



Central Intelligence Agency  
Office of the Deputy Director for Intelligence

10 March 1986

The Honorable Paul B. Henry  
House of Representatives  
Washington, D.C. 20515

Dear Paul,

This is a package of unclassified material on Nicaragua. I think it covers most of the subjects we discussed last week. Hope it is helpful to you. Let me know if there is anything more we can do.

Regards,



John L. Helgerson  
Associate Deputy Director  
for Intelligence

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DBI- ~~\_\_\_\_\_~~Export of the Revolution

The Intelligence Community believes [REDACTED]

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[REDACTED] that a key facet of Sandinista foreign policy has been the continuing export of revolution to other Latin American countries. Nicaraguan activities include the provision of weapons, supplies, military and political training, funds, communications support, and safehaven. The Salvadoran rebels have been the principal beneficiaries, but available evidence shows that materiel and political support also has been extended to other Central and South American radicals.

-- The FSLN committed itself to the eventual spread of revolution throughout Latin America at a secret meeting of party cadres in September 1979.

-- [REDACTED] the policy of providing support to leftist revolutionaries was set at the highest levels and involves all military, intelligence, and police organizations, including the Defense and Interior Ministries--headed by key Sandinista leaders Humberto Ortega and Tomas Borge.

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-- Workshops reportedly were set up in Managua as early as 1979 for constructing vehicle concealment compartments for the transfer of materiel to Salvadoran insurgents and that guerrilla training sites were established. In 1981, Honduran authorities seized a large truck-trailer loaded with weaponry from US stocks in Vietnam. The truck was enroute from Nicaragua to El Salvador.

Although the volume of Managua's material assistance to the Salvadoran guerrillas has decreased from the high levels delivered in late 1980, 1981, and early 1982, when the insurgents were preparing large-scale offensives, compelling evidence has persuaded the Intelligence Community that Nicaraguan assistance is continuing:

-- A late-model car that crashed in Honduras in December had five concealment compartments containing 6,700 rounds of ammunition, 86 electric blasting caps, 21 grenades, 12 tactical and command radios, and 39 communications enciphering pads, along with a manifest listing the call signs of insurgent command posts in Nicaragua and El Salvador.

-- The driver, who admitted he traveled over the same route from Costa Rica through Nicaragua and Honduras to El Salvador once before, said he had turned the vehicle

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over to a contact in Managua for a few hours, evidently for the concealment of the supplies.

-- Last April, [redacted] military supplies continue to be brought into El Salvador along its southeastern coast via sea routes from Nicaragua. STAT  
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-- [redacted] following the US intervention in Grenada in late 1983, the level of supplies decreased to 30 percent of the volume received in previous years, reflecting in part the Sandinistas' desire to be more circumspect. The supplies from Nicaragua nonetheless accounted for 70 percent of the guerrillas' ammunition. STAT

-- About two-thirds of the M-16 rifles identified in the possession of the Salvadoran insurgents can be traced to those consigned for use in Vietnam, according to traces of the serial numbers of about 1,800 weapons.

Reporting [redacted] substantiates our belief that Nicaragua continues to provide a range of other assistance to the Salvadorans. STAT

-- [redacted] last summer that all five Salvadoran guerrilla factions have houses and office space in Managua, and are aided by Nicaraguan security personnel. STAT

-- Rebel communications facilities operate out of Nicaragua, as demonstrated by the evidence found in the car crash.

-- Reporting from [redacted] captured Salvadoran insurgents attests to Managua's sustained role in providing military and political training. STAT

Elsewhere in Central America, the Sandinistas remain committed to aiding insurgents and other radicals. The Intelligence Community believes these efforts are designed to keep Nicaragua's neighbors off-balance and to intimidate them into abandoning support for US policies.

-- Managua has aided the infiltration of Cuban- and Nicaraguan-trained Honduran subversives into Honduras three times in the last three years--most recently in September 1985--in an attempt to set up an insurgent network.

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-- [redacted] Costa Rican Communists-- part of the Costa Rican Mora-Canas brigade that was established in Nicaragua--are undergoing training in Nicaragua. The brigade has operated in the past against insurgent forces in the south. STAT

-- [redacted] the Sandinistas are continuing to provide covert support for Guatemalan insurgent groups as well. STAT

-- Weapons captured from the insurgents in Guatemala can also be traced to stocks the US sent to Vietnam.

Managua also has maintained contact with and in certain cases actively supported South American radicals.

-- In the aftermath of the M-19 seizure of the Palace of Justice in Bogota last November, 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. One M-16--and possibly two others--could be traced to stocks the US had previously sent to Vietnam.

-- During the past year, numerous Chilean far leftists trained in Nicaragua returned to Chile, and a leader of a Chilean leftist group was a featured speaker at a recent Latin American political parties congress in Managua.

-- [redacted] Latin American guerrillas receive military training by fighting as members of Nicaraguan Army units against anti-Sandinista rebels. STAT

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Nicaraguan Military Buildup

The Intelligence Community has closely monitored the Nicaraguan buildup, which was launched immediately after the Sandinista takeover. With the aid of Cuba and the Soviet Bloc, the Sandinistas have transformed their guerrilla band of some 5,000 into the largest and best-equipped conventional force in Central America, fundamentally altering the military balance in the region.

- The armed forces now number some 65,000 regulars and 45,000 reserves.
- Nicaragua has more armored vehicles, artillery, and air defense weapons than all other Central American countries combined. These include a force of about 150 tanks--including Soviet-built T-54s and T-55s--and 200 other armored vehicles. No other nation in the region, including Mexico, has comparable tanks or similar numbers of armored personnel carriers.
- Since 1980, Cuban construction crews have helped Nicaragua build some 40 new military bases at a cost we estimate at more than \$300 million.

The influx of new weaponry began in early 1981, long before any significant guerrilla activity or US involvement with the insurgents. Two prominent members of the opposition--Arturo Cruz and Eden Pastora--were still part of the Nicaraguan Government at that time, and the United States was still providing economic assistance.

- Cuba, which had provided arms and training to the Sandinistas prior to Somoza's overthrow, signed a secret military agreement with the new regime in 1979 and contributed air defense artillery that same year.
- Algeria, apparently acting as intermediary for the USSR, delivered the first battalion of tanks--as well as armored personnel carriers, artillery, and SA-7 surface-to-air missiles--between April and June of 1981.
- Libya provided surface-to-air-missiles, rocket launchers, helicopters, and three light attack aircraft in 1982. A shipment containing an L-39 jet fighter and other equipment was turned back when discovered en route by Brazilian authorities in April 1983.
- With Soviet encouragement, Bulgaria was the principal

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supplier between 1982 and late 1984, and Moscow initiated direct shipments in November 1984, when it delivered MI-25 helicopter gunships.

- In 1985, deliveries shifted away from new weapons--in part because the Sandinistas were having difficulty absorbing what they already had--to thousands of trucks, spare parts, and other military-associated equipment.
- As was the case with Cuba and Grenada, much of this military hardware was provided by the Soviets free of charge, either as military aid grants or on long-term credit with little prospect of repayment.
- Nonetheless, military expenses associated with the buildup and the war consumed 50 percent of the Nicaraguan Government's budget in 1985 and may exceed 60 percent this year.

The Intelligence Community believes that only pressure from the United States has prevented the Sandinistas from receiving MiG fighters or other high performance jet combat aircraft.

- The new military airfield at Punta Huete, designed and built by Cuba, has a 3,000-meter runway--capable of accommodating any aircraft in the Soviet inventory--and 16 fighter-sized revetments. Although construction of support facilities and some revetments is incomplete, the airfield is already operational.
- Nicaraguans had been sent to the USSR, Bulgaria, Czechoslovakia, and Libya to train as pilots, aircraft maintenance crewmen, and air defense gunners.
- Senior Sandinista officials have publicly asserted their intention to acquire fighter aircraft, and one comandante said last year that Nicaragua would soon import new air defense missiles of a type never before seen in Central America.

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Cuban and Soviet Bloc Military and Economic Support

Military

Cuba has been the dominant external influence on the development of the Sandinista military, increasingly assisted by equipment deliveries from the USSR and Eastern Europe.

- Cuba has sent some 3,000 military and security advisers to Nicaragua, and some have taken part in combat operations, including piloting attack helicopters. They are commanded by a Cuban general with combat experience in Africa.
- Cuba also has repaired and refurbished Nicaraguan aircraft, helicopters, and patrol boats, as well as provided construction crews for military projects such as Punta Huete airfield and the Matagalpa-Puerto Cabezas road.

The Soviets and East Europeans have concentrated on equipment deliveries while keeping their official presence at a low level.

- The Intelligence Community estimates the value of Soviet Bloc military deliveries during 1981-85 at some \$600 million. The tonnage of military cargoes sent to Nicaragua rose more than 50 percent during 1985, although the value was down because of the near total absence of major weapons systems delivered--unlike 1984, when MI-25 helicopter gunships arrived.

Economic

After coming to power in 1979, the Sandinistas began fundamentally to shift Nicaragua's economic relations away from the West and toward the Soviet Bloc.

Within a year of the Sandinista victory, Managua announced a number of economic, cultural, and technical agreements with the USSR, setting the framework for widening trade and broad financial assistance.

- Trade data available to the Intelligence Community show non-military transactions with the Bloc began to rise immediately after Somoza's fall and by 1984 had climbed to over a quarter billion dollars, or one fourth of Nicaragua's trade.
- In 1985, Bloc countries supplanted Nicaragua's Latin

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neighbors as Managua's key trading partners.

- We estimate Soviet commitments for economic support through 1985 at more than \$600 million, with most in the form of long-term credits.

The increased aid last year reflected higher oil deliveries and generous help with imports and hard-currency requirements.

- Moscow has covered virtually all of Nicaragua's oil needs since Mexico halted shipments last summer.
- A bilateral economic cooperation meeting in Managua last December resulted in new Soviet commitments to provide \$90 million to develop about 90,000 acres near Managua for cotton and grain.

Economic assistance from Cuba and Eastern Europe also has been generous.

- Havana has provided more than \$300 million in economic aid since the revolution, mostly on a grant basis.
- Eastern Europe has provided another \$400 million--about half from East Germany and most of the rest from Bulgaria and Czechoslovakia.
- Following a CEMA meeting in Managua last October, Cuba and the East European countries announced they were involved in 44 economic development projects and pledged substantial increases in aid.



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Cuban, Soviet Bloc, and Radical Regime Presence In Nicaragua

It is the Intelligence Community's assessment that about 7,000 to 8,000 Cuban, Soviet Bloc, and radical regime military and civilian advisers have been in Nicaragua during the past two years. Their mission has been to assist the Sandinista military and government and engage in a wide variety of military, agricultural, and industrial projects.

The Cuban contingent is by far the largest. In addition to some 3,000 military advisers, there are nearly 4,000 civilians present as well.

The estimated 300 to 400 Soviet military and civilian advisers maintain a low profile. They generally are assigned to high-level positions with the government and military.

The East Europeans number some 200 to 250.

-- East Germans and Bulgarians are most numerous and are assigned mainly to the security and intelligence services and some key construction projects such as the new port expansion at El Bluff on the Caribbean coast.

In addition, small numbers of North Koreans, Libyans, Iranians, and Palestinians are providing similar assistance.

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The Consolidation of Sandinista Rule

Since coming to power in Nicaragua in July 1979, the Sandinistas--even as they have proclaimed their commitment to political pluralism, a mixed economy, and nonalignment--have followed a gradualist strategy for the establishment of a Marxist-Leninist state closely patterned on the Cuban model.

- The incremental pace is intended to limit domestic backlash, avoid a harsh US response, and retain Western political and economic support.
- Most of the elements of the regime's plan to build a Communist state were, with Soviet Bloc assistance, in place within the first two years, but the Sandinistas have used the insurgency to justify increasing internal repression.

The Sandinistas first declared a state of emergency in 1982, providing the legal framework for repressing dissent. Although Managua may make tactical concessions to preserve its international backing, we see little prospect for any shift in the Sandinistas' long-term objectives or for any change in their opposition to negotiations with the Nicaraguan Democratic Force. The regime also will probably adhere to its tough stance in Contadora, refusing to sign any accord with enforceable provisions that would threaten its grip on power.

The Sandinistas' plans for political consolidation, conceived well before their victory, were laid out clearly only weeks after they came to power in the so-called "72-hour document," the result of a three-day meeting of party cadres in September 1979.

- The document revealed the Sandinistas' intention to squeeze out moderates who had backed the revolution, centralize the economy, and draw closer to "anti-imperialist" forces--that is, the Soviet Bloc. These objectives would be achieved gradually to avoid alienating the private sector and potential international backers.
- During their first months in power, the Sandinistas violated agreements with moderates by unilaterally giving themselves a majority on the quasilegislative Council of State and postponing elections until 1985. They also signed a party cooperation agreement with the Communist Party of the Soviet Union and placed key ministries under direct FSLN control.

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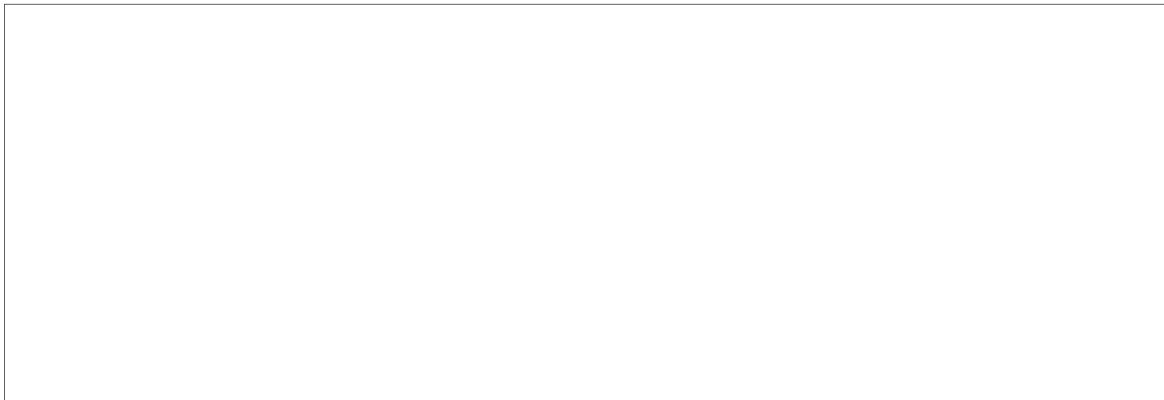
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- A detailed comparison by the Intelligence Community of the Nicaraguan revolution with other Third World Marxist-Leninist states demonstrates that such measures are consistent with a common pattern in the consolidation of power.

From the outset, Cuba and Soviet Bloc allies were instrumental in shaping the Sandinista internal security apparatus.

- By October 1979, at least 100 Bloc security/intelligence advisers were working with the regime.

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Meanwhile, the regime placed increasingly tighter controls on non-Sandinista political activity, culminating in the declaration of a state of emergency in March 1982, which provided the legal framework for expanding government restrictions on the press and opposition parties.

- The Church was a special target, and [redacted] regime-sponsored hecklers disrupted the Pope's visit in 1983.
- As a result of the decree, many political moderates abandoned Nicaragua, further weakening the opposition.

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Imprisonment, torture, and the execution of opponents have been an important part of the Sandinistas' consolidation strategy.

- [redacted]

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Interior Minister Borge authorized the execution of dissidents, including private sector leader Jorge Salazar in 1980, and protected the perpetrators.

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- [redacted] under Borge's direction, regime security forces murdered several hundred Miskito Indians who resisted the regime's plans to relocate them away from their villages near the Honduran border. STAT
- In addition, [redacted] Interior Minister Borge is personally responsible for establishing general procedures for, and covering up, executions of many other regime opponents. STAT

During the past two years, the Sandinistas have continued to consolidate political and economic power while trying to enhance their legitimacy by holding a national election, drafting a new constitution, and periodically loosening restrictions to demonstrate their moderation.

- In May 1984, Directorate member Arce, speaking privately to the Nicaraguan Socialist Party, said that the election was being held only to defuse "imperialist" criticism of the regime. It was intended to legitimize Sandinista rule and provide a framework for building socialism.
- After briefly loosening constraints during the 1984 campaign, the Sandinistas reimposed political restrictions after the election.
- In October 1985, the Sandinistas, responding to stepped-up criticism by the Church and political parties, expanded the state of emergency--placing additional controls on the media, suspending many civil liberties, and providing the justification for the detention of hundreds of opponents.
- The Church, which the regime views as its most potent adversary, has been especially hard hit by the decree; the government closed the Church radio station, confiscated its newspaper, and occupied its social services office.
- La Prensa, the only independent newspaper in Nicaragua, has been forced to close down from time to time because of government restrictions and resultant economic hardships.

The Sandinistas are unlikely to loosen their grip and probably will continue to chip away at resistance to their political hegemony. Nonetheless, in keeping with their long-range strategy, they probably will continue trying to deflect international criticism by making flexibility gestures toward the

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opposition, easing constraints periodically, and promulgating a new constitution by early 1987. They may renew their dialogue with the unarmed opposition, although they will continue to reject similar meetings with the main armed resistance group, the Unified Nicaraguan Opposition (UNO). Moreover, the Sandinistas are unlikely to sign any Contadora agreement that includes tough provisions for national reconciliation. Several regime leaders have characterized such a step as political suicide.

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