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FROM SAN JOSE 021830Z NOV 83

TO PRIORITY FCO

TELEGRAM NUMBER 353 OF 2 NOVEMBER 83

INFO ROUTINE: MEXICO CITY TEGUCIGALPA WASHINGTON CARACAS
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NICARAGUA: POST GRENADA

SUMMARY

1. EVENTS IN GRENADA HAVE HAD MAJOR PSYCHOLOGICAL IMPACT IN NICARAGUA, WHERE TENSIONS ARE FURTHER INCREASING AND A BUNKER MENTALITY DEVELOPING. LEADERSHIP STILL OUTWARDLY HOLDING TOGETHER BUT STRAINS MUST BE CONSIDERABLE.

DETAIL

2. CONTINUED CONTRA RAIDS AND US INTERVENTION IN GRENADA HAVE CONSIDERABLY INCREASED TENSION IN NICARAGUA. FOLLOWING THE CORINTO ATTACK, THE GUERRILLA WAR, WHICH HAD HITHERTO SEEMED DISTANT, HAS PSYCHOLOGICALLY REACHED MANAGUA AND MANY NICARAGUANS, SANDINISTA OR OTHERWISE, NOW GENUINELY BELIEVE THAT THERE IS A RISK OF WAR. (THIS SENTIMENT IS UNLIKELY TO BE DISPELLED BY STATE DEPARTMENT ASSURANCES REPORTED IN LOCAL PRESS THAT THE US HAS NO INTENTION OF INVADING NICARAGUA). SANDINISTA LEADERS HAVE BEEN PUBLICLY DESCRIBING GRENADA AS A PRELUDE TO A US OR A CONDECA (CENTRAL AMERICAN DEFENCE ASSOCIATION) INTERVENTION IN NICARAGUA. PRIVATELY, THEY ARE NO DOUBT INFLUENCED BY THE RELATIVELY RESTRAINED REACTION OF FIDEL CASTRO TO INTERVENTION ON THAT ISLAND. WHILE PUBLIC STATEMENTS ARE IN PART DESIGNED TO BOOST REVOLUTIONARY FERVOUR, FEARS ARE REAL ENOUGH.

3. THE INTRODUCTION OF FURTHER ENERGY SAVING MEASURES ON 24 OCTOBER, THE DEEP PSYCHOLOGICAL IMPACT OF GRENADA INVASION AND THE CULMINATION OF (CONTENTIOUS) SERVICE REGISTRATION ON 31 OCTOBER HAVE ALL SERVED TO EXACERBATE SENSE OF POLITICAL/ REGIONAL ISOLATION. LACK OF RESPONSE TO NICARAGUAN PEACE TREATY PROPOSALS HAS DEEPENED SANDINISTA MISGIVINGS THOUGH INFORMED MFA OFFICIALS MAY NOT HAVE BEEN MUCH SURPRISED BY THE UNENTHUSIASTIC US REACTION.

4. SOCIAL POLARISATION IS INCREASING AS A RESULT PRIMARILY OF THE MILITARY SERVICE LAW AND OF WORSENING CHURCH-STATE RELATIONS (ON 30 OCTOBER THE ARCHDIOCESE OF MANAGUA SUSPENDED CHURCH SERVICES AS A PROTEST AGAINST SANDINISTA INTIMIDATION). TWO FOREIGN PRIESTS HAVE JUST HAD THEIR RESIDENCE PERMITS SUSPENDED FOR ALLEGED ENCOURAGEMENT OF YOUTH TO EVADE CONSCRIPTION.

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5. THERE ARE STILL NO SIGNS OF DISSENSION WITHIN THE RULING JUNTA AND THE SANDINISTA DIRECTORATE WHICH REMAIN OSTENSIBLY MONOLITHIC AND DEFIANT. BUT THE STRAINS ON THE COHESION OF THE NINE COMANDANTES MAY BE CONSIDERABLE. IN THE BUNKER ATMOSPHERE WHICH IS DEVELOPING, THERE MAY ALSO BE A GREATER RISK THAT SANDINISTAS MAY OVER-REACT TO QUOTE PROVOCATIONS UNQUOTE ALONG THE BORDERS.

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SUMMERSCALE

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