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TELEGRAM

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INFO LOG-88 COPY-81 ADS-88 SS-88 ARA-88 SSO-88 AMAD-81 DS-81 DSE-88 /816 W

O BEBERRY JUN 86
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC IMMEDIATE 7131
INFO CONTADORA COLLECTIVE IMMEDIATE
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E.O.: 12356: N/A
TAGS: OTRA, GT, OREP, ASEC, PREL
SUBJECT: VICE FOREIGN MINISTER FRANCISCO VILLAGRAN
- DISCUSSES REGIONAL ISSUES WITH CODEL

- MCCURDY

REF: (A) STATE 159888, (E) STATE 172338

SUMMARY

1. CODEL MCCURDY MET WITH VICE MINISTER OF FOREIGN AFFAIRS FRANCISCO VILLAGRAN ON JUNE 1 AND RECEIVED AN OPEN AND FRANK BRIEFING REGARDING GOG VIEWS ON REGIONAL ISSUES. NOTABLY, IN RESPONSE TO QUESTIONS VILLAGRAN SAID THE EXISTENCE OF THE CONTRAS MAY BE CAUSING NICARAGUA TO BE MORE FORTHCOMING IN MEGOTIATIONS AND THAT THE CONTRAS PREVENT THE SANDINISTAS FROM FURTHER SUPPORTING GUERILLA MOVEMENTS AGAINST THEIR NEIGHBORS. END SUMMARY.

SETTING

 CODEL MCCURDY MET WITH VICE MINISTER OF FOREIGN AFFAIRS, FRANCISCO VILLAGRAN, FOR FORTY-FIVE MINUTES ON SUNDAY, JUNE 1.

- REP MCCURDY ASKED VILLAGRAN TO ADDRESS
THREE SUBJECTS: GOG FOREIGN POLICY, CONTADORA, AND
THE FUTURE OF USG/GOG RELATIONS.

INITIAL STATEMENT - CONTADORA ISSUES

3. VILLAGRAN MADE AN INITIAL STATEMENT ON THE THREE SUBJECTS, BEGINNING WITH CONTADORA ISSUES, AND THEN RESPONDED TO QUESTIONS FROM THE CODEL. HE TOLD THE CODEL THAT HE HEADS THE GOG DELEGATION TO THE CONTADORA TALKS AND THAT GUATEMALA PARTICIPATES IN THESE DISCUSSIONS BASED ON ITS POLICY OF "ACTIVE NEUTRALITY." HE TOLD CODEL THAT IDEOLOGICALLY IT IS ON THE SIDE OF THE DEMOCRACIES. NEVERTHELESS, THE GOG'S POSITION IS THAT A POLICY OF ACTIVE NEUTRALITY REPRESENTS ITS BEST OPPORTUNITY TO CONTRIBUTE TO PEACE IN THE REGION.

THE GOG WANTS POLITICAL PLURALISM IN NICARAGUA AND IS ALSO CONCERNED WITH THE GON'S MILITARY BUILDUP. VILLAGRAM SAID THAT BUILDUP NEGATIVELY AFFECTS PROSPECTS FOR PEACE.

VILLAGRAM SAID THE GOG CONSIDERS CONTADORA TO BE THE BEST AND ONLY ALTERNATIVE FOR SEEKING PEACE IN THE REGION. THIS HAS BEEN THE GOG'S POLICY FOR THE PAST THREE YEARS. CONTABORA IS CONSIDERED THE BEST

ALTERNATIVE BASED ON GUATEMALA'S NATIONAL INTERESTS AND ITS ASPIRATIONS FOR CONSOLIDATING DEMOCRACY. HE STATED THAT THE GOG DOES NOT SUPPORT IRREGULAR FORCES, DOES NOT HAVE IRREGULAR FORCES, AND IS NOT CONDUCTING A MILITARY BUILDUP.

WEAPONS AND TROCP REDUCTIONS

4. VILLAGRAN SAID THE CONTADORA ACTA WILL NOT BE SIGNED JUNE 6. UNRESOLVED ISSUES INCLUDE ARMS REDUCTIONS TO ACHIEVE A REASONABLE MILITARY BALANCE, AND MILITARY MANEUVERS AT THE NATIONAL, REGIONAL, AND INTERNATIONAL LEVELS. GUATEMALA'S PROPOSAL ON ARMS REDUCTION WAS ACCEPTED BY COSTA RICA, ITS CO-SPONSOR, AND SUBSEQUENTLY BY THE OTHER TWO CENTRAL AMERICAN DEMOCRACIES, EL SALVADOR AND HONDURAS. NICARAGUA HAS NOW SAID IT ACCEPTS THIS PROPOSAL IN PRINCIPLE AS A USEFUL BASIS FOR NEGOTIATIONS. THE GOG WANTS THEM TO REDUCE TROOP LEVELS. THE GOG IS WILLING TO NEGOTIATE ON ALL WEAPONS

SYSTEMS. IT IS AT LEAST A HOPEFUL SIGN THAT NICARAGUA HAS PRODUCED A LIST OF WEAPONS SYSTEMS ABOUT WHICH IT IS WILLING TO NEGOTIATE.

PROSPECTS

5. VILLAGRAN SAID, FIRST AS A PERSONAL OPINION BUT ADDING THAT HIS OPINION LIKELY WAS AN ACCURATE RE-FLECTION OF THE VIEWS OF THE CENTRAL AMERICAN COUNTRIES, THAT RESOLUTION OF THE OUTSTANDING ISSUES WOULD LIKELY TAKE SEVERAL MONTHS. HE SAID NOT ALL OF THE CENTRAL AMERICAN GOVERNMENTS ARE HOPEFUL AND OPTIMISTIC. IT WAS DISAPPOINTING TO SET UP A SIGNING DATE AND THEN NOT MAKE IT. THE CONTADORA DRAFT IS COMPREHENSIVE, COVERING PLURALISM, ARMS, AND DEMOCRACY. NICARAGUA HAD TAKEN A LONG TIME. HOWEVER, TO NEGOTIATE SERIOUSLY ON WEAPONS AND TROOP ISSUES. THE GON IS NOW SHOWING A MORE FLEXIBLE ATTITUDE. THE GOG IS NOT SURE WHAT THIS MEANS FOR BRINGING THE NEGOTIATIONS TO A CLOSE, BUT FEELS THE NICARAGUANS ARE MORE FLEXIBLE NOW THAN DURING EARLIER PERIODS.

GOG FOREIGN RELATIONS

6. VILLAGRAN EXPLAINED WHAT IS BEHIND THE GOG'S POLICY OF ACTIVE NEUTRALITY. HE SAID THAT GUATEMALA'S GEOGRAPHY IS DIFFERENT FROM THE OTHER COUNTRIES IN THE REGION, I.E., IT SHARES A BORDER WITH MEXICO. THERE ARE REFUGEE CAMPS IN MEXICO WHICH HAVE IN THE PAST BEEN USED BY GUATEMALA'S INSURGENTS. ALSO, MEXICO AND VENEZUELA SUPPLY OIL TO GUATEMALA, PROVIDING CREDIT FACILITIES THAT GUATEMALA COULD NOT FIND ELSEWHERE. THE GOG DOES NOT AGREE WITH MEXICO IN EVERYTHING, BUT IS INTERESTED IN THE TWO COUNTRIES HAVING GOOD RELATIONS. MEXICO, FOR ITS PART, IS BE-COMING MORE HELPFUL, THROUGH CHANGES IN ITS REFUGEE PROGRAM THAT DEPRIVE THE INSURGENTS OF THEIR BASES IN MEXICO. THE INSURGENTS WERE CHARACTERIZED BY VILLAGRAN AS A WEAKENED FORCE, PERHAPS NUMBERING NO MORE THAN ONE THOUSAND.

ON BELIZE, VILLAGRAN EXPLAINED TO THE CODEL THAT GUATEMALA DID NOT RECOGNIZE IT AS AN INDEPENDENT COUNTRY AND HAD HELD THIS POSITION BOTH WHILE

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GREAT BRITAIN HELD THE TERRITORY AND AFTER GREAT
BRITAIN RECOGNIZED BELIZE AS AN INDEPENDENT STATE.

VILLAGRAM SAID THE GOG IS WILLING TO DEAL WITH THIS
ISSUE ON A MORE REASONABLE BASIS THAN IN THE PAST.

A PROCESS OF INTENSE NEGOTIATIONS WILL BE NECESSARY
TO ACHIEVE A RESULT THAT IS REASONABLE AND ACCEPTABLE
TO BOTH COUNTRIES.

ATTITUDE TOWARD THE UNITED STATES

7. VILLAGRAN SAID GUATEMALA FEELS VERY CLOSE TO THE UNITED STATES AND THAT GUATEMALANS ADMIRE THE POLITICAL SYSTEM OF THE U.S. THE U.S. SUPPORT FOR GUATEMALA'S RETURN TO DEMOCRACY IS APPRECIATED BY THE GOG. THAT SUPPORT DEFINITELY HELPED THE PROCESS OF SECURING FREE ELECTIONS AND THE RETURN TO DEMOCRACY.

VILLAGRAN CONTINUED, SAYING THE GOG FEELS THE USG IS A GOOD ALLY AND FRIEND. HE SAID THE GOG SUPPORTS THE USG ON EVERY MAJOR INTERNATIONAL PROBLEM, BUT THERE ARE SOME DIFFERENCES ON POLICY IN THE REGION. BOTH COUNTRIES AGREE, HE SAID, THAT THEY WANT DEMOCRACY IN EVERY CENTRAL AMERICAN COUNTRY. HE EXPLAINED THAT THE RULING PARTY OF GUATEMALA IS THE CHRISTIAN DEMOCRATIC PARTY AND THEREFORE THE GOG SUPPORTS ITS SISTER PARTY IN NICARAGUA AND ALSO SUPPORTS THE CHRISTIAN DEMOCRATS IN EL SALVADOR.

THE GOG WOULD LIKE TO SEE THE MANEUVERING ROOM OF THE ACTIVE DEMOCRATIVE POLITICAL FORCES IN MICARAGUÁ GROW, SINCE THEY REPRESENT THE MOST VIABLE ALTERNATIVE TO THE SANDINISTAS.

QUESTION AND ANSWER SESSION ON REGIONAL ISSUES

8. CODEL HAD A QUESTION AND ANSWER SESSION WITH VILLAGRAN AFTER HIS INTRODUCTORY REMARKS. THE DISCUSSION IS PRESENTED BELOW BY MAJOR TOPIC.

AID TO THE CONTRAS

9 . IN RESPONSE TO QUESTIONS, VILLAGRAN SAID THE GOG'S POSITION IS THAT IT DOESN'T WANT TO GET INVOLVED IN THE U.S. DEBATE ABOUT THE CONTRAS. THE GOG CONSIDERS THIS TO BE AN INTERNAL PROBLEM OF THE UNITED STATES. VILLAGRAN SAID THAT IS WHAT GOG OFFICIALS ARE SAYING BOTH PUBLICLY AND PRIVATELY. VILLAGRAN SAID IT WAS DIFFICULT TO ANSWER WHETHER THE PRESSURE PROVIDED BY THE CONTRAS WAS HELPFUL TO THE CONTADORA NEGOTIATIONS, BUT THAT THE SANDINISTAS WERE UNDER PRESSURE. HE SAID, "PRESSURE SEEMS TO BE USEFUL." ASKED WHETHER MORE FUNDING FOR THE CONTRAS AND UNITY WITHIN UND AFFECTS THE NEGOTIATIONS, VILLAGRAN SAID, "IT AFFECTS THEM, BUT I WON'T ELABORATE." ASKED TO CHARACTERIZE THE VIEWS OF OTHER CENTRAL AMERICAN COUNTRIES TOWARD THE CONTRAS, VILLAGRAN SAID THAT OTHER CENTRAL AMERICAN COUNTRIES HAVE POSITIVE FEELINGS TOWARD THE CONTRAS. THE GOG VIEWS THE CONTRA LEADERS, OR AT LEAST SOME OF THE LEADERS. WITH RESPECT. HE SAID IT WAS HARD TO GIVE AN OPINION AS TO WHETHER THEY COULD BE AN ALTERNATIVE. HE SAID PERHAPS THEY COULD. VILLAGRAN SAID THERE WERE STRONG ANTI-SANDINISTA SENTIMENTS IN EVERY COUNTRY IN CENTRAL AMERICA. HE SAID THAT SENTIMENT IS STRONG AMONG THE GUATEMALAN POPULATION AND IN OTHER CENTRAL AMERICAN COUNTRIES. VILLAGRAN SAID THE GOG

MAS TRYING TO BE CAREFUL AND HOPEFUL AS REGARDS
ITS GOVERNMENT POLICIES, BUT FRANKLY, IN
GUATEMALA IT IS HARD TO FIND SOMEONE WHO LIKES
THE SANDINISTAS. VILLAGRAN WAS ASKED WHAT IT
WOULD MEAN FOR INTERNAL CONFLICTS THROUGHOUT
CENTRAL AMERICA IF IN TWO OR THREE MONTHS THERE
WERE NO CONTRAS. HE REPLIED THAT GUATEMALA HAS
A GUERRILLAMOVEMENT, THERE IS A GUERRILLAMOVEMENT
IN EL SALVADOR, AND NICARAGUA HAS ONE WITH THE
CONTRAS. THE GOG DOESN'T WANT NICARAGUA TO SUPPORT
GUERRILLAMOVEMENTS IN THE OTHER COUNTRIES IN
CENTRAL AMERICA. VILLAGRAN SAID, "HAVING THE
CONTRAS IN NICARAGUA PREVENTS THAT. THAT IS A
FACT, WE TAKE THIS AS A FACT."

TIMING OF NEGOTIATIONS

18. ASKED ABOUT A POSSIBLE JUNE 27 SIGNING DATE. VILLAGRAN SAID THAT WAS TOD SOON TO EXPECT A SIGNING. HIS FEELING WAS THAT ARMS. TROOP LEVELS, AND VERIFICATION ISSUES COULD BE RESOLVED. HE SAID THE PROCESS DEPENDS MOSTLY ON THE ATTITUDE OF NICARAGUA -- WHETHERIF'S WILLING TO NEGOTIATE SERIOUSLY. HE SAID THE FAILURE TO HAVE A JUNE & SIGNING WAS A SETEACK FOR CONTADORA; BUT THAT GUATEMALA WAS WILLING TO CONTINUE. HE SAID THAT IT HAD TAKEN A LONG TIME TO GET SERIOUS DISCUSSIONS ON ARMS AND TROOPS. THOSE SERIOUS DISCUSSIONS HAD JUST BEGUN WITHIN THE PAST TWO WEEKS. GUATEHALA IS HOPEFUL THAT THE NICARAGUANS ARE SERIOUS. VILLAGRAN SAID, "WE ARE NOT CERTAIN. THERE HAS BEEN A LOT OF PRESSURE ON THEM TO BECOME SERIOUS, BOTH FROM THE CONTADORA COUNTRIES AND THE CENTRAL AMERICAN COUNTRIES. " ASKED TO DESCRIBE THE REMAINING DIFFERENCES, HE SAID,

"WE ARE STILL FAR FROM AN AGREEMENT" AND THAT SEVERAL MONTHS WOULD BE NEEDED TO RESOLVE THE DIFFERENCES. HE SAID THE PARTICIPANTS MIGHT BE WILLING TO SET A FURTHER DEADLINE.

NATIONAL RECONCILIATION AND PLURALISM

11. VILLAGRAN SAID THAT NATIONAL RECONCILIATION IS NOT THE MAJOR STUMBLING POINT FOR GUATEMALA. HE SAID THERE WERE ALREADY SECTIONS ON THIS IN THE ACTA AND THAT NATIONAL RECONCILIATION HAD BEEN INCLUDED IN EVERY MAJOR DECLARATION THIS YEAR. HE SAID SOME FEEL THE SECTIONS ON NATIONAL RECONCILIATION ARE NOT STRONG AND THOROUGH ENOUGH. HE SAID, "ITS HARD TO FORCE A COUNTRY TO HOLD FREE ELECTIONS, PROVIDE ACCESS TO ALL THE RIGHTS COMMON TO A DEMOCRACY, BUT NATIONAL RECONCILIATION IS IMPORTANT TO US. " VILLAGRAN SAID GUATEMALA IS PROPOSING A CENTRAL AMERICAN PARLIAMENT WITH ELECTED REPRESENTATIVES. A MAJOR OBJECTIVE IS TO SUPPORT POLITICAL PLURALISM IN EVERY COUNTRY. HE SAID THE FOUR CENTRAL AMERICAN DEMOCRACIES SHARE A COMMON CONCERN ABOUT THE DEFINITION OF DEMOCRACY AND AGREE THERE SHOULD BE PLURALISM IN EVERY COUNTRY.

ARMS, TROOPS, AND VERIFICATION

12. VILLAGRAN SAID THAT NICARAGUA HAD AGREED
ON A BASIS FOR NEGOTIATING ON ARMS CONTROL ISSUES.
HE SAID, "WE DON'T KNOW IF AN ACTUAL AGREEMENT
WILL EVER BE REACHED. NICARAGUA IS STILL UNWILLING
TO NEGOTIATE TROOP LEVELS AND SOME WEAPON SYSTEMS.
GUATEMALA IS WILLING TO NEGOTIATE THESE ISSUES.

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PAGE E3 OF E3 WE ARE NOT CERTAIN WHETHER NICARAGUA IS. " VILLAGRAN SAID GUATEMALA WOULD INSIST ON SATISFACTORY RESOLUTION OF SECURITY ISSUES PRIOR TO SIGNING AN AGREEMENT. HE SAID VERIFICATION WILL REQUIRE INTERNATIONAL SUPPORT, INCLUDING FINANCIAL SUPPORT. IT WILL REQUIRE A LARGE NUMBER OF INSPECTORS AND AN OFFICE OF COMMISSIONERS.

ROLE OF THE UNITED STATES

13. VILLAGRAN SAID THE UNITED STATES SHOULD NOT, REPEAT NOT, BE A SIGNATORY TO THE TREATY ITSELF. HE SAID THAT EVERY COUNTRY UNDERSTANDS THE CONCERNS OF THE USG. HE SAID GUATEMALA FEELS THE USG HAS BEEN SUPPORTIVE OF THE PEACE PROCESS IN ITS STATEMENTS. ASKED ABOUT THE RECENT PENTAGON PIECE, HE REPLIED SIMPLY THAT IT'S USEFUL TO SEE THE VIEWS WITHIN THE USG. ASKED IF HE FELT THE UNITED STATES SPEAKS WITH ONE VOICE IN CENTRAL AMERICA, HE SAID, "WE RESPECT AMBASSADOR HABIE HIGHLY. HIS ROLE IS VERY POSITIVE."

GOOD FAITH

14. VILLAGRAN SAID THERE WERE SOME POSITIVE SIGNS ON THE PART OF THE NICARAGUANS THAT WERE NOT PRESENT BEFORE, BUT THAT HE WOULD NOT GO SO FAR AS TO SAY THAT THEY ARE NEGOTIATING IN GOOD FAITH. HE DEFINED THESE SIGNS AS: (1) THEIR AGREEING TO THE GOG PROPOSAL AS A BASIS FOR NEGOTIATION ON ARMS, (2) THEIR PROVIDING A LIST OF WEAPONS SYSTEMS FOR NEGOTIATION, AND (3) THEIR INDICATING A WILLINGNESS TO NEGOTIATE WITHOUT AN ADDENDUM FROM THE UNITED STATES REGARDING NON INTERFERENCE IN INTERNAL AFFAIRS. HE SAID THAT THE OTHER CENTRAL AMERICAN DEMOCRACIES ARE LESS HOPEFUL ABOUT THE GOOD FAITH OF THE NICARAGUANS.

ESQUIPULAS

15. VILLAGRAM SAID THE MAJOR ACHIEVEMENTS OF ESQUIPULAS WERE THE DECISIONS TO HAVE A

CENTRAL AMERICAN PARLIAMENT AND TO HAVE SUMMITS MORE OFTEN.

COMMENT

16. VILLAGRAN'S RESPONSES SHOWED MORE SUPPORT FOR USG POSITIONS THAN HE HAS DISPLAYED IN OTHER DISCUSSIONS. IT SHOULD BE NOTED THAT HE WAS SPEAKING PRIVATELY IN A SETTING IN WHICH HE FELT COMFORTABLE. END COMMENT.

GAMBLE