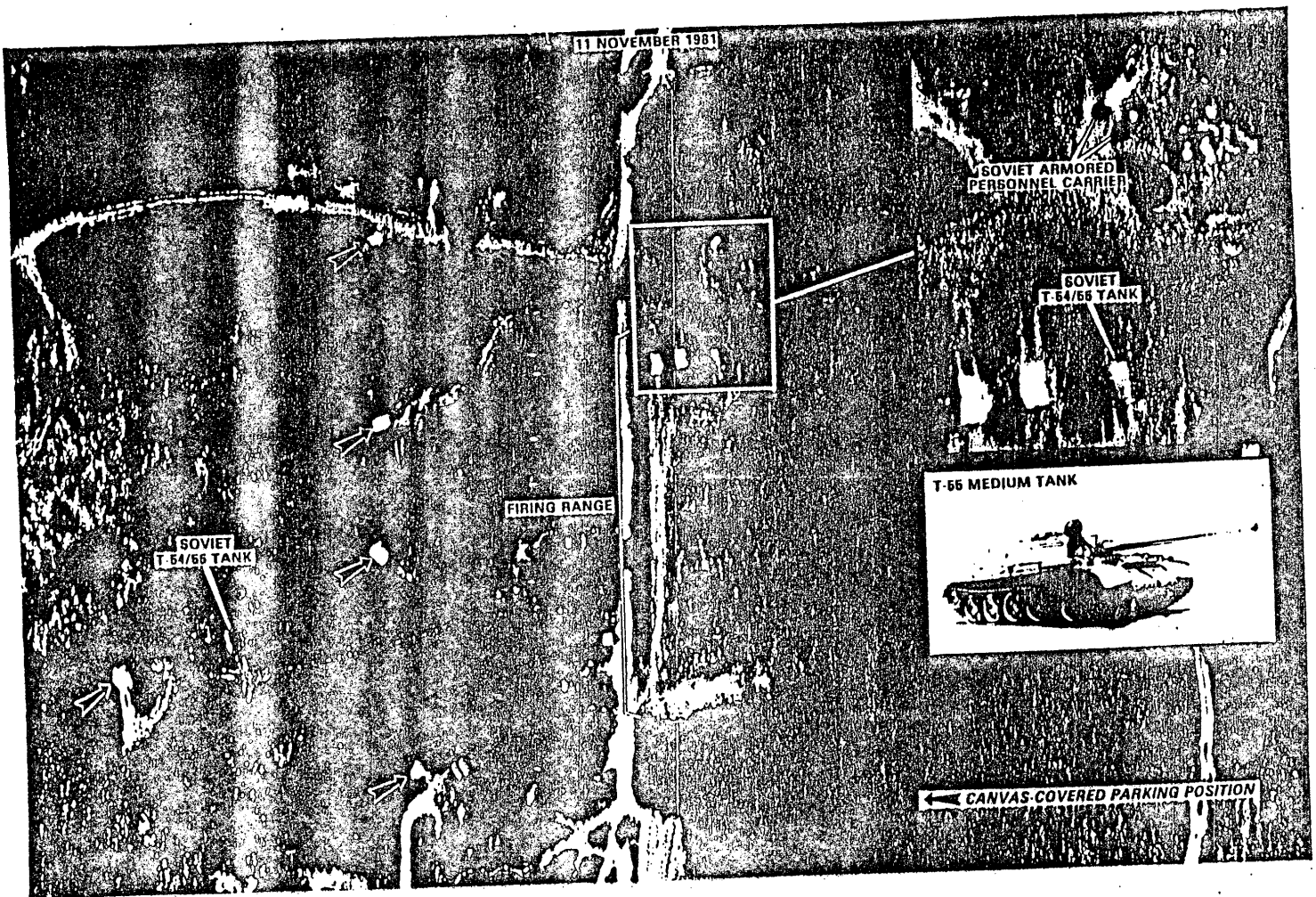


PHOTO # 6

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TEMPORARY ARMOR STORAGE AREA MANAGUA, NICARAGUA



SOVIET/EAST GERMAN MILITARY EQUIPMENT DIRIAMBA, NICARAGUA

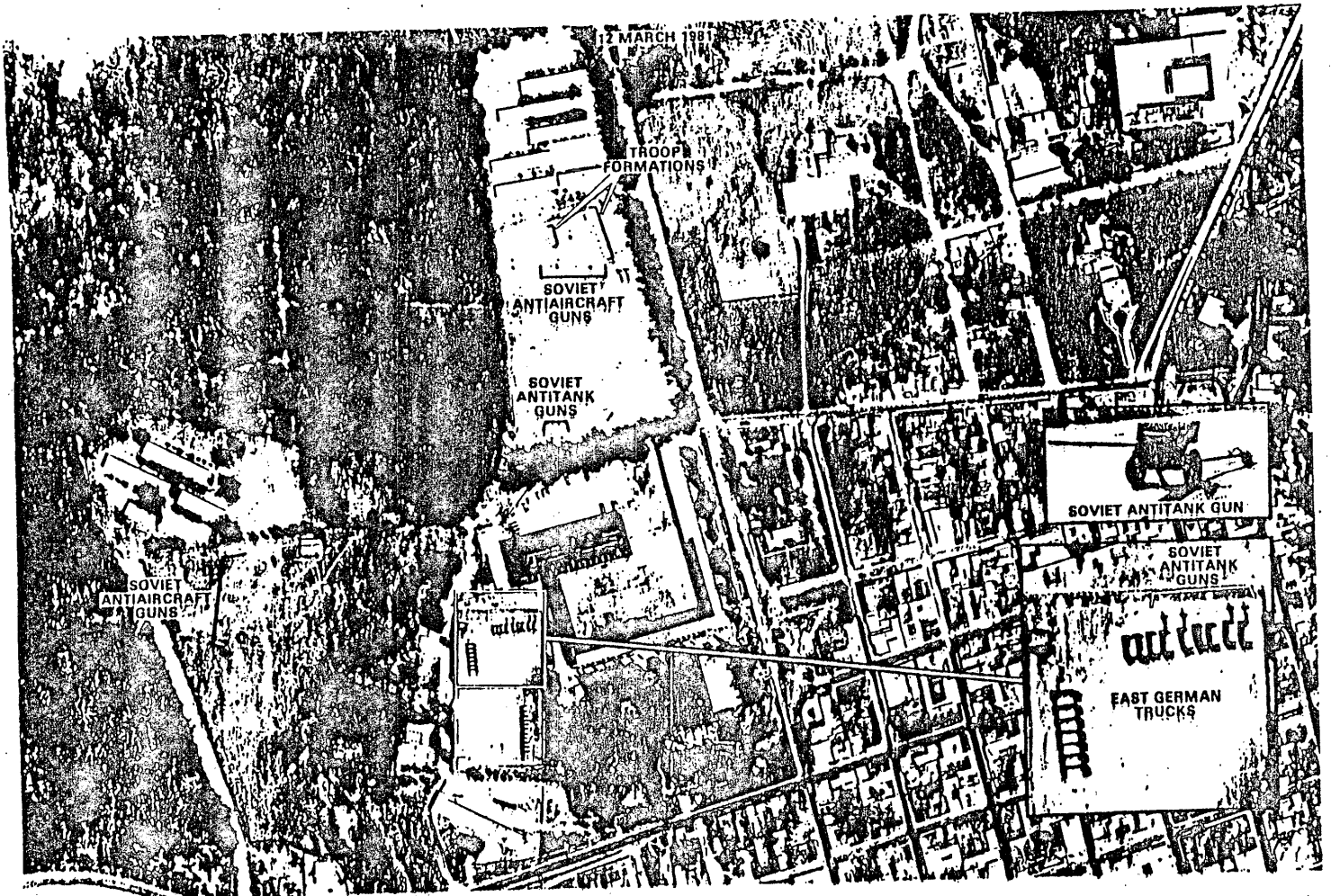


PHOTO # 8

The Sandinistas can now call on an active military force of some 25,000 and reserve and militia forces numbering some 50,000. This force clearly overshadows that of Honduras, with only 15,000 men, and Costa Rica, which has no armed forces.

In Nicaragua, there are about 50 Soviet military and 100 economic advisers. About 25 Soviet personnel reportedly are assisting the security services, and others are attached to the Nicaraguan general staff and the headquarters of various military services. Through 1982, they have concluded military agreements with Nicaragua estimated to be worth at least \$125 million.

There are also about 35 military and 200 economic advisers from East European countries in Nicaragua. Most are East Germans, although some Bulgarians, Czechoslovakians, Poles, and Hungarians may be present. The East Germans are most active in the Nicaraguan internal security organizations, but reportedly have also provided some truck technicians and possibly some communications personnel.

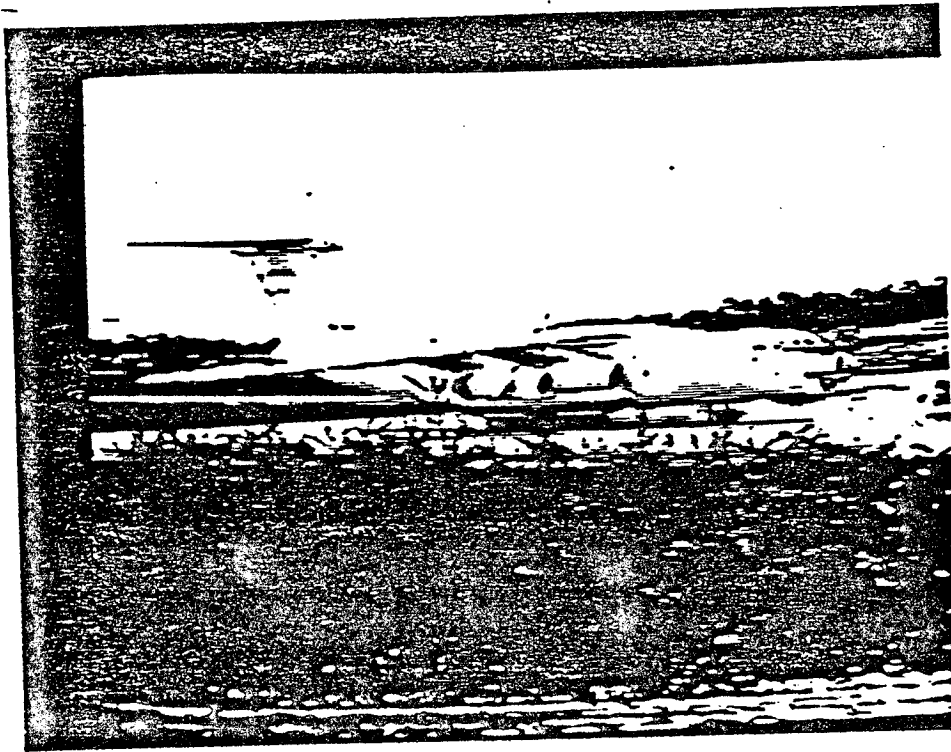
In April 1983, Brazil detained four Libyan aircraft transporting large quantities of weapons to Nicaragua, including some jet aircraft. This event, and a high-level delegation to Managua in May, reveals Libyan leader Qadhafi's commitment to the Central American struggle (see photos #9 and 10). (Salvadoran guerrilla leader Cayetano Carpio returned to Nicaragua from Libya immediately before his April 12 purported suicide in Managua.)

As many of as 50 Libyan and PLO advisers have been active in Nicaragua. The Libyan advisers have been engaged mostly in servicing the Polish-built MI-2 light helicopters they provided the Nicaraguans. Last May, the Libyans also provided the Sandinistas with four small Italian aircraft useful in counter-insurgency operations. Libya also has been active in Grenada, where it now has an embassy. It reportedly is providing funds to radical leftists in the Caribbean region and is encouraging Grenada to spread its "revolution."

PLO leader Yasir Arafat promised military equipment to Nicaragua, including arms and aircraft, in Managua on July 22, 1980. The PLO has trained selected Salvadorans in the Near East and in Nicaragua. Arafat affirmed to a group of Palestinian journalists in Beirut on January 11, 1982, that "there are Palestinian revolutionaries with the revolutionaries in El Salvador..." PLO personnel are providing pilot training in Nicaragua and reportedly flying combat aircraft.

Vietnamese support for the Salvadoran guerrillas was confirmed by author William Shawcross when he traveled to Vietnam (New York Review of Books, September 24, 1981.) Shawcross asked whether Vietnam had been distributing any of the vast stockpile of weapons left by the Americans. Vietnamese Col. Bui Tin acknowledged that

LIBYAN ARMS AIRCRAFT IN BRAZIL



PHOTOS #9 and 10 .

it had: "It is not fair to say the U.S. can help the Junta but we cannot help our friends. We do our best to support revolutionary movements in the world."

This level of outside support adds up to far more than merely marginal assistance for essentially indigenous guerrilla activity. It is large-scale intervention in the political affairs of the nations directly concerned, for the clear purpose of bringing to power governments on the Cuban model.