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FM WASHINGTON 212155Z

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TELEGRAM NUMBER 2068 OF 21 JULY 1983

INFO MEXICO CITY, TEGUCIGALPA, HAVANA, SAN JOSE.

SAN JOSE TELNO 196: NICARAGUAN PEACE PROPOSALS.

1. THE STATE DEPARTMENT SPOKESMAN WELCOMED THE LATEST NICARAGUAN PROPOSALS (TUR), WHICH HE DESCRIBED AS QUOTE A POSITIVE STEP UNQUOTE.

2. PRIVATELY THE AMERICANS ARE MORE CAUTIOUS ABOUT ORTEGA'S PROPOSALS, WHICH THEY POINT OUT WOULD NEED TO BE REINFORCED BY VERIFICATION AND ENFORCEMENT PROVISIONS, AND WHICH DO NOT ADDRESS WHAT IS FOR THEM THE KEY ISSUE OF THE 2000 CUBAN MILITARY ADVISERS IN NICARAGUA. THEY ALSO NOTE THAT DEMOCRATISATION, REGARDED HERE AS THE LEAST NEGOTIABLE POINT FOR THE NICARAGUANS, IS NOT ADDRESSED. NOR ARE THE AMERICANS UNDER ANY ILLUSIONS ABOUT THE EXTENT TO WHICH THE PROPOSALS ARE AIMED AT THE CURRENT DEBATE IN CONGRESS ABOUT US POLICY IN CENTRAL AMERICA. THEIR VIEWS ON THE SPECIFIC IDEAS ARE AS FOLLOWS:

(A) A NON AGGRESSION PACT BETWEEN NICARAGUA AND HONDURAS. THE AMERICANS WOULD EXPECT THE NICARAGUANS TO CONTINUE INCURSIONS INTO HONDURAS AS LONG AS THE CONTRA PROBLEM REMAINS. IT IS NOT THOUGHT HERE THAT THE NICARAGUANS WOULD BE DETERRED FROM MOUNTING A FULL SCALE INVASION OF HONDURAS IF THEY CHOOSE TO MOUNT ONE SIMPLY BY VIRTUE OF THEIR SIGNATURE OF A NON-AGGRESSION PACT, THOUGH THEY MIGHT BE DETERRED BY UNCERTAINTIES ABOUT US REACTION TO SUCH AN ACT:

(B) BAN ON THE SUPPLY OF ARMS BY ANY NATION TO THE FORCES IN CONFLICT IN EL SALVADOR: THE AMERICANS BELIEVE THAT SUCH AN ARRANGEMENT IS AIMED AT PREVENTING US SUPPORT FOR THE LEGITIMATE GOVERNMENT OF EL SALVADOR. BUT UNLESS THERE WERE EFFECTIVE VERIFICATION AND ENFORCEMENT PROCEDURES, IT WOULD HAVE LITTLE EFFECT ON ILLICIT SUPPLIES TO THE GUERRILLAS BY COMMUNIST COUNTRIES. IN THE PAST THE US HAS BEEN PREPARED TO INCLUDE ITS MILITARY TRAINING PROGRAMME IN EL SALVADOR ONLY IF CUBAN AND OTHER MILITARY ADVISERS WERE WITHDRAWN FROM NICARAGUA:

(C) A HALT TO FOREIGN MILITARY AID AND FOREIGN MILITARY TRAINING IN CENTRAL AMERICA AND A BAN ON USING CENTRAL AMERICAN TERRITORY FOR ATTACKS AGAINST OTHER CENTRAL AMERICAN GOVERNMENTS: THE AMERICANS SEE THIS AS DIRECTED AGAINST THEIR SUPPORT FOR THE CONTRAS. IT WOULD HAVE LITTLE EFFECT ON THE SUBVERSIVE ACTIVITIES BY CUBA AND NICARAGUA IN THE OTHER CENTRAL AMERICAN REPUBLICS.

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IT WOULD PROHIBIT THE AMERICAN MILITARY AID AND ASSISTANCE PROGRAMMES IN CENTRAL AMERICA, WHICH MAY BE MORE IMPORTANT IN SUSTAINING THE NON REVOLUTIONARY GOVERNMENTS OF CENTRAL AMERICA THAN SOVIET/CUBAN AID IS IN PRESERVING THE SANDINISTA REGIME.

(D) RESPECT FOR THE SELF-DETERMINATION OF ALL CENTRAL AMERICAN COUNTRIES, AND NON INTERVENTION IN THEIR INTERNAL AFFAIRS: AGAIN, THE AMERICANS WOULD NOT EXPECT SUCH A COMMITMENT BY NICARAGUA TO HAVE ANY REAL EFFECT ON THE PURSUIT OF THE REVOLUTIONARY STRUGGLE IN GUATEMALA AND EL SALVADOR, AND TO A LESS-EXTENT IN HONDURAS, AND COSTA RICA:

(E) ENDING ALL FORMS OF ECONOMIC DISCRIMINATION AGAINST ANY CENTRAL AMERICAN COUNTRY: ENTIRELY AIMED AT US ECONOMIC MEASURES AGAINST NICARAGUA:

(F) BAN ON THE INSTALLATION OF FOREIGN MILITARY BASES IN CENTRAL AMERICA AS WELL AS SUSPENSION OF MILITARY EXERCISES IN CENTRAL AMERICA WITH PARTICIPATION OF FOREIGN TROOPS: OBVIOUSLY DIRECTED AGAINST THE RECENTLY ANNOUNCED US NAVAL AND MILITARY EXERCISES AS WELL AS THE ESTABLISHMENT OF TRAINING FACILITIES IN HONDURAS.

3. GENERALLY THE AMERICANS CONSIDER THAT THE NICARAGUAN PROPOSALS AS SUPERFICIALY BALANCED BUT IN REALITY REQUIRES MAJOR CONCESSIONS BY THE UNITED STATES IN EXCHANGE FOR MINOR COMMITMENTS BY THE NICARAGUANS WHICH WOULD IN ANY CASE BE BROKEN. NONETHELESS THE AMERICANS CONCEDE THAT THE NICARAGUAN PROPOSALS MARK A THEORETICAL IMPROVEMENT IN THEIR POSITION, PARTICULARLY WITH REGARD TO THEIR WILLINGNESS TO TAKE PART IN MULTILATERAL DISCUSSIONS WITHIN THE CONTADORA FRAMEWORK. US OFFICIALS CLAIM THAT THE SANDINISTAS' MORE EMOLLIENT TONE JUSTIFIES THE FIRM POLICY WHICH THE ADMINISTRATION HAD ADOPTED TOWARDS NICARAGUA.

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