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**INCOMING
TELEGRAM**

JF
JEM

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ACTION M-#3

#357

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-----174#54 #42159Z /5# 61

O #42117Z JUN 86
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC IMMEDIATE 8211
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
USCINCSO QUARRY HTS PN

C O N F I D E N T I A L SAN JOSE #5345

E.O. 12356: DECL: OADR
TAGS: OREP, PREL, PINS, XK
SUBJECT: CODEL MCCURDY -- MEETING WITH
- PRESIDENT ARIAS

1. **CONFIDENTIAL - ENTIRE TEXT.**

2. SUMMARY. IN A 75-MINUTE MEETING JUNE 3 WITH CODEL MCCURDY, PRESIDENT ARIAS OUTLINED HIS VIEWS ON CENTRAL AMERICA. HIS THEME WAS THAT THE REGIONAL PROBLEM IS NOT ONE OF POVERTY AND INJUSTICE BUT RATHER A LACK OF POLITICAL FREEDOM. THERE CAN BE NO PEACE IN THE REGION WITHOUT REAL DEMOCRACY. HE HAD STRESSED THIS TO ORTEGA IN ESQUIPULAS, BUT CAME AWAY DISAPPOINTED TO LEARN THAT ORTEGA -- "A DEDICATED MARXIST" -- SPEAKS A DIFFERENT POLITICAL LANGUAGE. FOR THIS REASON, ARIAS SAID, STRONG VERIFICATION AND CONTROL OF DEMOCRATIZATION ASPECTS OF CONTADORA ARE ESSENTIAL. LACK OF SUCH PROVISIONS WILL ALLOW THE GOM TO CHEAT AND LIE AND IS THE MAIN REASON WHY THE GOCR IS NOT NOW READY TO SIGN THE ACTA. AT THE SAME TIME, ARIAS SAID, THE CONTADORA PROCESS CANNOT DRAG ON INDEFINITELY. THREE MORE MONTHS SHOULD BE AMPLE TO COMPLETE IT. ARIAS DECLINED SPECIFIC COMMENT ON U.S. SUPPORT FOR THE NICARAGUAN RESISTANCE. HE ADDED, HOWEVER, THAT HE THOUGHT THE PRESSURE BEING EXERTED BY THE RESISTANCE WAS INSUFFICIENT TO OVERTHROW THE SANDINISTAS OR CHANGE THEIR BEHAVIOR. RATHER, HE SAID, THE CONTRAS SERVE AS AN EXCUSE FOR SANDINISTA ABUSES. ARIAS SAID HE HAD SOME HOPE OF ENLISTING HELP OF OTHER DEMOCRATIC GOVERNMENTS IN AN EFFECTIVE CAMPAIGN TO BRING ABOUT CHANGE IN NICARAGUA. HE OBSERVED, HOWEVER, THAT HE IS BASICALLY PESSIMISTIC ON THE NICARAGUA QUESTION AND THAT THERE ARE NO EASY SOLUTIONS. CODEL MCCURDY MEETING WITH NICARAGUAN OPPOSITION REPRESENTATIVES COVERED SEPTEL. END SUMMARY.

3. CODEL MCCURDY, ESCORTED BY AMBASSADOR TAMBES, CALLED ON PRESIDENT ARIAS THE MORNING OF JUNE 3. IN A LONG -- AND AT TIMES ELOQUENT -- PRESENTATION, ARIAS SPILLED OUT HIS POSITION ON THE REGIONAL SITUATION. HE BEGAN BY STRESSING THAT THERE CAN BE NO PEACE IN CENTRAL AMERICA WITHOUT DEMOCRACY. CONFLICT IN CENTRAL AMERICA, HE SAID, IS NOT A NORTH-SOUTH ISSUE. POVERTY AND INJUSTICE EXIST ELSEWHERE AND HAVE NOT BREED VIOLENCE. THE PROBLEM IN CENTRAL AMERICA, ARIAS SAID, HAS BEEN THE LACK OF POLITICAL FREEDOM. IF PEOPLE HAVE NO RECOURSE TO FREE ELECTIONS, THEY USE FORCE. THIS HAPPENED IN EL SALVADOR, HE SAID, AND IS NOW OCCURRING IN NICARAGUA.

4. ARIAS SAID HE HAD TOLD ORTEGA IN ESQUIPULAS THAT PEACE REQUIRES DEMOCRATIZATION. HE WAS VERY DISAPPOINTED, HOWEVER, AT ORTEGA'S INTRANSIGENT REACTION. DESCRIBING ORTEGA AS A DEDICATED MARXIST, ARIAS SAID THAT THE TWO HAD HAD LONG CONVERSATIONS ON POLITICAL PHILOSOPHY AT THE RECENT SUMMIT. ARIAS HAD MADE THE POINT THAT THERE ARE ONLY TWO TYPES OF GOVERNMENT SYSTEMS: DEMOCRACY, MEANING GENUINE POLITICAL FREEDOMS, AND DICTATORSHIP. ORTEGA COUNTERED THAT HE WANTS DEMOCRACY BUT IN A FORM DIFFERENT FROM COSTA RICA'S AS WELL AS DIFFERENT FROM THE SYSTEM THAT EXISTS IN CUBA. ARIAS SAID THAT THE SANDINISTAS WOULD ALWAYS BE CONFRONTED WITH THE CONTRAS, IN ONE FORM OR ANOTHER, UNLESS NICARAGUANS CAME TO TRUST THEIR POLITICAL SYSTEM. RETURNING LATER TO THIS THEME, ARIAS SAID THAT THE SANDINISTAS WILL NOT MAKE INTERNAL POLITICAL CONCESSIONS UNLESS PRESSURED TO DO SO. THE SANDINISTA MENTALITY, HE SAID, IS GEARED TO WAR, NOT POLITICAL GIVE-AND-TAKE. THEY LACK THE IMAGINATION TO GOVERN.

5. TURNING TO CONTADORA, ARIAS SAID THE GOCR HAD CONSISTENTLY SUPPORTED THIS PROCESS OUT OF CONVICTION THAT THE WAY TO PEACE IS THROUGH NEGOTIATION AND COMPROMISE. THE GOCR, HE SAID, HAD ENCOURAGED SETTING OF THE JUNE 6 ACTA SIGNATURE DATE. HOWEVER, IT IS NOW CLEAR THAT NO SIGNING ON THAT DATE WILL TAKE PLACE. A KEY REASON FOR NOT SIGNING, AS FAR AS THE GOCR IS CONCERNED,

IS LACK OF ADEQUATE PROVISIONS FOR VERIFICATION AND CONTROL OF DEMOCRATIZATION ASPECTS OF A TREATY. MERELY SIGNING A STATEMENT OF INTENTIONS IS NOT ENOUGH. ESQUIPULAS PROVED TO ARIAS, HE SAID, THAT ORTEGA SPEAKS A DIFFERENT POLITICAL LANGUAGE THAN THE DEMOCRATIC PRESIDENTS. WITHOUT VERIFICATION OF DEMOCRATIZATION ASPECTS OF A TREATY, THE SANDINISTAS WOULD CHEAT AND LIE AS THEY HAVE IN THE PAST. ASKED LATER ABOUT POSSIBLE SANCTIONS FOR VIOLATING POLITICAL PROVISIONS OF A TREATY, ARIAS SAID THIS REQUIRED FURTHER CONSIDERATION BY THE CONTADORA PARTICIPANTS. IN RESPONSE TO ANOTHER QUESTION, THE PRESIDENT SAID THE CONTADORA PROCESS SHOULDN'T BE ALLOWED TO DRAG ON INDEFINITELY WHILE GENERATING FALSE HOPES. HE THOUGHT ANOTHER THREE MONTHS OF NEGOTIATIONS WOULD BE AMPLE TO COMPLETE THE PROCESS.

6. ARIAS SAID DEMOCRACY IS PRECIOUS TO THE COSTA RICAN PEOPLE BECAUSE THEY HAVE SEEN THAT IT BEARS RESULTS. CITING THE FAVORABLE RECORD OF COSTA RICA'S RECENT ECONOMIC DEVELOPMENT, ARIAS SAID THAT CONTINUED POLITICAL STABILITY AND PEACE ARE NECESSARY TO CONTINUE THIS TREND. HOUSING AND JOBS ARE THE ARIAS GOVERNMENT'S MAIN DOMESTIC PRIORITIES. THE PEOPLE WOULD NOT FORGIVE HIS ADMINISTRATION, ARIAS SAID, IF IT DOES NOT MAKE GOOD ON ITS PLEDGE OF ECONOMIC GROWTH. TO DO THIS, IT IS ESSENTIAL TO ATTRACT CAPITAL BOTH FROM ABROAD AND FROM COSTA RICAN INVESTORS. BUT WITH VIOLENCE IN THE NORTH, THE INVESTMENT CLIMATE SUFFERS. THAT IS WHY THE GOCR INSISTS ON RESOLVING CONFLICT THROUGH NEGOTIATION, NOT BY FORCE.

7. ARIAS WAS LATER ASKED TWICE TO COMMENT ON U.S. ASSISTANCE TO THE NICARAGUAN ARMED RESISTANCE. BOTH TIMES HE DECLINED, NOTING THAT HE PREFERRED NOT TO INJECT HIMSELF INTO AN ISSUE BEFORE THE

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U.S. CONGRESS JUST AS HE WOULD NOT WELCOME INVOLVEMENT BY OUTSIDERS IN COSTA RICAN GOVERNMENT DELIBERATIONS. ASKED IF HE THOUGHT THE ARMED OPPOSITION WAS EXERTING ENOUGH PRESSURE TO MAKE THE SANDINISTAS CHANGE THEIR POLICIES, ARIAS REPLIED IN THE NEGATIVE. HE EXPRESSED CONCERN THAT THE CONTRAS PROVIDE THE SANDINISTAS AN EXCUSE FOR THEIR ACTIONS. IF THERE WERE NO CONTRAS, ARIAS SAID, ORTEGA WOULD HAVE TO INVENT THEM. AT THE SAME TIME, THE CONTRAS DO NOT APPEAR ABLE TO DEFEAT OR OVERTHROW THE SANDINISTAS. ARIAS SAID THAT FOR HIM THE SITUATION IS "TRAUMATIC" BECAUSE HE CAN SEE NO LIGHT AT THE END OF THE TUNNEL. THE ONLY SOLUTION, HE WENT ON, IS TO CONVINCE OTHER NATIONS -- THE SOUTH AMERICANS, WESTERN EUROPEANS, AND ALL DEMOCRACIES -- OF THE NEED FOR DEMOCRACY IN NICARAGUA AS A REQUISITE FOR PEACE. HE THOUGHT HE HAD MADE SOME PROGRESS ON THIS SCORE, BUT CONCEDED THAT IT WAS VERY DIFFICULT TO ENLIST THE HELP OF NATIONS THAT ARE FAR FROM CENTRAL AMERICA AND THAT HAVE THEIR OWN SERIOUS PROBLEMS.

8. NOTING THAT ARIAS HAD REFERRED TO THE NEED FOR PRESSURE ON THE SANDINISTAS WHILE SAYING THAT THE CONTRAS WERE NOT PROVING EFFECTIVE, CODEL MEMBERS ASKED WHAT KIND OF PRESSURE THE PRESIDENT HAD IN MIND. ARIAS ALLUDED TO INCREASED ECONOMIC PRESSURE, POINTING OUT THAT WESTERN EUROPEAN DEMOCRACIES CONTINUE TO GIVE AID TO THE GOM. HE ADDED, HOWEVER, THAT THERE ARE OBVIOUSLY NO EASY ANSWERS TO THE PROBLEM AND SAID HE IS BASICALLY PESSIMISTIC REGARDING NICARAGUA.

9. OTHER ASPECTS OF CODEL VISIT COVERED SEPTEL

TAMBS

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