

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Duane R. Clarridge
Chief, Latin America Division

EXTENSION

NO.

25X1

DATE

9 June 1982

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1.

DCI

Attached is a memorandum just received from State Department which outlines the current status of our negotiations with the Nicaraguans, and Attachment C to the memorandum is the State Department's proposed response to the Nicaraguans' most recent communication on our eight-point proposal. I would suggest that you only need to read the memorandum and Attachment C to it.

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State Dept. review completed

15.



DEPARTMENT OF STATE
ACTION MEMORANDUM

S/S

SECRET (entire text) (with NODIS attachment)

TO: The Secretary
FROM: ARA - Tom Enders *Tom/10*
SUBJECT: Next Steps in Nicaragua

As expected, the latest (May 7) Nicaraguan response (Tab A) to our Eight Point Peace Proposal (Tab B) contained nothing new. Although the Sandinistas have picked up on our request that they address each of the eight points, they have done so in a polemical manner showing little, if any, interest in negotiating seriously. In their response they have again denied assisting the guerrillas in El Salvador and reiterated their challenge that we provide them with the proof.

Enclosed at Tab C is a draft response to the Nicaraguans designed to call their bluff without compromising intelligence sources or agreeing to play on their terms. In summary, we propose that the Nicaraguans close down the DRU headquarters outside Managua (a map showing locations of DRU, FPL, ERP and PRTC headquarters is at Tab D) as a demonstration of their willingness to deal seriously on the issues. Anticipating their denial that such facilities are in Nicaragua, we are also offering our technical assistance in tracking down the headquarters.

In receiving this note the Sandinistas will have three choices:

- They can close down the headquarters. (least likely)
- They can continue to deny their presence in Nicaragua but refuse our offer to provide a technical team to help track them down. (quite possible)
- They can refuse to address the issue directly and try to obfuscate by making counterproposals or avoiding the issue. (most likely response)

In all cases we believe we have more to gain than to lose by taking this tack.

RECOMMENDATION

That you approve the attached cable to Managua conveying our response to the Nicaraguans.

SECRET (with NODIS Attachment)
XDS-2 6/8/02

SECRET

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Attachments:

- A. Nicaraguan Response of May 7
- B. Eight Point Peace Proposal
- C. Draft Response to the Nicaraguans
- D. Map of Headquarters Locations

Drafted:ARA/CEN:LCJohnstone:mms
ext. 24010 6/8/82

SECRET



DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO. 106259
LM/JF/RHC/BH/BP
Spanish

My government received with interest the eight-point proposal from your government saying that it is ready to begin serious discussions in order to initiate a process of continuing dialogue with my government regarding our desire for peace in Central America. The proposal was presented orally by your ambassador in Managua on April 8, 1982.

We nevertheless consider that the proposal does not address those areas of greatest concern to Nicaragua--rather it seems to be an attempt to avoid the principal factors that, as a result of the unfriendly acts of the Reagan administration, have led to a serious deterioration of our relations.

This presumption has been strengthened by the fact that, when the proposal was reported to my government, no attempt was made to deliver even a pro memoria to aid in understanding the United States position. From the start an obvious contradiction has existed in your government's proposal. On the one hand, it expressed its willingness to begin serious discussions, but, on the other hand, it proposed only an exchange of views.

It is precisely because of this situation that on April 14 we informed you of 13 points that, in our opinion, contain fair and reasonable proposals which would truly enable us to discuss the substantive aspects of our relations as well as aspects of your government's policy that have alienated Nicaragua. For that same reason I requested this meeting with you in order to see if it is possible for us to agree to begin a process of serious negotiations in

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which Mexico can offer us its hospitality and bear witness to the attempts by both parties to reach an understanding.

I am confident that as I refer point by point to the United States proposal with respect to our peace initiative and suggestions for negotiation, you will respond--if you have any intention of doing so--as soon as possible to our appeal to initiate serious negotiations and to conduct them at an appropriate level in order to guarantee their viability.

Having stated the foregoing, I must first point out that your government's insistence on accusing the Government of Nicaragua--without proof--of trafficking in arms and providing material support to the insurgency in El Salvador--an accusation that has now been extended to our alleged attempts to destabilize the governments of Honduras and Costa Rica--gives no indication of any interest whatsoever in improving relations between our countries and dealing with the true substance of the Central American problem.

In this regard, allow me to point out an obvious fact. As long as you unilaterally and arbitrarily expand the list of accusations, it becomes increasingly difficult to believe that your government sincerely intends to negotiate effectively.

Similarly, I consider it essential that in order for the negotiations to be considered as such, they must take place within a framework of flexibility and with no prerequisites. Indeed, they must, as we have been insisting, be held with no preconditions regarding their subject matter.

I should like to remind you, moreover, that my government has on various occasions requested the proof and the necessary information that would enable it to fulfill more effectively its international obligations with respect to

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the control of any alleged traffic. As you are well aware, we have never received such proof or information from your government that could help to put your concerns to rest. Also, we consider your government's lack of interest in finding solutions to the problems of the Central American region to be of greater concern. In this regard, we consider extraordinary the accusation that Nicaragua is engaging in some type of destabilization of the Honduran and Costa Rican governments.

Once again, I must remind you that we have maintained excellent relations with the government of President Carazo; we cannot say the same regarding your government, at least judging by the unfriendly remarks by officials of your government to officials of mine with respect to the president of that beautiful country.

With respect to Honduras, a similar accusation is even more extraordinary, since everyone is aware of my government's numerous peace initiatives with that country in the search for a friendly understanding. This has all happened while, as everyone knows, there are thousands of Somozan elements inside Honduras that use our common borders to launch attacks which have claimed more than 200 Nicaraguan civilian and military victims and resulted in considerable property damage. What is more, these attacks have not been unrelated to the coordination, assistance, and control activities of the Central Intelligence Agency, as reported in the U.S. press.

It is therefore quite evident that if attempts are being made to destabilize a Central American government, that government is Nicaragua, and such attempts originate from outside the country, not from within.

On the second point, in which your government insists on its readiness to issue statements referring to the existence of training camps of counterrevolu-

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tionary groups on United States territory in preparation for military action against our country, our Deputy Foreign Minister informed Assistant Secretary Enders, in a note of October 31, 1981 regarding that offer, that we consider it inadequate; the most appropriate action by your government would be to dismantle the aforementioned encampments. Despite the fact that your offer is now irrelevant, since the forces being trained in those locations have for the most part been moved to Central America and deployed against our Revolution, we still consider that should your government take the steps that it has proposed, it would only be complying with the laws of its own country.

With reference to a joint declaration by our two governments on the desirability of friendly relations, we feel that discussing a subject of this nature would be meaningful if, in conjunction with a process of serious negotiations, the United States rectifies and renounces what to date have been acts of hostility towards my country. This would mean the suspension of spy-plane flights, the presence [sic] of United States warships in our territorial waters, the suspension of all covert operations, the discouragement of hostile activities against my country by various governments, and the lifting of the impediments to our financial transactions within those international organizations of which the United States is a dominant member.

These actions and others in our 13 points presented on April 14 would be indicative of the interest in maintaining friendly relations and provide a genuine basis for a declaration by both countries along these lines.

I am certain that my government has no objections to issuing a joint declaration that reaffirms our demonstrated support for the principles of non-intervention, self-determination, and non-interference; nothing would be more favorably received by Central America than for the United States to

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make formal commitments and adopt a new conduct that breaks with its historical patterns of intervention in our countries.

In relation to the fourth point, concerning the limitation of arms and military forces in Central America, Nicaragua could exchange views and discuss this subject with the countries of the region. Nonetheless, it considers that the United States is not an appropriate choice, for obvious reasons, unless you consider that our increased strength is a threat to your security (and you are therefore expressing concerns about equilibrium with our armed forces). Or perhaps, because of an outdated domineering attitude toward the region, you seek thereby to control our acquisition of the means necessary to our legitimate right to self defense as a sovereign state.

Accordingly, the fifth point referring to mechanisms for international verification of the fulfillment of these commitments may be considered feasible only if a consensus to that effect among the States of the region is established by sovereign and independent agreements. Unless, I reemphasize, the United States intends attitudes like the aforementioned ones to prevail. In that case, the suggestion of turning to the OAS as the mechanism of verification suffers from a severe credibility problem, at the very time when your Government has just rejected the decision of the recent consultation meeting of foreign ministers concerning the problem of the Falklands.

With reference to point six, apart from whether Nicaragua, as a poor and ravaged country, needs economic resources to combat the backwardness, underdevelopment, difficulties and privations our people suffer, it is my opinion that bilateral economic cooperation issues should not be introduced into these negotiations. Certainly we do not want serious political problems to be overshadowed by economic cooperation offers, making it seem that political interests could be negotiated for specific amounts of dollars.

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If the United States wishes to do something positive in connection with Nicaragua's economic situation, it should stop impeding our regular financial transactions with multilateral agencies by taking advantage of its dominant position, and refrain from pressuring other countries to suspend their bilateral cooperation with Nicaragua.

We do not consider it necessary to subject the proposal of a cultural exchange, allegedly intended to increase mutual trust, to negotiations of this kind. For our part, we have many students in the United States and many delegations of all kinds visiting your country. In turn, there has never been any objection to delegations of artists, musicians, cultural groups, and sports teams coming to our country. Therefore, it is truly incomprehensible that you would propose something that already exists and that Nicaragua has never attempted, and would never attempt, to prevent or impede. In any case, Nicaragua has no prejudices against the noble and generous people of the United States.

We regard as an inexcusably interventionist approach to matters that belong to our sole and exclusive jurisdiction the inclusion as point No. 8 of issues relating to our sovereign decisions and, in accordance with our right of self-determination, to our conduct of our revolution in the economic and social areas with total independence, as we deem most appropriate, as well as to our equally sovereign decision to hold elections at a time already announced on a number of occasions.

If your government sincerely intends to negotiate, allow me to repeat our call for a cessation of big-power threats and stances. An honourable nation like ours cannot accept an ultimatum like the one transmitted to us by your ambassador in his latest official note, in which your government

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suggests...that Nicaragua has become a threat to peace in Central America and that this is a situation which cannot and will not be tolerated.

I would repeat that the urgent problems in the region have come about largely because of the development of a new policy by your government toward Central America, an area where respect for our self-determination and sovereignty must play an important role. In this sense, a negotiated political solution to the Salvadoran conflict must be sought, as suggested by the proposal put forth by France and Mexico, rather than a war of extermination stimulated. We believe there must be constructive cooperation with Costa Rica so that that country can overcome the economic crisis generated in all the Central American economies by the deterioration in the terms of trade. The temptation to exert onerous pressures that may work against the interests of that country and against stability in Central America must be rejected. We also believe it would be suitable to contribute to better bilateral understanding between Honduras and Nicaragua and to help eliminate the Somoza groups operating there, rather than stimulate border conflicts and unfounded fears of Nicaragua in Honduras. It is necessary strictly to observe the Torrijos-Carter treaties, to contribute to truly democratic change where human rights are respected in Guatemala, and to strengthen the independence and full exercise of sovereignty in Belize in order for there to be peace in Central America.

These are the expectations and hopes of the Central American people which are not being realized because of the mistaken policy of your government in the area. This policy has set out to make the crisis in the region part of the East-West conflict, when the truth is that there are 20 million people in Central American who are hungry and poor and who want to work in peace for the development of our countries.

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In conclusion, my government repeats its willingness to begin negotiations promptly, without stridency, without threats, and without prior conditions, as suggested by the proposal of President Jose Lopez Portillo. In this framework, we have no objection to discussing the points transmitted orally to our Ministry of Foreign Affairs by Ambassador Quainton, or other points that the United States Government deems appropriate. We invite you once again to set a date to begin the meetings and to let us know who your negotiators will be so that we may name ours.

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TELEGRAM

Department of State

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ORIGIN SS-25

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INFO OCT-88 ADS-00 SSO-00 /025 R

DRAFTED BY ARA/CEN: LCJOHNSTONE:MHS
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EXDIS, FOR THE AMBASSADOR FROM ENDERS

C.O. 12065: GDS 4/7/88 (ENDERS, THOMAS O.)
TAGS: PINS, PINT, NU
SUBJECT: EIGHT POINT PEACE PLAN

1. (S - ENTIRE TEXT)

2. AMBASSADOR SHOULD REQUEST APPOINTMENT AS SOON AS POSSIBLE WITH HIGHEST AVAILABLE LEVEL IN GRN TO DELIVER TALKING POINTS IN PARA 4 BELOW. AMBASSADOR SHOULD ASK FOR APPOINTMENT FOR SOMETIME APRIL 7 OR APRIL 8 AT THE LATEST. IF APPOINTMENT WITH SENIOR MEMBER OF THE DIRECTORATE IS NOT POSSIBLE BY APRIL 8 AMBASSADOR SHOULD GO AHEAD AND DELIVER TALKING POINTS TO MFA. APPOINTMENT SHOULD NOT BE DELAYED BEYOND APRIL 8.

3. CONCURRENTLY WITH AMBASSADOR'S PRESENTATION IN MANAGUA WE WILL BE BRIEFING A NUMBER OF REGIONAL AND EUROPEAN GOVERNMENTS ON THE CONTENTS OF PROPOSAL CONTAINED IN TALKING POINTS. WE WILL ALSO BE BACKGROUNDING PRESS IN US ON APRIL 8. NICARAGUAN AMBASSADOR TO WASHINGTON WILL ALSO BE BRIEFED ON PROPOSAL AT SOME LATER TIME.

FOLLOWING ARE TALKING POINTS EMBODYING SUBSTANCE OF EIGHT-POINT PEACE PLAN.

- WE HAVE NOTED THE INITIATIVE UNDERTAKEN BY MEXICO TO PROMOTE A DIALOGUE BETWEEN NICARAGUA AND THE UNITED STATES. WE HAVE NOTED NICARAGUAN STATEMENTS INDICATING A WILLINGNESS TO ENTER INTO A DIALOGUE ON ALL OUTSTANDING ISSUES. FOR OUR PART WE ARE PREPARED TO ENGAGE IN SERIOUS DISCUSSIONS.

- I WOULD LIKE TO BEGIN BY RE-STATING WHAT MY GOVERNMENT HAS MADE CLEAR IN THE PAST: THERE CAN BE NO IMPROVEMENT IN OUR RELATIONS UNTIL THE ARMS FLOW, TRAINING AND OTHER SUPPORT ACTIVITIES FOR THE SALVADORAN GUERRILLAS CEASE. IN ADDITION, THE FMLN COMMAND/CONTROL CENTER WHICH PRESENTLY OPERATES IN NICARAGUA MUST HALT ITS OPERATION. ACTIVITIES AIMED AT DESTABILIZING HONDURAS AND COSTA RICA WOULD ALSO HAVE TO CEASE.

- WE REALIZE THAT THE ALLEGED ACTIVITIES OF NICARAGUAN AGENTS IN THE UNITED STATES IS A SOURCE OF CONCERN FOR YOUR GOVERNMENT. WE HAVE PREVIOUSLY PROVIDED YOU WITH SOME IDEAS ON THE KIND OF STATEMENT WE COULD

IN THIS REGARD. WE REITERATE OUR OFFER TO MAKE SUCH A DECLARATION WHICH WOULD CONSTITUTE A VISIBLE POLITICAL COMMITMENT TO ADDRESS YOUR CONCERNS. IN THIS DECLARATION, THE UNITED STATES WOULD LIST THE APPLICABLE REGULATIONS AND PLEDGE ITSELF TO COMBATING THE GROWTH OF INTERNATIONAL TERRORISM AND THE EXPORT OF VIOLENCE AND REITERATE OUR COMMITMENT TO THE PRINCIPLES OF THE UNITED NATIONS DECLARATION ON FRIENDLY RELATIONS AND COOPERATION AMONG STATES.

-- YOUR GOVERNMENT HAS ALSO REPEATEDLY INDICATED ITS CONCERN OVER THE POSSIBILITY OF A US INVASION OF NICARAGUA. AS WE HAVE NOTED PREVIOUSLY WE WOULD BE WILLING TO ISSUE, WITH YOU, A FORMAL JOINT STATEMENT COMMITTING BOTH COUNTRIES TO THE PRINCIPLE OF NON-INTERVENTION AND NON-INTERFERENCE IN EACH OTHER'S INTERNAL AFFAIRS AND IN THE INTERNAL AFFAIRS OF OTHER NATIONS. THE UNITED STATES AND NICARAGUA WOULD REAFFIRM THEIR ADHERENCE TO THE PRINCIPLES EMBODIED IN THE CHARTERS OF THE UNITED NATIONS AND ORGANIZATION OF AMERICAN STATES AND TO THE INTER-AMERICAN TREATY OF RECIPROCAL ASSISTANCE.

-- WE CONCUR IN THE VIEWS OF MANY INCLUDING MEXICO THAT IT IS NECESSARY TO PREVENT AN ARMS RACE IN THE REGION IF TENSION IS TO BE REDUCED AND PEACE RESTORED. TO THIS END WE PROPOSE THAT THE NATIONS OF THE REGION AGREE TO A PROHIBITION ON THE IMPORTATION OF HEAVY OFFENSIVE WEAPONS AND AGREE TO MAINTAIN MILITARY FORCES AT LEVELS COMMENSURATE WITH THEIR SECURITY NEEDS. IN ADDITION WE PROPOSE THAT THE NUMBER OF FOREIGN MILITARY AND SECURITY ADVISORS BE REDUCED TO REASONABLE LOW LEVELS IN EACH OF THE COUNTRIES OF THE REGION.

-- WE HAVE TAKEN NOTE OF THE PROPOSAL OF YOUR GOVERNMENT FOR JOINT BORDER PATROLS AND THE HONDURAN PROPOSAL CALLING FOR INTERNATIONAL OBSERVERS AT SENSITIVE AREAS. WE PROPOSE THAT THE OAS OR ANY OTHER MUTUALLY AGREEABLE REGIONAL ORGANIZATION BE CALLED ON TO PROVIDE FULL AND EFFECTIVE ON-SITE VERIFICATION OF THESE AGREEMENTS AT PORTS, AIRPORTS, BORDER AREAS, AND STRATEGIC SECTORS, AS OUTLINED IN THE HONDURAN PROPOSAL.

-- IN THE CONTEXT OF AGREEMENT ON OTHER ELEMENTS OF THIS OVERALL PROPOSAL THE UNITED STATES IS PREPARED TO DISCUSS WITH NICARAGUA ADDITIONAL TRADE CONCESSIONS AND PRIVATE INVESTMENT WITHIN THE CONTEXT OF THE CARIBBEAN BASIN INITIATIVE, AND TO PROPOSE TO THE CONGRESS THE RE-ESTABLISHMENT OF DIRECT AID TO THE NICARAGUAN GOVERNMENT.

-- THE UNITED STATES WOULD ALSO BE PREPARED TO EXCHANGE ARTISTS, MUSICIANS, SPORTS AND CULTURAL GROUPS WITH NICARAGUA IN ORDER TO IMPROVE THE CLIMATE OF OUR RELATIONS. WE PROPOSE OPENING UP A NEW BINATIONAL CENTER IN NICARAGUA AND TO OFFER SCHOLARSHIPS FOR NICARAGUAN STUDENTS TO STUDY IN THE U.S. THE UNITED STATES WOULD ALSO BE WILLING TO CONSIDER REESTABLISHING A PEACE CORPS PROGRAM IN NICARAGUA.

-- WE HAVE NOTED AND WELCOMED THE RECENT FSLN PROPOSAL PRESENTED AT THE COPPAL MEETING REITERATING A COMMITMENT TO THE PRINCIPLES OF POLITICAL PLURALISM, A MIXED ECONOMY AND NON-ALIGNMENT. THE IMPLEMENTATION OF THAT COMMITMENT AND OF THE EARLIER COMMITMENT OF YOUR GOVERNMENT TO THE OAS IN 1979 TO CALL THE COUNTRY'S "FIRST FREE ELECTIONS" WILL BE ESSENTIAL ELEMENTS IN PROVIDING THE POLITICAL CONTEXT FOR OUR FUTURE RELATIONS.

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EXT. 22205 6/8/82
THE SECRETARY

ARA:TOENDERS
PM:ARABASA
DOD/ISA:NSANCHEZ
CIA:DCLARRIDGE

ARA/CEN:LCJOHNSTONE
DOD/JCS:PGORMAN
NSC:RFONTAINE
S/S-0:

IMMEDIATE MANAGUA

NODIS
FOR AMBASSADOR FROM THE SECRETARY

E.O. 12065: XDS-2 6/8/02 {HAIG, ALEXANDER M.}

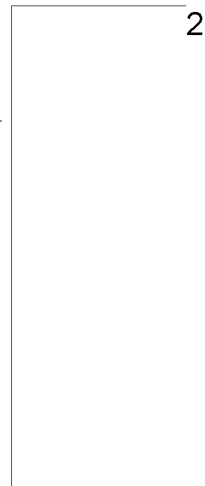
TAGS: PEPR, PINS, PINT, NU

SUBJECT: US RESPONSE TO GRN'S MAY 7 REPLY

1. {S - ENTIRE TEXT}

2. YOU SHOULD SEEK AN APPOINTMENT AT HIGHEST LEVEL POSSIBLE TO DELIVER FOLLOWING RESPONSE TO GRN'S MAY 7 REPLY TO OUR PROPOSALS.

3. BEGIN TEXT: I REFER TO YOUR COMMUNICATION OF MAY 7 WHICH RESPONDED IN A NEGATIVE MANNER TO OUR EIGHT POINT PEACE PLAN PRESENTED TO YOUR GOVERNMENT ON APRIL 8, 1982. ALTHOUGH THE TONE AND CONTENT OF YOUR RESPONSE WAS UNHELPFUL AND NOT CONDUCIVE TO A USEFUL DIALOGUE, THE UNITED STATES BELIEVES THAT IT IS IMPORTANT THAT WE CONTINUE TO TRY TO ESTABLISH A DIALOGUE BETWEEN OUR TWO COUNTRIES. ACCORDINGLY WE ARE RESPONDING TO YOUR MAY 7 COMMUNICATION AND OFFERING SOME FURTHER IDEAS ON HOW WE MIGHT MOVE FROM STERILE EXCHANGES TO DIRECT ACTION TO IMPROVE NICARAGUA'S RELATIONS WITH THE US AND WITH NICARAGUA'S NEIGHBORS. FIRST, TO REVIEW YOUR LATEST RESPONSE:



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-- WE NOTE YOUR STATEMENT THAT NICARAGUA WOULD LIKE TO FULFILL ITS INTERNATIONAL OBLIGATIONS REGARDING NON-INTERFERENCE IN THE AFFAIRS OF OTHER COUNTRIES. UNFORTUNATELY, YOUR GOVERNMENT'S ACTIONS HAVE NOT MATCHED THAT DECLARATION, AS DESTABLIZING ACTIONS FROM YOUR COUNTRY DIRECTED AT YOUR NEIGHBORS HAVE NOT ABATED.

-- DESPITE THE FACT THAT YOU CONSIDER OUR OFFER TO MAKE A POLITICAL STATEMENT REGARDING NICARAGUAN EXILE ACTIVITIES IN THE US "IRRELEVANT," THE UNITED STATES CONTINUES TO STAND READY TO MAKE SUCH A STATEMENT SHOULD YOUR GOVERNMENT SEEK FURTHER ASSURANCES ON THIS MATTER.

-- WE NOTE THAT YOUR GOVERNMENT HAS NO OBJECTION TO ISSUING A JOINT DECLARATION THAT REAFFIRMS THE GOVERNMENT OF NICARAGUA'S SUPPORT FOR THE PRINCIPLES OF NON-INTERVENTION, SELF-DETERMINATION, AND NON-INTERFERENCE. WE SUBMITTED A DRAFT DECLARATION TO YOUR GOVERNMENT LAST AUGUST, AND WOULD WELCOME PROPOSED LANGUAGE FROM YOUR GOVERNMENT FOR SUCH A JOINT DECLARATION. SUCH A STATEMENT COULD BE ISSUED IN THE CONTEXT OF A RESOLUTION OF THE OTHER ISSUES OUTSTANDING BETWEEN US.

-- WE HAVE ALSO NOTED YOUR STATED WILLINGNESS TO EXCHANGE VIEWS AND DISCUSS THE LIMITATION OF ARMS AND MILITARY FORCES IN CENTRAL AMERICA WITH OTHER COUNTRIES IN THE REGION. THE UNITED STATES WOULD ENCOURAGE SUCH A REGIONAL DISCUSSION BETWEEN NICARAGUA AND ITS NEIGHBORS. THE AGENDA AND PARTICIPATION FOR SUCH A DISCUSSION WOULD HAVE TO BE DETERMINED BY THE COUNTRIES WHICH PARTICIPATE IN THE MEETING. HOWEVER, WE BELIEVE THAT TO BE EFFECTIVE SUCH A DISCUSSION SHOULD LEAD TO AGREEMENTS ON THE PROHIBITION OF THE IMPORTATION OF HEAVY OFFENSIVE WEAPONS, LIMITATIONS ON MILITARY FORCES COMMENSURATE WITH EACH COUNTRY'S SECURITY NEEDS, AND REDUCTIONS IN FOREIGN MILITARY AND SECURITY ADVISORS IN THE REGION.

-- WITH REGARD TO MECHANISMS FOR INTERNATIONAL VERIFICATION FOR THE FULFILLMENT OF ANY ARMS LIMITATION AGREEMENTS, THE UNITED STATES BELIEVES THAT THIS SHOULD BE AN ESSENTIAL ELEMENT OF ANY REGIONAL DISCUSSION OF ARMS LIMITATION. THE UNITED STATES FULLY SUPPORTS THE HONDURAN PROPOSAL WHICH CALLS FOR INTERNATIONAL OBSERVERS AT PORTS, AIRPORTS, BORDER AREAS AND STRATEGIC SECTORS.

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-- AS TO OUR OFFER TO PROPOSE TO THE US CONGRESS THE RESUMPTION OF ECONOMIC ASSISTANCE TO NICARAGUA AS WELL AS THE INCLUSION OF NICARAGUA AS A RECIPIENT COUNTRY UNDER THE CARIBBEAN BASIN INITIATIVE, THE GOVERNMENT OF THE UNITED STATES IS WILLING TO RESPECT NICARAGUA'S WISH TO SEPARATE THIS TOPIC FROM OUR CURRENT DISCUSSIONS. THE GOVERNMENT OF NICARAGUA KNOWS VERY WELL THE CAUSES OF THE SUSPENSION OF US ASSISTANCE TO NICARAGUA LAST APRIL, AND IT FULLY UNDERSTANDS THAT ITS DOMESTIC AND INTERNATIONAL PERFORMANCE WILL BE THE MAJOR DETERMINING FACTOR IN ANY DECISION TO RESUME US ASSISTANCE TO NICARAGUA. WE ARE READY TO DISCUSS THIS ISSUE FURTHER SHOULD YOUR GOVERNMENT WISH TO DO SO.

-- LIKEWISE, IF THE GOVERNMENT OF NICARAGUA DOES NOT CONSIDER IT NECESSARY TO DISCUSS CULTURAL EXCHANGES BETWEEN OUR TWO COUNTRIES, WE WILL RESPECT THAT WISH. OUR PROPOSAL WOULD HAVE INCLUDED PROGRAMS WHICH DO NOT ALREADY EXIST WHICH COULD MAKE A POSITIVE CONTRIBUTION IN YOUR COUNTRY, SUCH AS A PEACE CORPS PROGRAM, A BINATIONAL CENTER, AND OTHERS. WE BELIEVE THOSE PROPOSALS WOULD HAVE RESPONDED POSITIVELY TO NICARAGUA'S CURRENT ECONOMIC AND SOCIAL NEEDS. HOWEVER, WE ARE NOT INSISTENT THAT THIS MATTER BE A SUBJECT OF NEGOTIATION BETWEEN US.

-- AS TO THE ISSUE OF PLURALISM IN YOUR COUNTRY, THE UNITED STATES FEELS STRONGLY THAT NICARAGUA SHOULD ABIDE BY ITS PROMISES TO THE OAS IN JUNE AND JULY OF 1979 AND REITERATED AT THE COPPPAL MEETING LAST FEBRUARY, PROMISES WHICH YOUR OWN GOVERNMENT HAS COMMITTED ITSELF TO FULFILL. THE PRESENT POLITICAL CLIMATE IN CENTRAL AMERICA MAKES THE FULFILLMENT OF THESE PROMISES IMPERATIVE.

WITH REGARD TO THE NICARAGUAN GOVERNMENT'S CONTINUED INSISTENCE THAT HIGH-LEVEL NEGOTIATIONS BE CONDUCTED IN MEXICO IN THE PRESENCE OF OBSERVERS FROM THAT COUNTRY, THE UNITED STATES CONTINUES TO BELIEVE THAT THERE IS LITTLE POINT TO MOVING OUR ATTEMPTS TO ESTABLISH A DIALOGUE TO A HIGHER LEVEL UNTIL THERE ARE SOME INDICATIONS THAT YOU INTEND TO SERIOUSLY ADDRESS THE ISSUES. ONCE IT IS CLEAR THERE IS A BASIS FOR PROGRESS, WE ARE PREPARED TO CONSIDER HIGHER LEVEL MEETINGS WITHOUT PREJUDGING THE QUESTION OF VENUE.

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FINALLY, I WOULD LIKE TO REFER TO THAT SECTION OF YOUR MAY 27 RESPONSE WHICH REITERATES THE CLAIM BY YOUR GOVERNMENT THAT YOU ARE PREPARED TO ACT ON ANY INFORMATION WE CAN PROVIDE ON NICARAGUA'S ILLICIT SUPPORT FOR GUERRILLAS AND TERRORISTS IN NEIGHBORING COUNTRIES. WE REGARD THIS OFFER AS SPECIOUS SINCE THE GOVERNMENT OF NICARAGUA MUST KNOW FULL WELL WHAT ASSISTANCE IT IS PROVIDING THESE GROUPS. NEVERTHELESS, IN AN EFFORT TO PROMOTE A SERIOUS DIALOGUE AND TO LAY THE BASIS FOR MUTUAL CONFIDENCE BUILDING WE SUGGEST THE FOLLOWING COURSE OF ACTION:

AS IS COMMONLY KNOWN, AND AS CAN BE EASILY VERIFIED THROUGH WELL ESTABLISHED TECHNICAL PROCEDURES, THE COMMAND AND CONTROL ELEMENTS OF THE SALVADORAN GUERRILLA UNITED REVOLUTIONARY DIRECTORATE ARE LOCATED IN THE AREA IMMEDIATELY NORTH OF MANAGUA. THE ACTIVITIES OF THESE COMMAND AND CONTROL ELEMENTS ARE IN FLAGRANT VIOLATION OF INTERNATIONAL LAW AND SHOULD NOT BE TOLERATED BY THE GOVERNMENT OF NICARAGUA. WE WOULD PROPOSE THAT THE GOVERNMENT OF NICARAGUA MOVE TO DENY THESE ELEMENTS PERMISSION TO CONTINUE OPERATING FROM WITHIN NICARAGUA.

IN THE UNLIKELY EVENT THAT THE GOVERNMENT OF NICARAGUA HAS ANY DIFFICULTY IN LOCATING THESE ELEMENTS WE WOULD BE PREPARED TO SEND A TECHNICAL ASSISTANCE TEAM TO NICARAGUA TO ASSIST THE GOVERNMENT OF NICARAGUA IN THIS EFFORT. WE WOULD NOTE THAT THIS ACTION COULD BE TAKEN DISCREETLY AND WITHOUT PUBLICITY, BUT IT IS IMPORTANT THAT IT BE TAKEN IMMEDIATELY.

WE WOULD VIEW SUCH AN ACTION BY THE GOVERNMENT OF NICARAGUA AS A SERIOUS EXPRESSION OF ITS WILLINGNESS TO STOP THE USE OF NICARAGUAN TERRITORY AS A BASE FOR SUBVERSION IN NEIGHBORING COUNTRIES.

WE WOULD ALSO PROPOSE IMMEDIATELY FOLLOWING THIS ACTION, THAT A HIGH LEVEL MEETING TAKE PLACE BETWEEN OFFICIALS OF THE US GOVERNMENT AND THE GOVERNMENT OF NICARAGUA TO DISCUSS WHAT FURTHER STEPS MIGHT BE TAKEN TO ALLEVIATE STRAINS IN OUR BILATERAL RELATIONSHIP AND TO REDUCE VIOLENCE IN CENTRAL AMERICA. WE WOULD HOPE THAT SUCH A MEETING COULD ESTABLISH AN AGENDA FOR ADDRESSING, AT A TECHNICAL LEVEL, ALL THE AREAS OF CONCERN WHICH HAVE BEEN EXPRESSED BY BOTH NATIONS IN OUR RECENT EXCHANGE OF COMMUNICATIONS. END TEXT.

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4. FOR AMBASSADOR: IN PRESENTING US RESPONSE AND PROPOSAL YOU SHOULD INFORM YOUR GRN INTERLOCUTOR THAT WE APPRECIATE THE SENSITIVITY OF THIS PROPOSAL TO THE GOVERNMENT OF NICARAGUA AND THAT UNTIL WE HAVE SEEN THE NICARAGUAN RESPONSE WE WILL LIMIT OUR PUBLIC STATEMENTS ON THE MATTER TO THE ASSERTION THAT "WE HAVE ANSWERED THE LATEST GRN COMMUNICATION AND OFFERED SOME SUGGESTIONS ON HOW THE DIALOGUE SHOULD PROCEED."

IF YOU ARE ASKED BY GRN WHETHER US OFFER MEANS THAT U.S. WILL NOT ENGAGE IN HIGH LEVEL DISCUSSIONS UNTIL GRN HAS CLOSED DOWN DRU COMMAND AND CONTROL HEADQUARTERS, YOU MAY SAY THAT WE DO NOT INSIST ON ANY PRECONDITIONS FOR A CONTINUATION OF THE EFFORTS TO ESTABLISH A DIALOGUE BETWEEN THE U.S. AND NICARAGUA. IN THE ABSENCE OF ANY EVIDENCE THAT NICARAGUA INTENDS TO DEAL SERIOUSLY WITH THE ISSUES, WE SEE NO PURPOSE IN RAISING OUR COMMUNICATIONS TO A HIGHER LEVEL. IF, HOWEVER, THERE IS SOME EVIDENCE THAT NICARAGUA IS SERIOUS IN ITS PROFESSED WILLINGNESS TO TERMINATE ITS SUPPORT FOR THE GUERRILLAS IN EL SALVADOR WE ARE PREPARED TO MOVE IMMEDIATELY TO HIGHER LEVEL EXCHANGES TO PUSH AHEAD WITH THE PROCESS OF RESTORING PEACE TO CENTRAL AMERICA.

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