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FM TEGUCIGALPA 212120Z JUL 83

TO IMMEDIATE FCO
TELEGRAM NUMBER 152 OF 21 JUL
AND TO PRIORITY SAN JOSE, MEXICO CITY, WASHINGTON, PANAMA CITY,
BOGOTA, CARACAS, HAVANA, UKMIS NEW YORK AND BELMOPAN
INFO UKDEL NATO, UKREP BRUSSELS.

HONDURAS/NICARAGUA PEACE PLAN.

1. THE HONDURAN FOREIGN MINISTER HAS STRONGLY CRITICISED THE NICARAGUAN PEACE PROPOSALS PUT FORWARD BY COMANDANTE ORTEGA (SAN JOSE TELNO 196).
2. IN MFA STATEMENT PAZ BARNICA DESCRIBED THE NICARAGUAN PROPOSALS AS AN ATTEMPT TO TAKE FROM THE CANCUN DECLARATION SUCH ELEMENTS AS WERE RELEVANT TO THE PROTECTION OF NICARAGUA WHILE LEAVING IT FREE TO ATTACK AND INTERVENE IN OTHER COUNTRIES IN THE AREA. HE CLAIMED THAT THE OFFER OF A MULTILATERAL DIALOGUE WAS ONLY A MASK TO COVER BILATERAL AIMS AND THAT THE NICARAGUAN PROPOSALS WERE AN ATTEMPT TO UNDERMINE THE CONTADORA MEETING IN PANAMA AT END JULY.
3. BOTH TONE AND CONTENT OF HONDURAN REPLY WERE SURPRISINGLY AGGRESSIVE. AS THIS WAS THE FIRST OFFICIAL MOVE BY NICARAGUA TOWARDS A REGIONAL DIALOGUE AND ITS FIRST ACCEPTANCE OF THE NEED TO DISCUSS ARMS SUPPLY TO EL SALVADOR THE HONDURAN REPLY WITHIN 24 HOURS SEEMS SOMEWHAT HASTY AND INTEMPERATE.
4. THE HONDURAN MFA BELIEVES THAT NICARGUA WANTS TO DISENGAGE FROM THE CONTADORA PROCESS AND THE AGENDA TO WHICH IT IS COMMITTED (MY TELNO 113). IT SEES IN THE ORTEGA PROPOSALS AN ATTEMPT TO EXCLUDE FROM DISCUSSION BOTH CUBAN ADVISERS AND THE NICARAGUAN ARMS BUILD UP. HOWEVER SINCE THE CONTADORA PROCESS HAS SHOWN LITTLE SIGN OF SUCCESS SO FAR AND SINCE ITS PURPOSE WAS TO INVOLVE NICARAGUA IN A DIALOGUE ABOUT REGIONAL PROBLEMS A MORE CONSIDERED RESPONSE WOULD HAVE BEEN APPROPRIATE.
5. THE NICARAGUAN PROPOSALS ARE A WELCOME DEMONSTRATION OF THE NEED TO DISCUSS MORE THAN JUST ANTI SANDANISTA INSURGENCY. HOWEVER THEY RAISE A NUMBER OF COMPLEMENTARY ISSUES. A NICARAGUAN NON AGGRESSION TREATY IS DESIRABLE, NOT JUST WITH HONDURAS BUT ALSO WITH OTHER COUNTRIES IN THE REGION WHICH FEEL THREATENED. THE PROPOSED ARMS EMBARGO FOR EL SALVADOR PLACES THE FMLN ON THE SAME LEVEL AS THE DEMOCRATICALLY ELECTED GOVERNMENT AND IGNORES THE MASSIVE ARMS SUPPLIES TO NICARAGUA WHICH PREOCCUPY ITS NEIGHBOURS. A REGIONAL EMBARGO IS WHAT IS NEEDED. THE NICARAGUAN REFERENCE TO THE NEED FOR RESPECT FOR 'SELF DETERMINATION' IS VAGUE AND NEEDS FURTHER DEFINITION. NEVERTHELESS IT IS PRECISELY THESE POINTS WHICH COULD HAVE BEEN DISCUSSED AND DEVELOPED IN SUBSEQUENT DISCUSSIONS UNDER THE AUSPICES OF THE CONTADORA GROUP.
6. PRESUMABLY THE CONTADORA MEETING IN PANAMA AT THE END OF JULY WILL TRY TO INCORPORATE THE ORTEGA PROPOSALS INTO A WIDER AND MORE ACCEPTABLE FRAMEWORK. HOWEVER THE DANGER IS THAT THE HONDURAN REACTION MAY NOW CAUSE NICARAGUA TO WITHDRAW FROM THE CONTADORA PROCESS WHETHER OR NOT IT SOUGHT AN EXCUSE TO DO SO.

FCO PASS TO ALL.
SHARKEY

(REPEATED AS REQUESTED)

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