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June 2, 1986

BREAKFAST MEETING WITH THE PRESIDENT OF GUATEMALA, VINICIO CEREZO
AT FINCA SAO TOMAS

President Cerezo began by stressing that the military was making a strong effort at developing good relations with the new government and that things were going well and the country is in a process of change. Yet, he also pointed out that you will always have two or three who will be unwilling to go along and cause problems. However, he felt buoyed by the fact that democracy was flourishing through the participation of the people.

Internationally, Cerezo stressed that Guatemala is trying to maintain political neutrality but noted that ideologically, we are not neutral. Guatemala is committed to democracy. Cerezo believes that it is very important to maintain the balance of power in Central America and that he would prefer that money be spent on development and not on armaments though he recognized the need to maintain a professional military. He noted that there is a need to modernize the army on a continuing basis, but it does not require an accelerated schedule.

Cerezo is a strong supporter of Contadora and believes that it is a reasonable way to stop the increasing arms race in Central America and resolve problems.

He was asked to comment on the recent meeting held on 24-25 May at Esquipulas and what was discussed concerning national reconciliation as it relates to Nicaragua and what Guatemala wants to see in a completed Contadora agreement. Cerezo pointed out that the various countries have differing views as to what they want to come out. For Costa Rica, he said it was democratization. For Guatemala, stopping the increasing armaments that are flowing in, obtaining a freeze, and bringing about a dialogue in the various countries with the political opposition. He said that both Presidents Arias of Costa Rica and Duarte of El Salvador did a good job in putting pressure on Daniel Ortega.

Cerezo was asked whether there will be another deadline set for Contadora now that it looks that the 6 June deadline will not be met. Cerezo indicated that Guatemala could sign if it could reach an agreement on arms and verification but he believes this would be impossible by the 6th.

Cerezo was asked his views on funding the contras. He noted that it is a United States problem and, if you are talking about that kind of money (\$100 million), then you ought not to forget about the democratic governments here in the region.

Asked whether the Nicaraguans have had a change in heart and whether they are actually negotiating in good faith, Cerezo replied "I suppose they are but it is difficult to tell."

DRAFT

He was also asked whether the contras have had any effect on the peace process and his response was not clear. He said it would be very difficult for a president in Guatemala to endorse funding the contras since it would be a bad example to set and he didn't know whether the contras have been successful in exerting pressure on Nicaragua. He said that he didn't believe that the Nicaraguans would negotiate away power since they are Marxists but pressure could be exerted to push them towards democratization if you had a good political opposition. But, money provided for military pressure is not enough and, if they [the contras] should win, it wouldn't be clear that what would follow would be a democratic government. Cerezo believes that if you support a military approach towards Nicaragua, at the same time, you need to open up political space for those inside. He was asked whether he knew of any internal leader who could move the populace and he didn't respond except to note that the political opposition needs more support inside of the country. He indicated that the contras couldn't win, at least not in the short term, and found that if the United States went ahead unilaterally, that the reaction from Central American governments would be very, very careful; the precedent that would be set would not be a good one and that his preferred approach is to open up the political space without resorting to war since any kind of conflict in Central America tends to have repercussions in the other countries.

As to what the United States can do in supporting the trend toward democracy in Central America, Cerezo noted that economic assistance is required and they are willing to accept such help but would be happier if there were not a lot of conditions attached and they would also like to receive a small, reasonable amount, of military assistance.

Cerezo made perhaps the most important point of the meeting when he noted that considering the amount of funds that might be provided to the contras it gives the appearance, at least on the surface, that the United States is more interested in stopping consolidation in Nicaragua than in supporting the consolidation of the democratic governments in the region. Yet, in response to a question, he stated that the Central American governments want to see democratization and political plurism inside of Nicaragua and it will be very difficult to reach any kind of an agreement without movement in that direction by Nicaragua. He said that the rest of Central American governments wouldn't sign any Contadora treaty that did not have such provisions. He ticked off the following areas where Nicaragua needs to make progress: abolishing the state of emergency law that has been in effect for several years and which was reinforced with stronger measures in October, providing amnesty to the opposition, and free elections.

Cerezo is also of the view that the Central American democracies do not have a lot of time to improve their economies; noting a few years at best. He was not optimistic on the Contadora process, saying that if no agreement is reached within three months, it will be very difficult to do anything. He said we don't like deadlines but that September may be set.

DRAFT

DRAFT

-3-

Cerezo also made an indirect swipe at U.S. policy when he pointed out that, in general, the United States hasn't treated Central America very well and that the United States thinks other locations around the world are more important but that we are much closer to the United States and that if the United States had paid more attention to some of the democratic governments in the region, then perhaps Nicaragua, as it is constituted today, wouldn't exist. He noted that the Soviet Union spends billions of dollars in one country (Nicaragua) but that the United States would not spend a billion dollars on the five Central American democracies.

The meeting closed with Cerezo stressing that his proudest accomplishment is that there is a great feeling of freedom inside of Guatemala and that the people themselves feel more secure.

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DRAFT

June 3, 1986

MEETING WITH THE PRESIDENT OF COSTA RICA, OSCAR ARIAS

This was the most interesting and informative of all the sessions, largely because Arias is exceptionally articulate, thoughtful and able to cover broad topics and willing to discuss specifics.

Arias stressed, and this was the focus of his discussion with the CODEL, that there will be no peace in Central America if there is no democracy and that this was the main theme of his inaugural speech. He said that at one time, he was optimistic about the north/south dialogue before Cancun but not now since the Central American conflict is largely one between the east and the west. He said that it is not even a question any more of poverty or of injustice, that the violence is due to the lack of political liberty and that the will of the majority of the people has been betrayed. If the ballot is not open to the people, they will use bullets and he used the example of El Salvador. He said that Nicaragua will be like El Salvador. This is what I told Daniel Ortega in Esquipulas. I came away from the meeting both skeptical and disappointed. Ortega is not willing to negotiate a dialogue and that he will require a lot of diplomatic pressure, worldwide. Ortega basically follows the recommendations of the Soviet Union and Cuba and I doubt that he has ever even read of word of Karl Marx.

In the absence of opposition, it is Arias's view that a true democrat must create one and that Nicaragua will perhaps have contra forces forever unless people can trust in the electoral system. It was his sense that Costa Rica is one hundred percent behind the Contadora process and that dialogue is much more important than violence, that he is interested in compromise and not in conquering and that there is a need to find a consensus. He said that we have twisted arms to establish a timetable, that we want results. Yet, unfortunately, now, the 6 June deadline will not be met and that we are worried about verification and control issues. He said that Honduras and El Salvador want guarantees on the reduction of arms but we in Costa Rica want more than anything, to verify the democratic process. It was Arias' view that Ortega has something else in mind when he says he will sign, and that is our main worry because we have a 320 kilometer boundary with Nicaragua and every day, anywhere from 50 to 100 Nicaraguans cross our border.

Since the 1948 revolution in Costa Rica, the population has grown three times, as has per capita income but now, Costa Rica spends some nine percent of its GNP on health care and over 8 percent on education. Today, housing and jobs are the main priorities. The \$4.6 billion in external debt needs to be re-negotiated. The major problem Costa Rica has is economic, that it needs foreign investment and that requires political stability in the region. Unfortunately, the region, to include Costa Rica, has had a flight of capital, although it may not be as bad in other countries. He said that today, there is some \$20 billion of Central American money in foreign banks and that it is very difficult and, oftentimes, impossible to get assistance from AID when our own people send that amount of money out of the country.

DRAFT

DRAFT

-2-

The most reasonable and rationale way to obtain peace is through negotiations. Although he cautioned that he was skeptical, Arias said that there is a need for pressure to get Nicaragua to compromise. He said that if there were no contras, Ortega would create them, that Ortega and his people have never been prepared to govern and that the Nicaraguans use the contras as an excuse to their own people and that for Costa Rica, this is very difficult because we helped the Sandinistas in the war against Somoza but that Nicaragua had built a second Cuba. That said, Arias re-iterated that we are not going to spend any money on defense because we believe in international law and the peace process.

Arias was asked what happened at Esquipulas. Was it a confrontation? Arias responded that we all agreed that there can be no peace without a democratic government but that the main confrontation was indeed between Ortega and himself. He said Ortega doesn't want to admit this because Costa Rica has a great deal of prestige and Ortega doesn't want to fight us. Hence, it is easier for Ortega to criticize and go after Honduras and El Salvador.

When asked whether the United States was in the wings at Equipulas trying to call the shots, Arias said this was not the case. Arias' view of the timetable is through pressure, often some measurable progress, for example, in allowing the Nicaragua political parties to participate with equal access, to stop press censorship, and to have free elections. He also proposed an electoral tribunal which would be composed of two representatives from each of the Central American countries. He believes that three months is more than enough time to complete the discussions for Contadora and expects even less than that.

On the issue of contra aid, Arias said that it is a United States problem. Various treaty pronouncements were called to Arias' attention, such as the Rio Treaty in terms of assistance that another government may request from the outside group but Arias didn't wish to answer. He said he didn't want to get involved in the debate. He was asked directly whether the contras put pressure on the Nicaraguans to make changes and Arias answered with a flat no. He said, in response to a question on the issue of sanctions in the Contadora agreement, he said that if there were no sanctions, that the agreement would be rubbish.

He was asked again whether you can have peace if there is no pressure and he said that the contras are an excuse for the Nicaraguans. Arias said that there are differences between the United States and Costa Rica. Arias said he told Ortega that there are major differences between the Central American governments and Nicaragua -- because the other governments are ready to become the opposition at any time, that they are willing to engage in free elections and become the losers. He also indicated that, as long as there is more and continuing violence and war in Nicaragua, that there will be no economic growth and that applies to all the Central American countries.

Arias indicated what was required was an economic squeeze and the need to convince the European countries, such as Sweden and others, to halt support to

DRAFT

DRAFT

-3-

the Nicaraguans. When asked what would happen if the Contadora process did not work, Arias was at a loss for an answer, said he didn't know. He said that according to Ortega, the more contras that are armed, the more assistance that the Nicaraguans will obtain.

In concluding, it was stressed again as far as Arias is concerned that the economic issue is key and that other governments in the region cannot develop their economies and have had negative growth because they are having to spend their resources on the military because they are worried about Nicaragua.

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DRAFT

June 3, 1986

MEETING WITH PRESIDENT OF HONDURAS, JOSE AZCONA

As President Azcona had been in the United States the week prior to the CODEL's visit and had met with Members of Congress at that time and had also made several public statements, this meeting was primarily a question and answer session concerning the Contadora process, Esquipulas, and the contra issue.

President Azcona was asked whether there was any undue U.S. influence on the Central American democracies for their meeting at Esquipulas to sidetrack the proposed June 6 signing date of the Contadora agreement. Azcona was emphatic in noting that there had been no U.S. interference at Esquipulas and it was the Central American democracies who made it clear to Ortega that Nicaragua cannot install a communist government. He said that there was virtual unanimity for a political solution in Nicaragua, but that the Sandinistas don't want others to tell them what to do.

As to a date for signing of a Contadora agreement, Azcona said that there is a lot that needs to be done concerning arms control, the regulation of military maneuvers, verification, and most importantly, developing a political opening inside of Nicaragua. Azcona indicated that only Costa Rica had insisted on the June 6 date at Esquipulas. He stressed that any agreement that is reached must be strong and verifiable.

Azcona said that the Nicaraguans need to stop censoring the press, open up their political process, and allow the Archbishop's sermons to be both printed and broadcast over the Catholic radio station. If this does not happen, then democracy cannot even begin to make any steps inside of Nicaragua.

On the question of how useful are the contras as a pressure vehicle against Nicaragua and what should be done about the contras -- Azcona voiced two concerns. First, he said that assisting the contras puts pressure on the Nicaraguans to come up with some type of a political solution. And, secondly, that if there is no aid provided to the contras, there will be serious problems for the United States because if you don't help them, we (meaning Honduras) will become resentful and you ought not to leave them here. You should take them to Miami.

Azcona was asked whether he saw the possibility of bilateral talks between the Nicaraguan government and the United States or does he see it more in the regional context. He indicated that, for present, there is no need for bilateral discussions, but that it might be useful later on.

On the U.S. military presence in Honduras, he said that the U.S. presence goes back some five years. He said that in last year's election, only two of the nine candidates openly voiced their opposition to the U.S. presence and those two candidates received only five percent of the vote. He said that the people are not anti-U.S. in Honduras but did, however, point out that there will not be large-scale exercises in Honduras as those that had occurred in 1983 and 1984.

DRAFT

DRAFT

June 2, 1986

MEETING WITH NICARAGUAN PRESIDENT, DANIEL ORTEGA

In attendance, Foreign Minister Miguel D'Escoto, Vice Foreign Minister Victor Tinoco, and Nicaraguan UN Ambassador Nora Astorga.

President Ortega was asked to comment on the Contadora process, the role of the contras, his views on national reconciliation and the meeting in Esquipulas. That question provoked almost a 30 minute response.

Ortega went through the history of the Contadora process stressing how Nicaragua had accepted the draft in September 1984 but that it had been rejected by the other countries. He said that currently, we have agreement in all areas except arms, military maneuvers, and security issues, that we are 80 percent there and that the countries have even discussed verification. He said that we are interested in verification and control because we are attacked through the support that Honduras, Costa Rica and El Salvador provide to the contra forces. He said that in November we had asked and made clear the requirement to discuss halting aggression against Nicaragua. In January, we had the Carabelda document and then there were the eight foreign ministers from the Contadora countries that had met with Secretary of State George Shultz in March to further the process. He noted that on April 7, a date of 6 June had been set.

Ortega said that Nicaragua cannot agree to a freeze of arms if United States aggression continues. He said that Nicaragua is unwilling to discuss disarming itself unless the United States stops the aggression and he stressed that the Carabelda document talks about simultaneous actions on the part of all parties. He said that Nicaragua would be unwilling to sign if a freeze on weapons is included because we are willing to abide by any agreement, hence, we are not going to sign anything for the sake of just signing.

Ortega complained that the other Central American governments are using the negotiating process to criticize Nicaragua and that the United States is behind such action.

He said he was uncomfortable in talking about the meeting and the talks that were held in by the Central American Presidents at Esquipulas because it had been a private meeting, a meeting of the Presidents only. Hence, he was reluctant to divulge what went on. Ortega was clearly uncomfortable -- you could see it on his face. He finally said he would be willing to discuss the issues at Esquipulas that had already been discussed by others publicly. Before doing so, however, he said that Somoza used to hold meetings of the Central American Presidents here in Nicaragua and, at that time, the only elected head of state was from Costa Rica and they never complained. They sat down with all the military dictators of the Central American countries but, today, Costa Rica is complaining.

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He pointed out that Honduras, El Salvador, and Costa Rica are under pressure because of the role and assistance which the United States Government provides to those three countries. It is interesting he did not mention Guatemala. He noted that Azcona is under severe pressure and the views he made public on the contras when he addressed the OAS were made under pressure. Ortega noted that even Duarte did not talk in the same tone.

In examining Contadora at Esquipulas, he indicated that there was 80 percent agreement and that work needs to be done on 20 percent of the issues and that it is important to keep Contadora as a vehicle for attempting to reach some type of agreement. Ortega believes that all problems can be resolved through the Contadora process but the Presidents did not agree fully at Esquipulas on the issue of how to encourage political pluralism. Ortega stressed that Nicaragua has its own model. He said that in Honduras, El Salvador and Guatemala, that even though they are civilian-elected governments, most of the power still remains in the hands of military. Hence, why should you criticize us? He said that we don't want them, those countries, to adopt our model and, at the same time, they shouldn't try to impose their model on us. Ortega said we will sign the Contadora agreement if we can discuss the issues of arms limitation and maneuvers. By his omission, one could interpret that he is not willing to discuss political pluralism.

Ortega said that when they went to Esquipulas, he was under the impression that each head of state was willing to sign on the 6th of June and this had been in the draft of the Esquipulas statement which had been drafted by the Central American Vice Presidents in early May. Yet, on Sunday night, Duarte said that El Salvador would not sign on the 6th of June. Ortega said that all the other three countries insisted on signing on the 6th and then discuss the fine points that need to be further smoothed out afterward. Ortega said that El Salvador indicated that only Nicaragua would only benefit from a signing because the \$100 million would be lost to the contras and that El Salvador cannot afford the bad will of the United States Government.

Ortega closed by saying that we proposed finding a way to facilitate a complete agreement but that it was clear that El Salvador never intended to sign. Costa Rica is now saying that conditions don't exist for a signing. According to Ortega, the obstacle is not the President of El Salvador, but United States policy; the problem is not the Central American nations but the United States.

Chapter Three of the draft agreement, according to Ortega, is critical and we need to get that ironed out. This is the portion of the agreement that pertains to the issue of arms limitations, military maneuvers and verification. However, Ortega said that the element that is lacking in all of this is the agreement of the United States Government. He went on to state that Nicaragua is willing to negotiate in all areas of arms even offensive systems, to include helicopters, tanks, and airfields. Setting a new date after the 6th of June appears risky because of the position of the new governments but he stressed again that the real problem is how to change the political attitude of the United States.

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When asked again on the meeting at Esquipulas and the issue of national reconciliation, as mentioned in the press by President Arias, Ortega said that Arias told them that Nicaragua needs to dialogue with the contras. That according to Nicaragua, this is Reagan's policy and we said that we would rather negotiate with the United States. He again pointed out that all the Presidents were concerned about national reconciliation and that is why they couldn't sign the agreement. Both Arias and Durate mentioned this point in the discussions. Ortega never mentioned Cerezo of Guatemala. According to Ortega, it was the other Central American governments that wanted the meeting to fail and tried to make it look like it was Nicaragua's fault, that Duarte used the reconciliation issue as a cover-up for not wanting to sign. At this point, Foreign Minister D'Escoto chimed in and said that the Central American Vice Presidents had agreed to a document on Esquipulas but that Arias had decided that he wanted to sabotage this document, that in the draft Esquipulas document, there was mention of national reconciliation and democracy and there were no problems with Contadora and that Nicaragua was in agreement with the issue of reconciliation as identified in the 21-point Document of Objectives.

Ortega was pressed in what areas Nicaragua has committed to national reconciliation and what the Nicaraguan commitments consist. Ortega noted that all the contras can have amnesty, that this has been in force for some time. He noted that a new constitution was being developed and this will allow for all parties to participate, as well as all forces, if they should so desire. Yet, Arias and Duarte said that this was not enough and Azcona agreed. They noted that it was right to dialogue with the parties now in Nicaragua, the three - Honduras, El Salvador, and Costa Rica - said that Nicaragua needed to talk with the opposition, meaning UNO. Ortega said we disagree because that is the position of the Reagan Administration. On lifting that state of emergency, there was no response, but he stressed again the amnesty issue, indicating that some 2,000 individuals had taken advantage of it.

When asked about pluralism and democracy as characterized by the other Central American countries, Ortega said that it is each country's decision on how to implement democracy within its own borders. He was perplexed as to why it was necessary for democracy to become the central theme of Contadora and he attributed this to the U.S. because the United States has not shown its will to negotiate. Ortega noted that he was not setting a date for the completion of the Contadora signing but said that we have never set a date in the past, we only went along with dates that were set by others.

On the issue of troops reduction, military advisors and armaments reduction, he said that there are differences with El Salvador and Honduras on this issue but that it was his belief that each country should decide on what are the internal limits. Honduras, for example, would like to eliminate the civilian militia and the reserves, yet, Guatemala and Nicaragua are not in agreement on this. Apparently, El Salvador didn't have a position on the matter. On military maneuvers, Guatemala and Nicaragua agree. El Salvador agrees on some aspects but Honduras totally disagrees. He then noted without being specific that there are even points of agreement with El Salvador.

DRAFT

DRAFT

-4-

D'Escoto noted that we don't oppose troop reductions and the force levels on foreign advisors but that we make a distinction and that you should consult the minutes of the meeting because both Honduras and El Salvador are under U.S. influence but that we are open. Ortega noted that there are not more than 900 Cuban military and civilian advisors in Nicaragua and that, at one time in the past, it may have gone as high as 1,400 but that there are now less.

The issue of a one-party government was brought up but Ortega countered by saying, this is the case in most of Central America. There is a one-party system everywhere except for Costa Rica. He pointed to Mexico and the PRI as a prime example that nobody is criticizing Mexico.

In closing, Ortega stressed that our democracy is different. Our revolution threw out a military dictatorship and we are not telling those other countries what to do. We want them to respect our internal political structure.

It was noted in questioning that the Soviet Union appears to have an inordinate amount of influence in Nicaragua. Ortega countered by saying the Soviet Union has no impact on the internal domestic situation or on foreign policy.

D'Escoto indicated that the signing date for the Contadora agreement is not yet decided. The deputies might be meeting on the 4th and 5th and all the principals on the 6th or perhaps the 7th. As for a date, D'Escoto was convinced that it would not go beyond July.

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