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DIRECTORATE OF INTELLIGENCE

PROSPECTS FOR THE CENTRAL AMERICAN SUMMIT

6 January 1988

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Central Intelligence Agency



Washington D.C. 20505 DIRECTORATE OF INTELLIGENCE 6 January 1988

Prospects for the Central American S	Summit]
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SUMMARY

The Central American democracies have not yet developed a strategy for challenging Nicaragua on compliance with the peace accord at the summit meeting on 15 January. The summit probably will be marked by sharp divergences with no resolution of key ambiguities concerning compliance, simultaneity of implementation, and verification. Neither the democracies nor Nicaragua, however, will want to interrupt the peace The Presidents probably will recognize the progress made so far, agree to meet again to reassess compliance, and sign a treaty creating a Central American Parliament. Such an outcome would work to the Sandinistas' advantage in dragging out the peace process but also could harm their interests if the summit produces no call for an end to US aid for the anti-Sandinista insurgents. Nevertheless, the danger exists that new actions by Nicaragua to show flexibility on democratization -- such as the ending of the state of emergency--would put the democratic presidents under pressure to come out against a continuation of US aid to the Nicaraguan rebels.

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The meeting of Central American Presidents in San Jose on 15 January will consider a report by the International Verification Commission on compliance with the peace accord signed on 7 August, review a draft treaty for a regional parliament, and make "all pertinent decisions" on the peace process. Little progress has been made over the last three months in resolving key ambiguities of the peace accord, including devising standards to measure compliance with political commitments. The democracies chose, for example, to reinterpret the 5 November date originally conceived as the deadline for implementation of cease-fires, democratization, and the end of aid to insurgent groups as the beginning of a period for implementing commitments that would be evaluated at the summit.

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Central American Approaches Toward the Peace Process

The four democracies have made little progress toward devising a joint strategy for the summit or thinking through the implications of how the peace process may evolve. Although officials from all four countries have complained of the lack of unity in confronting Nicaraguan initiatives, the democracies have refrained from holding joint meetings--probably out of a desire to avoid giving the appearance of forming an anti-Sandinista bloc. The democracies probably believe that Managua's image has been damaged by recent events--including the revelations of a Sandinista defector, Nicaraguan stalling in cease-fire talks with the anti-Sandinista insurgents, and statements by Sandinista leaders that they would not cede effective power even if defeated in fair elections--but do not see these developments as justification for interrupting the peace process.

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The democracies' hesitancy since August to push Nicaragua on democratization reflects factors that vary from country to country, although all probably feel constrained by the generally favorable international response to Sandinista gestures of flexibility. The two leaders with the strongest inclination to challenge the Sandinistas--Honduran President Azcona and Salvadoran President Duarte--have said that they are unwilling to take the lead at the summit. Both have said they are discouraged by the evolution of the peace process thus far, and each feels that he alone is carrying the burden of confronting Managua.

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Azcona has adopted a tough line on the need for democratization and for a cease-fire in Nicaragua before border inspections verifying the end to external support to insurgents begin, but he feels vulnerable because of Honduras'_high profile role in assisting the anti-Sandinista rebels.

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Nicaraguan peace initiatives increase

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pressure on Tegucigalpa to restrict anti-Sandinista use of Honduran territory. Moreover, the Foreign Ministry and some elements of the armed forces fear that the other democracies and the United States are disposed to abandon Honduras. Recent bilateral contacts with Managua--the dimensions of which remain unclear--suggest Tegucigalpa may be positioning itself for an eventual accommodation.

Duarte's preoccupation with demonstrating that his government is itself in compliance with the peace accord has limited his ability to press Nicaragua, except for continued assertions that the Sandinistas are maintaining their aid to the Salvadoran rebels. Duarte held the upper hand in direct talks with Salvadoran insurgents--which the guerrillas broke off--and challenged the Sandinistas to imitate his example. Nevertheless, Duarte believes his ability to criticize the Sandinistas has been hampered by the boycott of the Salvadoran National Reconciliation Commission by both the rightist and leftist opposition.

Moreover, the Sandinistas' consent to indirect talks with the Nicaraguan insurgents has undercut his efforts to press Managua on the issue of face-to-face cease-fire talks.

Guatemalan President Cerezo, who aspires to be the preeminent regional leader, occupies a middle ground and clearly does not want to jeopardize the hard-earned gains of two years of his "active neutrality" policy. While Cerezo has agreed with US officials on the need to confront the Sandinistas on democratization issues, his public statements have not matched his private assurances. Cerezo, like Duarte, has steered clear of commentary on the Nicaraguan cease-fire talks, recognizing that support for anti-Sandinista demands would undermine his position with the Guatemalan insurgents. Cerezo's recent interest in involving Cuba in the peace process and his focus on the regional parliament suggest less interest in pressing Nicaragua than in devising ways to steal the limelight from Costa Rican President Arias.

Arias had been the Sandinistas' severest public critic among the Central American leaders but has adopted recently a less critical posture that has benefited Nicaragua and antagonized the other democracies. Arias, who is determined to prevent a collapse of the peace process that earned him the Nobel Prize, was largely responsible for the interpretation that 5 November should not be considered a deadline for compliance. In December, he made a number of statements that conflicted with US positions, suggesting a growing inclination to play the role of neutral statesman. These included swipes at the Nicaraguan insurgents' cease-fire proposal, indirect criticism of mediator Cardinal Obando, opposition to US aid to the anti-Sandinistas, and endorsing the notion of US-Nicaraguan bilateral talks. Moreover, his detached perspective on the aborted Salvadoran cease-fire

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talks and his meetings with Salvadoran and Guatemalan guerrilla leaders showed little solidarity with Duarte and Cerezo.

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Nicaragua, for its part, has attempted to influence world opinion and US Congressional action on aid to the anti-Sandinistas by adopting a series of measures to show minimal compliance with the peace accord while arguing that Managua is not obliged to be in full compliance with the democratization provisions until the insurgency has been dismantled. Sandinistas have been fairly successful at gaining maximum publicity for partial measures that do not fundamentally jeopardize their control--including the appointment of Obando to head the Reconciliation Commission, selective relaxation of press controls, the release of political prisoners, unilateral ceasefires, and indirect talks with the guerrillas on a highly circumscribed agenda. In mid-December, however, the Sandinista game-plan suffered some setbacks when Obando supported several aspects of the rebel position in cease-fire talks, the opposition walked out of the national dialogue, and Nicaraguan defector Miranda's revelations forced the Sandinistas to confirm a planned major military buildup. Moreover, Arias criticized a statement by President Ortega suggesting that the Sandinistas would not cede effective power if defeated in a free election. Sandinistas hope to recoup by attempting to schedule talks with rebel Indian leader Rivera this week.

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Issues at the Summit

The summit probably will focus on compliance and verification--including contending interpretations of what is meant by "simultaneous" implementation of commitments. Nicaragua is almost certain to try to gain a pledge from the other democracies to oppose new US aid to the anti-Sandinistas and to urge US-Nicaraguan bilateral talks. The Central American Parliament, joint appeals for economic aid, and the regional arms balance are likely to be secondary concerns.

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We believe the democracies will be reluctant to confront the Sandinistas for not going far enough to meet the democratization aspects of the peace accord. The report of the Verification Commission probably will be of little help in criticizing Nicaraguan performance, since US Embassy reports indicate the Commission is focusing on compiling the observations of the governments and National Reconciliation Commissions rather than making judgments on compliance. None of the democracies has indicated that it will enter the meeting with a predetermined list of steps Nicaragua must take to be in compliance. The issue of cease-fires is a delicate one for the democracies, and we believe they will limit discussion to pressing Nicaragua to engage in direct talks with the rebels.

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The key issue at the summit will be simultaneity of compliance with peace plan provisions. We expect the talks will quickly focus on the Sandinista contention that further democratization measures in Nicaragua--including the complete lifting of the state of emergency and release of all political prisoners--is contingent upon verification of the end of external aid to the insurgents. Honduras and Guatemala have opposed this position in past meetings; El Salvador opposes Nicaraguan delays, but does not want to postpone verification of the end of Sandinista aid to the Salvadoran rebels. Even Arias says he opposes leaving compliance open-ended, and all the democracies probably will come prepared to discuss the adoption of new time limits.

The mechanics of verification and what additional steps are necessary to ready a border-monitoring observer units may also be discussed. Nicaragua already has indicated its willingness to accept such observers. Although none of the presidents apparently intends to present a new proposal, we believe they all would like to pursue Canadian offers of assistance in this area and could reach some preliminary decisions.

The major question remaining on the Central American Parliament is when elections should be held and if they must take place simultaneously in each of the countries. According to US Embassy reporting, a draft treaty creating the parliament is ready for signing, but follow-up efforts are necessary to secure financing and arrange for international election observers. The draft does not provide for adoption of common electoral rules, and we do not expect any of the democracies to reopen that issue.

On security issues, Nicaraguan Defense Minister Ortega's confirmation of plans for a massive arms buildup probably will be a topic of discussion and may impel movement towards arms control negotiations. President Ortega will again seek to dismiss Nicaragua's plans for a military buildup as contingent on US actions. The democracies probably intend to defer detailed discussion of security issues—including foreign military advisers—until a meeting planned for February with the Contadora countries. In the absence of a concrete US proposal to participate in regional security talks, there is likely to be little discussion of the US role.

Possible Outcomes

US Embassy reporting suggests that all parties expect the summit to adopt a resolution taking note of the positive steps for peace and urging further progress. In addition, the Presidents may schedule negotiations on security issues and verification and agree to meet again to review compliance with

peace commitments. Agreement on the treaty for a regional parliament would be heralded as a key break-through.

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We believe the summit will be marked by sharp unresolved differences on the problem of simultaneity, but neither the democracies nor Nicaragua will risk interrupting the peace process. The democracies are unlikely to declare jointly that Nicaragua has not complied with the peace accord, although individual Presidents probably will make public statements to that effect. The democracies may propose that the Foreign Ministers or the Verification Commission make a more detailed study of criteria to evaluate whether a nation has fully democratized. In our view, however, the democracies—left to their own devices—are unlikely to adopt standards that would meet US interests, and any Contadora involvement, through the Verification Commission, will tend to make it easier for Managua to finesse compliance.

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The Sandinistas may put the democracies on the defensive by offering what appears to be a key concession in exchange for a joint declaration opposing US aid to the anti-Sandinistas. For example, a Nicaraguan offer to end immediately the state of emergency, release additional political prisoners, and send government representatives to meet with the anti-Sandinistas may prompt the democracies to accept the deal out of fear they otherwise would be blamed for obstructing the peace process. Ortega may counter accusations of continued Sandinista backing for the Salvadoran rebels by stating his willingness to accept on-site inspection if Honduras will do the same. Nicaragua probably will not push for Cuban involvement in the peace talks at this point out of fear the focus would be on Cuban aid to Nevertheless, if Cerezo or Arias raised the regional insurgents. possibility, Ortega might try to turn it to Nicaragua's advantage by coupling the idea with an endorsement of US-Nicaraguan bilateral talks.

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Managua, on the other hand, would emerge as a clear loser at the summit if the democracies jointly declared that Nicaragua is the only country that has not fully complied with the peace accord. For this to come about, we believe President Arias would have to take the lead, and he would have to be convinced that such a firm declaration would not end the peace process.

Implications for the United States

An inconclusive meeting probably would work to the Sandinistas' advantage in dragging out the peace process, but would fall short of Managua's desires to gain a strong endorsement for ending US aid to the insurgents. agreement on parameters for a border monitoring force would not immediately undermine Honduras's contention that it not be deployed until Nicaragua democratizes. Nevertheless, over the longer term there is some danger that progress on designing a mechanism to verify the end of aid to the insurgents could outstrip progress on setting up standards for political verification, creating pressures to deploy the inspection teams. Moreover, Tegucigalpa's cooperation with the anti-Sandinista supply effort could be affected if it does not receive an explicit endorsement of its position on simultaneity.

The democracies appear reluctant to make statements that would give much political assistance to Washington on the question of aid to the anti-Sandinistas. The press is almost certain to focus on Arias's opposition to aid, although he probably will make some weak attempts to balance his statements with observations that the decision is up to the US Congress. Arias has moved away from his earlier position favoring sanctions for noncompliance, and we believe that the prospect for discussing sanctions may be even more remote after the summit.

The democracies probably will hold firm against Nicaraguan attempts to promote bilateral talks with the United States, although Arias is likely to continue to espouse his personal opinion that such talks would be beneficial. The democracies are receptive to a US role in multilateral talks on security issues, but risk drifting into a situation establishing parallel sets of talks--one with Contadora and the other with Washington. seen no indications to date that the democracies are preparing a joint arms control proposal that would force Nicaragua to cut back arms levels.

Finally, approval of the Central American Parliament probably will introduce new possibilities for exploring the Sandinistas' willingness to democratize, as well as the danger that the opposition will not be sufficiently united to challenge The democracies, however, originally planned for elections to take place after cease-fires were reached. Altering this plan in the name of "continuing the peace process" probably would give the Sandinistas an opportunity to shift the focus from negotiations with the insurgents to the elections.

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ANNEX 1

Verification of the Peace Accord

The Central American peace accord involves three sets of issues, each of which presents different implications for verification: commitments to democratize, commitments relating to the insurgencies, and security commitments. On the national level, the peace accord assigns verification functions to the National Reconciliation Commissions. The International Verification Commission -- composed of the Central Americans, the four Contadora mediators, the four members of the Contadora support group, and the UN and OAS Secretaries-General--is formally charged with supervising overall verification and making a report to the summit. The Central American democracies have told US officials at various times that they intended that the Verification Commission be subordinate to them. Although this has never been formalized, the Central American Foreign Ministers will exercise de facto control by reviewing the International Verification Commission's report on 13 January and submitting any observations on the report to the Presidents.

Political Commitments. US Embassy reports indicate that the International Verification Commission does not intend to exercise independent judgment on democratization issues but to confine its role largely to compiling the reports of the National Reconciliation Commissions and the individual Central American There are no uniform criteria for assessing compliance with commitments to democratize. Costa Rican President Arias and, more recently, Salvadoran President Duarte have told US officials that they intended to submit a list of criteria to specify what political steps are considered necessary for compliance, but neither has done so. We suspect that the democracies probably would not craft a list that would fully satisfy US interests, and the Contadora countries most likely would view any detailed listing as unacceptable political interference.

Commitments Relating to the Insurgencies. commitments, which include cease-fires, an end of external aid to the insurgents, and non-use of territory by the insurgents to carry on the war, were supposed to have entered into effect on 5 November, 90 days after the peace accord was signed. has been the strongest adherent of the position that a border monitoring force to verify the end of external aid to the insurgents cannot go into effect until Nicaragua complies with its commitments to democratize. Guatemala has actively supported this interpretation, but El Salvador would prefer that verification begin immediately so that Sandinista aid to the Salvadoran rebels could be halted.

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The Verification Commission enlisted the aid of a UN-OAS technical mission to help plan for the creation of a monitoring force. The group's two reports stated that the absence of negotiated agreements made it impossible to monitor cease-fires and extremely difficult to verify an end of external support for rebels. Nevertheless, the group's second report indicates general agreement among the governments that a monitoring force should be small, nonmilitarized, and drawn largely from non-Latin American countries. Independently, Canada has offered its assistance in designing a verification mechanism and participating as an observer. According to US Embassy reports, Canada believes it will require about six months to design a mechanism and has assured US officials that its participation presupposes the conclusion of negotiated cease-fires.

Security Issues. These issues, including arms and troop levels, foreign military advisers, and foreign maneuvers, have yet to be negotiated, and the Central Americans have given no thought to verification thus far.

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ANNEX 2

Nicaraguan Cease-Fire Talks

International pressure forced the Sandinistas to drop their previous opposition to any talks with insurgents who have not accepted amnesty, but there has been no corresponding foreign pressure on the regime to move the negotiations forward. Several of the reasons for this hesitancy reflect temporary factors, but others appear more enduring:

- -- Despite the disputes over venue of the talks and the role of foreign advisers to the technical teams--and fundamental differences over the agenda for the negotiations--there is no general impression that the talks have reached an impasse. Plans are proceeding for a third meeting, although the insurgents oppose having it before the Central American summit.
- -- Cardinal Obando, while critical of the Sandinista refusal to hold the cease-fire talks in Nicaragua, has adopted an even-handed approach thus far and has not denounced Sandinista intransigence. The Central Americans and other foreigners probably are unwilling to take a harder line than Obando, the regime's chief domestic opponent.
- -- The peace agreement itself lends support to the Sandinista position that it need not discuss a wide range of political issues during cease-fire talks. Moreover, El Salvador and Guatemala do not wish to compromise their positions in cease-fire talks with their own insurgents. Costa Rican President Arias has criticized publicly the anti-Sandinista insurgents' negotiating position, probably less out of solidarity with his democratic colleagues than in an effort to end quickly the fighting in Nicaragua.

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Despite the low level of foreign pressure on the Sandinistas, we anticipate that they will make additional minor concessions over the next several months, both to avoid Obando's criticism and to undermine the case for new US aid to the insurgents. The Sandinistas have already stated their willingness to meet in Panama or Belize, and we believe they will eventually agree to a Central American location. According to US Embassy reports, the Nicaraguans have agreed to have a military representative participate in the technical discussions. They probably will agree at some point to full-fledged direct meetings, possibly in conjunction with a renewed call for bilateral talks with Washington. The Sandinistas appear to be trying hard to

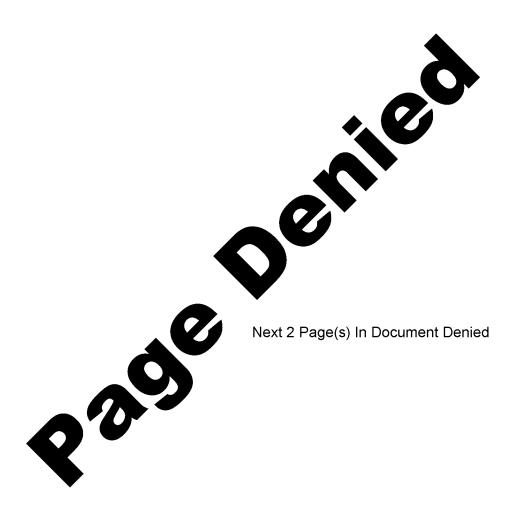
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arrange separate talks with Miskito Indian rebel leader Brooklyn Rivera, which they would publicize as a new gesture of flexibility. We do not believe Nicaragua will yield on its opposition to discussion of political issues in cease-fire talks, but it probably will make further unilateral changes to ease political restrictions and could make more explicit offers to discuss insurgent political demands after a cease-fire, amnesty, and the disarming of the rebels have been accomplished.

In our view, it will be difficult for the insurgents to gain the political initiative in the cease-fire talks in the face of incremental Sandinista concessions and the unfavorable provisions of the peace plan itself. Nevertheless, we believe the insurgents could improve their position by adopting a less reactive approach and imitating the Sandinista strategy of projecting an image of flexibility while hammering away at consistent themes. Obando's willingness to endorse aspects of the insurgents' position will be the key factor in their prospects. Secondly, the guerrillas' position is likely to be bolstered to the extent the Central American democracies agree to meet with insurgent leaders, support direct negotiations with the Sandinistas in Managua, and endorse political changes advocated by the anti-Sandinistas. Finally, insurgent gains on the battlefield--as in the recent attacks in the mining region--could have an indirect effect on the cease-fire talks by giving the rebels a psychological edge.

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President Duarte's Views on Nicaragua

Attitudes Toward the Anti-Sandinistas

President Duarte has long viewed the Nicaraguan rebels primarily as an effective distraction for the Sandinistas, forcing them to focus their attention and resources on counterinsurgency operations rather than exporting revolution to El Salvador. Neither he nor the High Command believes the anti-Sandinistas could overthrow the regime, but both feel that insurgent pressure might eventually force Managua to make democratic reforms. In signing the peace plan, however, Duarte committed himself to the principle that outside aid to insurgencies should end. Nevertheless, he has been willing to support covert assistance to the insurgents, such as allowing Radio Liberacion to broadcast from El Salvador.

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Willingness to Support the Anti-Sandinistas

While privately supportive of the Nicaraguan rebels, Duarte has always been reluctant to support them openly, fearing that to do so would legitimize Sandinista support for his own insurgency. Revelations in 1986 that his military was providing some logistics support for the anti-Sandinistas was politically damaging—suggesting the armed forces were acting without presidential knowledge or authority—and cost him some international credibility. Under current conditions, it is unlikely he would publicly support continued aid to the Nicaraguan insurgents.

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Willingness to Press the Sandinistas on Compliance

While publicly critical of the pace of democratic reforms in
Nicaragua. Duarte is unlikely to endanger the peace plan by hinging
its future on immediate compliance by Managua. He probably
believes that the potential gainsincluding enhancing the
legitimacy of his government and forcing Managua to end its support
for the Salvadoran guerrillasare sufficient to avoid, for the
moment, derailing the peace process. Duarte would be especially
reluctant to call for Nicaraguan compliance without the full
support of the other Central American democracies, and he is
unlikely to take the lead for fear of being tarred as Washington's
agent.

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Factors That Could Make Duarte More Willing to Press Nicaragua

- -- Evidence of significantly increased Sandinista support to the Salvadoran insurgents.
- -- Agreement by Guatemala, Honduras, and Costa Rica that the peace plan had failed due to lack of Nicaraguan compliance and their guarantee to back Duarte in an open indictment of Managua.
- -- Direct linkage of continued US military assistance to his support for the anti-Sandinistas.
- -- Salvadoran military insistence that support for the Nicaraguan insurgency is the linchpin for successful counterinsurgency operations in El Salvador.

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President Cerezo's Views on Nicaragua

Attitude Toward the Anti-Sandinistas

President Cerezo does not believe the Nicaraguan rebels can topple the Sandinista regime and has expressed doubts that the United States can maintain consistent backing for the rebels. Cerezo is convinced that military pressure is counterproductive for inducing political change in Nicaragua and, instead, advocates negotiation and diplomatic pressure as the best means of moderating Nicaraguan behavior. Although most Guatemalans believe Nicaragua poses a security threat to the fledging regional democracies, they do not feel they are on the Nicaraguan "front line," making it unlikely that Guatemala City would openly align itself with US policy.

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Willingness to Support the Anti-Sandinistas

Cerezo and other high level Guatemalans privately voice their support for broad US goals in Central America, including the need for democracy in Nicaragua, but they avoid statements supportive of US military pressure on Managua. Cerezo--intent on portraying himself as the leading regional peacebroker--is concerned that any public statements supporting US military pressure on Managua would violate his policy of active neutrality and possibly encourage Nicaragua to increase aid to the Nevertheless, he has refrained from Guatemalan insurgents. criticizing US policy--he did not, for example, back President Arias's call in September for an end to all US assistance to the rebels--in part to maintain good relations with Washington. also wants to assure his own military that his neutrality is not overly accommodating toward the Sandinistas, and he has been willing to permit meetings of the anti-Sandinista political leadership in Guatemala.

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Willingness to Press the Sandinistas on Compliance

Cerezo has avoided pressing Nicaragua on key issues of compliance with the peace plan in order to prevent a breakdown of the peace process and keep Nicaragua engaged in talks. Although Cerezo might publicly call on Managua to democratize if joined by the other Central American presidents, he is unlikely to take a hard line on specific measures—such as urging the Sandinistas to enter into direct talks with the Nicaraguan rebels or to lift the state of emergency—because he fears such action would increase pressure on him to engage his own insurgents in a dialogue.

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Factors That Might Make Cerezo More Willing to Press Managua

- -- Managua demonstrates absolute intransigence on compliance with the peace accords and there is widespread international denunciation of Nicaragua.
- -- Proof that Nicaragua is increasing assistance to the Guatemalan rebels, or, to a lesser extent, Guatemalan certainty that Nicaraguan aid would lead to a victory for the insurgents in neighboring El Salvador.
- -- Pressure by his military, which, in the wake of the recent Miranda revelations, is increasingly concerned about the consolidation of the Sandinista regime and convinced that prospects for increased US military aid for Guatemala are linked to Cerezo's Nicaraguan policy.

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President Azcona's Views on Nicaragua

Attitudes Toward the Insurgents

President Azcona supports the anti-Sandinista insurgents primarily out of a deep sense of loyalty to the United States, and he expects to be rewarded for backing US policy. Although Azcona privately would like to see the anti-Sandinista insurgents prevail, he is too weak politically to commit Honduras to open-ended support of the rebels and looks to his military to determine policy on this Rebel use of Honduran territory during the last two years for resupply, training, and command-and-control activities has created some political and security problems for the President. Moreover, Azcona is worried that his government's aid to the insurgents is underming support for Honduras in the US Congress.

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Willingness to Support the Anti-Sandinistas

Azcona adheres to a longstanding Honduran position of denying any official role in aiding the insurgents and is unwilling to take the lead in publicly asking Washington to continue funding the anti-Sandinistas. For example, despite promising Ambassador Briggs he would publicly request continued funding for the insurgents during his October visit to the US, Azcona told US legislators and journalists that no lethal aid should be provided until after the Central American Although he has publicly characterized the insurgent cause as just, he is careful to describe it as internal Nicaraguan matter that must be solved by Nicaraguans. There is a consensus among Honduran leaders that Tegucigalpa has carried a disproportionate share of the burden in helping the insurgents and that the other Central American democracies must be actively support calls for additional aid.

Willingness to Press the Sandinistas on Compliance

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Azcona is unwilling to take the lead in accusing the Sandinistas of not complying with the peace plan-given his country's role in harboring insurgent base camps--but he would support a joint condemnation if Guatemala and El Salvador spoke out first. At the same time, Azcona insists Honduras does not have to comply with the plan until Nicaragua fulfills its obligations. The President fears that unilateral Honduran pressure on Nicaragua could backfire and leave Tegucigalpa in the uncomfortable position of having to defend its covert policy of aiding the anti-Sandinista rebels. During the last two years, for example, Azcona has refused to denounce the Sandinistas for military incursions into Honduras in order to avoid having to admit that their were rebel camps in his country. recently as October, Azcona denied US requests to publicize Sandinista 25X1 bombing of Honduran territory.

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Factors That Could Make Azcona More Willing to Press Nicaragua

- -- Guatemala and El Salvador agree to take the lead in accusing Nicaragua of failing to comply with the peace plan.
- -- Concrete assurances from Washington--including a bipartisan Congressional commitment--that aid levels would not be reduced if Honduras takes the lead in pressing Nicaragua.
- -- A US commitment to take responsibility for resettling anti-Sandinista insurgents.

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President Arias's Views on Nicaragua

Attitudes Toward the Anti-Sandinistas

Costa Rican President Arias is convinced the Nicaraguan rebels cannot oust the Sandinistas militarily and believes the fighting provides a justification for continued Nicaraguan repression and poses a long-term threat to Costa Rica itself. He has attempted to reduce tensions with Managua since taking office by prohibiting rebel military activity in Costa Rican territory and placing new restrictions on insurgent political leaders as well. Arias has long publicly opposed aid to the Nicaraguan insurgents, and recently indicated that nonlethal aid was contrary to the spirit of the Central American peace accord, despite past assurances to Washington that he did not oppose such aid.

Willingness to Support the Anti-Sandinistas

Arias is unlikely to make public or private statements supporting the Nicaraguan rebels at this stage of the peace process, believing that his neutral stance has greatly advanced Costa Rican policy interests. Efforts to bolster his image as an "honest broker" has led Arias to make statements damaging to the rebel cause. For example, he recently denounced the insurgents' cease-fire proposal, saying it was impossible for Nicaragua to agree to such excessive demands. He did not balance his remarks with similar criticism of Managua's proposal, which calls for a virtual surrender of the rebels without guaranteed democratization.

Willingness to Press the Sandinistas on Compliance

While Arias is sensitive to public criticism, his desire to reaffirm Costa Rican neutrality and his reluctance to declare the peace accord a failure probably makes him unwilling to focus attention on Sandinista intransigence at the January summit. Arias has publicly downplayed the revelations of Nicaraguan defector Miranda on Managua's plans to bomb Costa Rican territory in the event of a US invasion.

His heavy policy investment in the peace plan may move him to push to keep the process alive even in the face of growing Nicaraguan intransigence.

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Factors That Could Make Arias More Willing to Press Nicaragua

- -- Flagrant evidence of Sandinista noncompliance combined with unanimous support from the three other Central American countries.
- -- Widespread public charges that targeted Arias as the most sympathetic to the Sandinistas of the Central American leaders, including allegations which questioned Arias's preeminent role as regional peacemaker.