



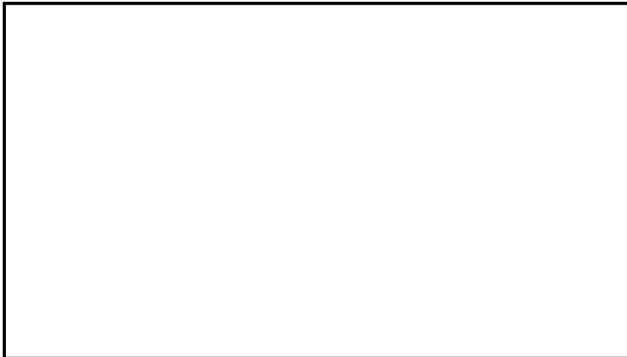
Approved For Release 2003/08/19 : CIA-RDP80T00942A001100130001-8
National Foreign Assessment Center



The Situation in Nicaragua

An Intelligence Assessment

Information as of 11 June 1979 has been used in preparing this report.



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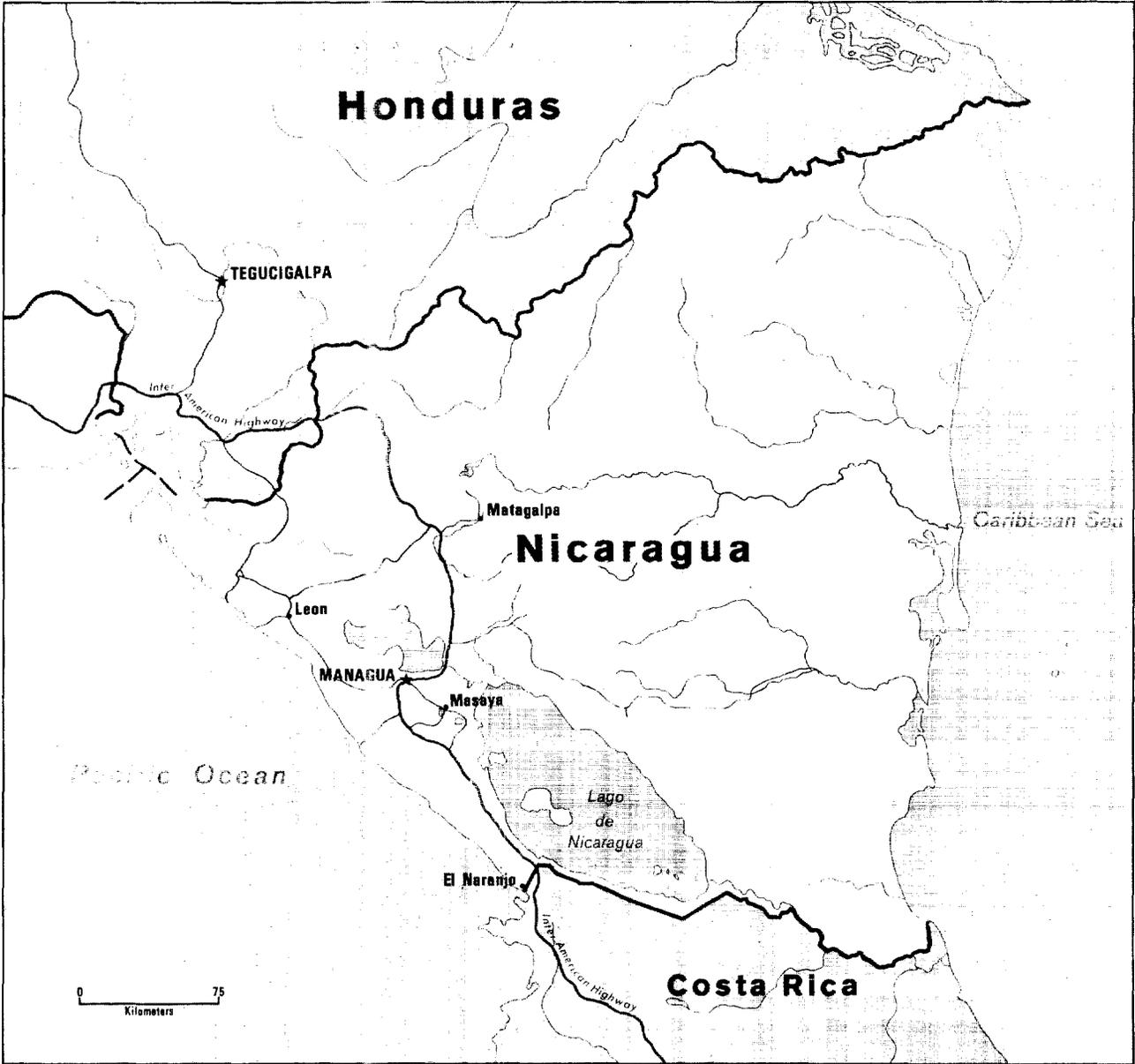
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The Situation in Nicaragua

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Key Judgments

The current fighting in Nicaragua, which began two weeks ago, is the most serious challenge the government has yet faced. President Somoza's National Guard retains a military edge over the Sandinista guerrillas that appears sufficient—if fighting stays at the present level—to overcome the offensive for the short term. [Redacted]

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Over the longer term, however, the country is set irreversibly on the path of change, and time operates to the advantage of the guerrillas. Somoza may manage to serve out the last two years of his term, but in the face of spiraling violence and economic disruption, the possibility of a Sandinista victory or an internal upheaval looms large. [Redacted]

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Somoza's structured early departure could probably only be arranged by outside mediation. This might limit—but could hardly deny—guerrilla participation in a successor regime, but might just as likely undermine institutional cohesion, permitting the Sandinistas to come to the fore. [Redacted]

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Somoza will probably be able to maintain his arms supply from abroad so long as he can pay his suppliers. In a pinch he is likely to appeal to Guatemala, El Salvador, and Honduras for more direct assistance, such as troops and aircraft; but his neighbors might be too indecisive to respond. [Redacted]

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The Sandinistas also can expect to continue to receive foreign assistance, but probably not direct intervention on their behalf by foreign powers. [Redacted]

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The Situation in Nicaragua



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Current Military Picture

The guerrilla activity in Managua that began over the weekend has concentrated on harassment along roads leading into the capital and on shows of force in poor neighborhoods. So far, the insurgents have demonstrated only occasional boldness and do not seem inclined to meet the National Guard head-on or to carry out major attacks in the city proper.



There are two probable scenarios other than assassination by which a Sandinista military campaign might remove Somoza. The first would involve a successful Sandinista assault on a major provincial military garrison or on a series of small outlying posts, creating a snowball effect before Somoza's stretched-thin forces could move in methodical fashion to retake towns one by one. Even if Somoza were still holding Managua, he might then be removed by the military. In the second sequence, the Sandinistas would mount successful attacks on Managua where Somoza's control has never been tested—most likely first attacking power or communications installations or attempting to stir mob action, rather than risking a frontal assault on Somoza's crack troops. Somoza would probably put down the first uprising in Managua, but that could set in motion the final unraveling of the regime.

The National Guard apparently has defeated the guerrilla force that made the initial incursion in the southwest, and the guerrillas seem to have retreated to Costa Rica.



Elsewhere—except for Leon and Matagalpa, where heavy fighting evidently continues—the Guard seems to have retaken or reinforced other cities attacked by the Sandinista National Liberation Front (FSLN). Outbreaks of fighting in other parts of the country are possible at any time, however,



Both of these scenarios, while real possibilities, would require several weeks to unfold. The tactics of the Sandinistas thus far suggest that although they are committing significant resources to creating the momentum to topple Somoza, they are not willing to risk decisive defeat in an immediate and unrestricted effort. The populace is still more frightened and caught between opposing forces than willing to cast its lot with a guerrilla opposition whose victory is far from assured. This accounts for our assumption that Somoza is probably assured of several weeks' survival on the strength of his military forces alone.

Assessment of Short-Term Prospects

The *present level* of insurgent activity is probably insufficient to overcome the pure military superiority that the National Guard still holds over the Sandinistas, even though that margin is narrowing at an accelerating pace.



With most of the present clashes taking place in towns some distance from the borders, logistics and resupply may again be a telling problem for the FSLN guerrillas. This has been a major constraint on large-scale operations in the past. This problem for the guerrillas might be offset, if the Sandinistas can keep up the pressure, by eventually increasing their forces. There are presently no indications that the civilian population—largely anti-Somoza but cautious and



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[redacted]

intimidated—is sufficiently persuaded of the FSLN's military capabilities or the National Guard's impending defeat to rise up. Nevertheless, if the current pace of fighting continues for several weeks and the guerrillas can replenish their ammunition either from caches in Nicaragua or stocks abroad, the FSLN should be able to recruit more combatants, albeit untrained and inexperienced ones. The Guard, at the same time, will be harder pressed to replace its forces.

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The fact that the FSLN labels this its "final offensive" probably does not mean its leaders have ruled out tactical retreat. They may be impatient and even prepared to take heavy losses, but they are not likely to put themselves in a position to be decisively defeated. It is too easy for the guerrillas to escape into the hills or neighboring countries or go underground. In the Nueva Guinea campaign a few weeks ago, the Guard publicly claimed an enemy body count of three times the number it actually confirmed. If such inflation in reporting is customary, then the FSLN has probably been more successful than generally assumed at escaping Guard encirclement. Nevertheless, the guerrillas probably have suffered more casualties than the Guard.

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The guerrillas probably do not suffer net losses, however, from larger scale operations and urban occupations. When evacuating towns or neighborhoods they have held for several days, they probably leave with quite a few new recruits, willing and otherwise. Some youths may go along because they fear that when the Guard reenters an FSLN-held area, it executes the younger men it finds for suspected collaboration.

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[redacted]

Consequently, even if the FSLN loses this round, and that is far from assured, it will probably not be as weakened by the effort as the Guard. The guerrillas may be discouraged in the aftermath, but given time to heal their wounds in safehavens abroad and to replenish their armaments, they will be back in force.

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Assessment of Longer Term Prospects

Although Somoza may prevail in this battle and in others to come, there is little prospect that he can win the war. With the country set irreversibly on the path to change, the dynasty eventually must succumb. Even if Somoza retains power until 1981—and his chances are declining—the country would be on the edge of chaos. The FSLN is not going away; indeed it is growing stronger. Materiel acquired by the guerrillas abroad is one key to their success, and the volume and pace of these acquisitions will determine if and how quickly the FSLN will be able to overtake the Guard in military capability. As the struggle endures, recruitment—the other key—will come naturally.

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The longer range pressures on Somoza—aside from the military challenge—are considerable. The economic outlook is bleak. The country may be able to limp along, but prolonged fighting will cause further disarray. The disruption of next year's harvests could raise the possibility of economic collapse.

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Diplomatic pressures on Somoza are growing. To date these have been largely symbolic—Mexico's severance of relations, the statement of concern by the Andean Pact summit, the refusal of the Organization of American States (OAS) to act in support of Somoza's charges against nations backing the FSLN. As time passes, however, Somoza will become more internationally discredited and eventually this will impinge on his ability to acquire munitions and financial resources abroad. Some of the countries that support him will increasingly find their relationship distasteful and embarrassing and in any event could not take up the slack of any economic or arms sales embargo.

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[redacted]

The political opposition groups—except for those allied with the FSLN—are essentially despairing and immobilized bystanders being carried along by the sweep of events. Without any capability to affect the situation, most politicians and businessmen look to the United States to halt the drift. There is growing concern among them that the opportunity to bring about peaceful change has passed.

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Somoza probably intends to step down in May 1981, but not before. Although some in Somoza's Liberal Party and National Guard recognize that he is "the problem," no one seems inclined to act against him now. In the face of growing international antagonism and economic dislocation, however, with defeat apparently imminent, the Guard might execute a coup. This response might be poorly calculated and come too late to prevent an FSLN victory. The National Guard, on the other hand, could simply collapse, sparked—like a run on a bank—by a major break in ranks or a key figure fleeing the country. Somoza, however, does not appear to be a strong candidate to break and run. He might be killed—he occasionally flies over scenes of fighting—and any of a host of scenarios could then ensue. [Redacted]

roots of the guerrilla movement, which means that time and historical momentum are with the FSLN.

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The Guard probably has just under 10,000 men, but in view of its responsibilities—ranging from police and customs to post office and telegraph duties—the number of potential combat personnel is probably closer to 7,000-8,000. Many of these troops man garrisons throughout the country and are not well trained or equipped. For this reason, the customary response to an FSLN assault on a town is for the troops in place to draw back into their garrison and await reinforcement from Managua's elite ready-reaction forces. [Redacted]

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It is no longer assured that if Somoza could be persuaded to resign and the fighting ended, a middleway would emerge. The FSLN has momentum and is too large, too well-armed and organized, and too popular to defer completely to the moderates. Somoza's departure, however, would probably effectively reduce popular support for the guerrillas. Such a scenario would have the advantage perhaps of forestalling the immediate and total assumption of power by the FSLN through military victory and limiting its participation in a successor regime. There is no assurance, on the other hand, that even a carefully structured transition would survive the disruptive pressures that Somoza's departure might unleash. If the National Guard were not maintained as a cohesive force—a challenging task in itself—the FSLN could emerge in a dominant position. [Redacted]

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Current Military Balance

The Guard continues to hold significant military advantages over the Sandinista guerrillas—superior logistics, communications, firepower, materiel, training, leadership, and command and control. The FSLN is in the tactically advantageous position of forcing Somoza to respond to its thrusts when and where and how it chooses to fight. In the process, Guardsmen fall into costly traps. Since there are FSLN sanctuaries outside Nicaragua, Somoza is unable to strike at the

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The fighting over the past year and a half has taken a toll in various other ways. Statistics show an overall trend of increasing losses and desertions which will be harder over time to offset with enlistments.

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Nevertheless, losses during the current offensive—Somoza publicly conceded 200 killed and wounded in two weeks—cannot be absorbed indefinitely.

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Even in the face of these factors and the probable weariness of the Guard's best fighting forces, morale reportedly remains high. Continued heavy losses, however, will have a negative impact eventually. There have been signs of growing discontent in the enlisted ranks over payroll delays and among younger officers concerned that corrupt senior officers be retired. In annual personnel actions on Armed Forces Day, however, Somoza did not retire the top echelon of the Guard, but did try to placate the middle levels with a large number of promotions.

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There are frequent references in the Guard and the government these days to the lessons of Iran, in terms of how Somoza's supporters could expect to be treated if defeated.

[Redacted]

Guard Materiel and Foreign Support

There are no indications that the Guard faces shortages of materiel, except perhaps aircraft. The FSLN offensive last September evidently caught Somoza by surprise, so he has built up munitions during the past eight months in anticipation of another challenge.

[Redacted]

Aircraft apparently are a particular concern. Somoza has lost several aircraft in the past two months to guerrilla groundfire. Stories circulate constantly that he is trying to purchase more planes in the United States and elsewhere.

[Redacted]

Other stories allege that northern tier Central American governments have placed some of their aircraft at Somoza's disposal. To date, all of the aircraft known to be participating in the fighting for the government are in the Nicaraguan Air Force inventory.

[Redacted]

Somoza will probably continue to be able to find foreign sources of arms, so long as he can pay for them.

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In a pinch Somoza is likely to appeal to Guatemala, El Salvador, and Honduras for more direct assistance, such as troops and aircraft.

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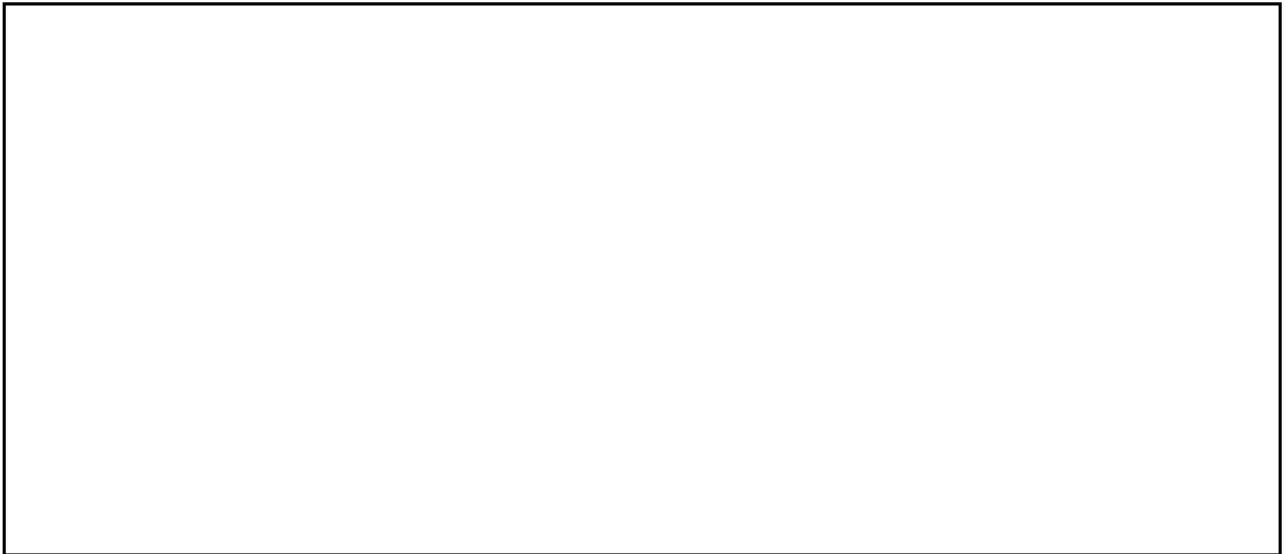
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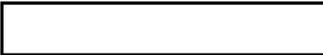
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Somoza believes his northern neighbors would come to his aid in a crisis. Modest assistance would not be surprising if Somoza's position continues to deteriorate. Direct intervention with troops, however, would be a very tough decision for Guatemalan President Lucas, whose lead El Salvador and Honduras would probably follow. [Redacted]

Panamanian Guard Commander Torrijos appears to remain committed to supporting the guerrilla effort against Somoza. Although unpredictable, he probably will not provide personnel, except in terms of supporting civilian volunteers like the small Panama International Brigade or under the pretext of defending Costa Rica from Nicaraguan incursions. Neither is Cuba likely to commit any forces to Nicaragua under present circumstances. [Redacted]

[Redacted] In view of the confusion that could be expected to accompany Somoza's decline, Lucas might wait for stark alternatives that would not appear until too late.



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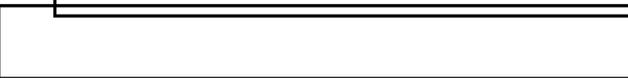
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FSLN Support

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The FSLN also can expect to continue to receive foreign assistance, but probably not direct intervention on its behalf by foreign powers. Without attempting to catalogue the extent of materiel support the FSLN has received in recent months, we can say it has been extensive. The pattern is similar to that employed last fall. [Redacted]



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