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Nicaragua

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M.I. P. T. NICARAGUA AND CONTADORA

1. NICARAGUAN PEACE PROPOSAL IS IMPORTANT. SANDINISTAS HAVE AT LAST CONCEDED PRINCIPLE OF MULTILATERAL NEGOTIATIONS WITHIN CONTADORA. STILL MORE SIGNIFICANT, THEY HAVE ACCEPTED THE IDEA THAT THE TRANSFER OF ARMS INTO EL SALVADOR SHOULD BE DISCUSSED. THE PROPOSAL FOR BILATERAL COMMISSIONS TO DEAL, INTER ALIA, WITH BORDER ISSUES IS PROBABLY RELEVANT TO THIS AS WELL AS TO NICARAGUAN INTEREST IN SECURING REMOVAL OF THE CONTRAS. PROPOSAL THAT ESTABLISHMENT OF MILITARY BASES IN THE AREA BE FORBIDDEN IS CLEVER WAY OF RESPONDING TO THOSE IN WASHINGTON WHO HAVE BEEN TALKING OF LIKELY ESTABLISHMENT OF SOVIET BASE IN NICARAGUA.

2. ORTEGA ASTOUNDED OBSERVERS BY MAKING A MILD SPEECH THAT WAS SENSIBLE AND NOT EVEN VIOLENTLY ANTI-AMERICAN. HE DWELT ON NICARAGUAN ECONOMIC PROBLEMS, INCLUDING THE SERIOUS FOOD SHORTAGES AND POINTED OUT THAT AS A RESULT OF US ECONOMIC SANCTIONS AND OTHER ACTION NICARAGUA HAD SUFFERED ENORMOUS DAMAGE (HE QUOTED FIGURE OF US DOLLARS 534 MILLION).

3. DURING THE ENSUING RECEPTION I TALKED TO MOST OF THE REVOLUTIONARY COMMANDERS PLUS JUNTA MEMBER CORDOBA RIVAS. ALL WERE IN CHEERFUL MOOD AND PRESENTED THEIR PROPOSAL AS A QUOTE TRUE OPENING UNQUOTE OFFERING A WAY OF BREAKING THE CONTADORA IMPASSE. I SAID BRITAIN MUCH WELCOMED THE EVIDENCE OF FLEXIBILITY.

4. WHEN I ASKED FOREIGN MINISTER D'ESCOTO WHETHER NICARAGUA WAS PREPARED TO DISCUSS ISSUE OF FOREIGN ADVISORS, HE SAID THIS WAS ONE OF THE QUOTE OTHER POINTS UNQUOTE WHICH THEY MIGHT DISCUSS IF NEGOTIATIONS ON FIRST POINTS WERE SUCCESSFUL. HE SAID HE ENVISAGED POLICING OF NICARAGUA-HONDURAS BORDER BY A JOINT NICARAGUA/HONDURAS FORCE WHICH COULD INCLUDE AIR AND SEA AS WELL AS LAND SURVEILLANCE. I SAID I HAD DOUBTS ABOUT ACCEPTABILITY OF THIS. I OBSERVED THAT THERE WERE STILL A GREAT MANY THORNY ISSUES, INCLUDING THAT OF UN INVOLVEMENT. HE SAID HE KNEW WELL ENOUGH THAT NEGOTIATIONS WOULD BE EXTREMELY DIFFICULT. IT WAS A DISASTER THAT VOLIO HAD RESUMED DUTIES AS COSTA RICAN FOREIGN MINISTER: HE WAS YET MORE UNHELPFUL THAN THE SALVADOR FOREIGN MINISTER.

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5. ALTHOUGH A FEW CYNICS HAVE SEEN THE NICARAGUAN PROPOSAL AS A TACTICAL PLOY DESIGNED TO WIN VOTES IN CONGRESS, THIS IS UNLIKELY TO BE THE FULL EXPLANATION. US EMBASSY IN MANAGUA UNDERSTAND THAT THE NINE REVOLUTIONARY COMMANDERS HAD THREE DAYS OF INTENSE DISCUSSIONS AMONGST THEMSELVES BEFORE THE ORTEGA TEXT WAS AGREED. US AMBASSADOR QUANTON CERTAINLY SEES IT AS A SIGNIFICANT STEP.

6. CUBAN DELEGATION TO CELEBRATIONS TALKED TO QUANTON ABOUT LIKELY US REACTIONS. THEY MADE IT CLEAR THAT THEY WERE ENTHUSIASTIC ABOUT THE NICARAGUAN MOVE. I WILL WRITE IN GREATER DETAIL BY BAG.

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SUMMERSCALE

(REPEATED AS REQUESTED)

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