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24 Apr 86

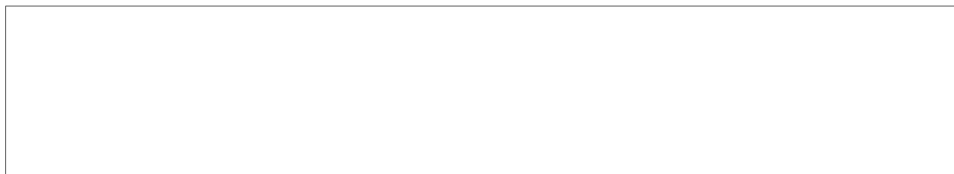
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EXDIS/CONTRA, EXDIS FOR CONTRA DISTRIBUTION

FROM AMBASSADOR HABIB

E.O. 12356: DECL:OADR  
TAGS: UY, PREL, XK  
SUBJ: HABIB TRIP: MEETINGS WITH PRESIDENT  
- SANGUINETTI AND FOREIGN MINISTER IGLESIAS

1. SECRET ENTIRE TEXT.

2. SUMMARY. FOREIGN MINISTER IGLESIAS TOLD US THAT URUGUAY'S POLICY TOWARD CENTRAL AMERICA AND NICARAGUA IN PARTICULAR IS SUBJECT TO INTERNAL POLITICAL FACTORS, SPECIFICALLY THE NEED TO MAINTAIN NATIONAL UNITY WITH THE BLANCO PARTY, MANY OF WHOSE MEMBERS ARE SANDINISTA SYMPATHIZERS. HE SAID THAT THE GOU SHARES OUR GOALS, BUT DISAGREES WITH OUR METHODS. HE ACKNOWLEDGED THAT THE CONTADORA PROCESS IS BY NO MEANS CERTAIN TO SUCCEED. HE SAID THAT THE SANDINISTAS WERE MORE THAN INTRANSIGENT, THEY WERE BEHAVING IRRATIONALLY AS IF LOOKING FOR MARTYRDOM. HE PREFERENCES TO HAVE AN AGREEMENT SIGNED ON JUNE 6, EVEN IF IT IS INCOMPLETE. BELIEVING THAT THIS WILL PRODUCE A CLIMATE OF CONFIDENCE NEEDED TO CONCLUDE THE REMAINING ISSUES. URUGUAY WILL ALSO PARTICIPATE IN THE COSTA RICA-NICARAGUA BORDER COMMISSION. I STRESSED THE NEED TO AVOID THESE TYPES OF PIECEMEAL APPROACHES AND WORK FOR A COMPREHENSIVE, SIMULTANEOUS, AND VERIFIABLE AGREEMENT WHICH INCLUDES ALL 21 POINTS.

wants an agreement - even if incomplete

3. PRESIDENT SANGUINETTI REITERATED SOME OF THESE POINTS AND ADDED THAT FOR ALL ITS SHORTCOMINGS, CONTADORA HAD BEEN USEFUL IN PREVENTING A WIDER WAR AND THE SANDINISTAS FROM DECLARING NICARAGUA A COMMUNIST STATE. HE WAS DISAPPOINTED BY THE NICARAGUANS' PERFORMANCE IN PANAMA, AND HE ASSURED US THAT THERE WOULD BE NO CONCESSIONS JUST TO GET NICARAGUA TO SIGN. END SUMMARY.

no concessions to Nicaragua, however

4. ON APRIL 23, AMBASSADOR WILKEY AND I MET WITH PRESIDENT SANGUINETTI AND FOREIGN MINISTER IGLESIAS TO DISCUSS CONTADORA AND NICARAGUA. IN

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THE FIRST OF THREE SESSIONS DURING THE DAY WITH IGLESIAS. I EXPLAINED THAT THE PURPOSE OF MY MISSION WAS TO EXPLORE DIPLOMATIC MEANS TO ACHIEVE PEACE IN CENTRAL AMERICA, PARTICULARLY IN LIGHT OF THE RECENT PANAMA MEETING. THE CONTADORA PROCESS WAS ENTERING A CRITICAL PHASE, AND WE WANTED TO HEAR URUGUAY'S VIEWS ON THE DIRECTION THE PROCESS WAS MOVING AND ALSO ON WHAT NICARAGUA WAS DOING. I EXPLAINED THAT THE U.S. SUPPORTED THE CONTADORA PROCESS AND WOULD ENDORSE AN AGREEMENT THAT INCORPORATED ALL 21 POINTS OF THE 1983 DOCUMENT OF OBJECTIVES AND WHICH WAS COMPREHENSIVE, SIMULTANEOUS, AND VERIFIABLE.

5. IGLESIAS SAID THAT URUGUAY WAS A DEMOCRATIC COUNTRY, AND IN GENERAL THE GOU SOUGHT TO MAINTAIN A POSITION OF NATIONAL UNITY ON FOREIGN POLICY ISSUES. THE ISSUE OF NICARAGUA WAS PARTICULARLY SENSITIVE BECAUSE MANY MEMBERS OF THE OPPOSITION BLANCO PARTY -- INCLUDING SOME WHO HAD LIVED AND WORKED IN EXILE WITH RADICAL GROUPS SUCH AS THE SANDINISTAS -- WERE SYMPATHETIC TO NICARAGUA. THE GOU MUST TAKE THE POSITION OF THESE PEOPLE INTO ACCOUNT AS IT FORMS ITS POLICY. LAST YEAR THE GOU SENSED THAT THE CONTADORA PROCESS WAS STALLING, AND IT JOINED IN FORMING THE SUPPORT GROUP TO REINVIGORATE THE SEARCH FOR PEACE. HE ACKNOWLEDGED THAT THE SITUATION WAS CONFUSING AND THAT NO ONE HAD A CLEAR IDEA OF WHERE THE PROCESS WAS LEADING OR WHETHER IT WOULD SUCCEED. HE ADDED THAT IT WAS ESSENTIAL TO CONTINUE THE CONTADORA PROCESS, AS THE ALTERNATIVES WERE A DISASTROUS WAR AND CONSOLIDATION OF THE SANDINISTA REGIME WITH EVERYONE GETTING USED TO IT.

6. I NOTED THAT NICARAGUAN FOREIGN MINISTER D'ESCOTO HAD BEEN INTRANSIGENT AND EVEN INSULTING AT PANAMA. IGLESIAS RESPONDED THAT THE PANAMA MEETING HAD BEEN FRUSTRATING AND CONFUSING. HE DOUBTED THAT D'ESCOTO'S ACTIONS WERE PART OF A COHERENT MASTER PLAN. INSTEAD, HE ASCRIBED THEM TO PSYCHOLOGICAL FACTORS. HE SUGGESTED THAT D'ESCOTO AND OTHER DIPLOMATS SUCH AS VICE MINISTERS TINOCO AND ASTORGA WERE ACTING INCREASINGLY PASSIONATE AND IRRATIONAL, AS IF PREPARING TO

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FROM AMBASSADOR HABIB

E.O. 12356: DECL:OADR  
TAGS: UY, PREL, XK  
SUBJ: HABIB TRIP: MEETINGS WITH PRESIDENT

BECOME MARTYRS. IN HIS VIEW, THE SANDINISTAS HAD BECOME DISTRUSTFUL OF CONTADORA, AS THEY BELIEVED THAT IT WAS FORCING CONCESSIONS FROM THEM WITHOUT PUTTING PRESSURE ON THE UNITED STATES. CITING AN ARTICLE BY INTERIOR MINISTER BORGE, HE PERCEIVED THAT SOME SANDINISTAS WERE ASKING WHY THEY SHOULD NEGOTIATE WITH PEOPLE WHO WANTED THEM TO OPEN THE SOCIETY AND DEVELOP A MODEL THAT THE SANDINISTAS THEMSELVES DID NOT WANT.

7. I SAID THAT I DOUBTED THAT THE COMANDANTES WERE REALLY IRRATIONAL AND SOUGHT MARTYRDOM. I BELIEVED THAT THEY WERE USING THESE TACTICS TO DEFEAT MEASURES WHICH COULD BE EFFECTIVE IN

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FORCING INTERNAL CHANGE. THE SANDINSTAS ONLY RESPONDED TO PRESSURE. POLITICAL AND DIPLOMATIC PRESSURE WAS IMPORTANT, AND THE USG WAS PLEASED TO SEE THE EXPANSION OF THE CONTADORA PROCESS, AS NOW 12 LATIN AMERICAN COUNTRIES COULD BRING PRESSURE TO BEAR ON NICARAGUA. THIS PRESSURE IS IMPORTANT. NICARAGUA MUST DECIDE IF IT WISHES TO GO THE WAY OF CUBA OR REJOIN THE REST OF LATIN AMERICA. IF IT CHOOSES THE FORMER, IT CAN EXPECT EVER-GROWING ARMED OPPOSITION. IF IT CHOOSES THE LATTER, THE DOOR IS OPEN THROUGH THE CONTADORA PROCESS. THE U.S. WOULD SUPPORT A COMPREHENSIVE, SIMULTANEOUS, AND VERIFIABLE AGREEMENT, AND SUCH AN AGREEMENT WOULD AUTOMATICALLY RESOLVE THE CONTRA ISSUE, SINCE THE CONTRAS ARE NICARAGUANS WHO WOULD BE REPATRIATED UNDER THE PROVISIONS OF NATIONAL RECONCILIATION. MY RECENT LETTER TO THREE MEMBERS OF CONGRESS SPECIFICALLY ADDRESSED THIS POINT. THE AGREEMENT MUST BE A GOOD AGREEMENT, HOWEVER, KEEPING IN MIND HOW THE SANDINISTAS VIOLATED THE COMMITMENTS MADE IN 1979.

8. I TOLD IGLESIAS THAT THERE WAS A CLEAR NEED TO STRENGTHEN SOME PROVISIONS OF THE CURRENT DRAFT, PARTICULARLY ON KEY ISSUES SUCH AS ARMS LEVELS AND VERIFICATION. NICARAGUA COULD, FOR EXAMPLE, SIGN THE AGREEMENT AND GET IMMEDIATE RELIEF FROM THE CONTRAS, BUT IT COULD THEN REFUSE TO REDUCE ITS ARMS LEVEL AND THE OTHER COUNTRIES COULD DO NOTHING ABOUT IT. IGLESIAS ACKNOWLEDGED THAT I HAD A POINT AND THAT THIS SITUATION COULD BE REAL TROUBLE. HE ARGUED THAT THE CARABALLEDA DECLARATION HAD SUPPORTED THE CONTADORA PROCESS, BUT I POINTED OUT THAT IT WAS FLAWED BECAUSE IT LACKED THIS ELEMENT OF SIMULTANEITY AND WAS THEREFORE IN FAVOR OF NICARAGUA. HE ACKNOWLEDGED THAT AT PUNTA DEL ESTE, IT HAD BEEN NECESSARY TO CLARIFY THAT CARABALLEDA WAS TO HELP CONTADORA, NOT REPLACE IT. I PROCEEDED TO POINT OUT OTHER WEAKNESSES IN THE CURRENT DRAFT AGREEMENT, SUCH AS THE PROVISIONS ON POLITICAL PLURALISM AND THE NEED TO COMPLETE NEGOTIATIONS ON THE STATUTE ON VERIFICATION. IGLESIAS WAS GREATLY INTERESTED IN LEARNING OUR VIEWS IN DETAIL, AND I OFFERED TO SEND A TEAM OF EXPERTS DOWN TO REVIEW THE TEXT AT THE WORKING LEVEL. HE READILY ACCEPTED.

*Better do it fast!*

9. IGLESIAS SAID THAT THE GOU AGREED WITH THE U.S. GOALS IN NICARAGUA, BUT NOT OUR TACTICS. URUGUAY WANTED PEACE AND A DEMOCRATIC NICARAGUA. IT BELIEVED THAT MILITARY PRESSURE CREATED MORE PROBLEMS, ALTHOUGH HE ADMITTED THAT HE DID NOT KNOW IF THE CONTADORA PROCESS WOULD SUCCEED. HIS PLAN WAS TO HAVE THE CONTADORA AGREEMENT SIGNED ON JUNE 6, EVEN THOUGH SOME ISSUES REMAINED UNRESOLVED. THIS ACT WOULD FORMALLY COMMIT NICARAGUA TO AN AGREEMENT ON SECURITY IN CENTRAL AMERICA. IT WOULD CREATE A CLIMATE OF CONFIDENCE IN WHICH THE OUTSTANDING ISSUES COULD THEN BE RESOLVED. I WARNED HIM AGAINST ANY SUCH PIECEMEAL APPROACH, PARTICULARLY ONE WHICH GAVE NICARAGUA WHAT IT WANTED IMMEDIATELY AND PROVIDED NO GUARANTEE THAT NICARAGUA WOULD NOT BACK OUT LATER. I STRESSED THAT THE AGREEMENT MUST HAVE THE NECESSARY MECHANISMS BUILT INTO IT AND A CLEAR DEFINITION OF THE COMMITMENTS BEFORE IT IS SIGNED.

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EXDIS, CONTRA, EXDIS FOR CONTRA DISTRIBUTION

FROM AMBASSADOR HABIB

E.O. 12356: DECL: OADR  
TAGS: UY, PREL, XK  
SUBJ: HABIB TRIP: MEETINGS WITH PRESIDENT

10. I SAID THAT THE CENTRAL AMERICANS FEARED NICARAGUA'S MILITARY MIGHT AND WANTED AN AGREEMENT. THEY DID NOT WANT TO MAKE FURTHER CONCESSIONS TO NICARAGUA, HOWEVER. THEY FELT THAT THE CONTADORA COUNTRIES HAD NOT ALWAYS TAKEN THEIR VIEWS INTO ACCOUNT. IGLESIAS AGREED, NOTING THAT HE HAD TOLD HIS COLLEAGUES THE SAME THING.

11. IGLESIAS INQUIRED ABOUT THE STATUS OF THE CONTRA BILL. I EXPLAINED THAT THE DEMOCRATS HAD USED PARLIAMENTARY PROCEDURES TO BLOCK IT, BUT THE ADMINISTRATION BELIEVED IT CAN WIN IN A STRAIGHT UP-OR-DOWN VOTE. IT WAS UNCLEAR IF THIS WOULD HAPPEN BEFORE JUNE 6, BUT THE SENATE BILL CALLS FOR NEGOTIATIONS, AND AS MY LETTER POINTS OUT, IF THERE IS A VIABLE CONTADORA AGREEMENT, THE CONTRA ISSUE CAN BE RESOLVED.

12. ON RECONCILIATION IN NICARAGUA, IGLESIAS SAID HE AGREED WITH A DIALOGUE WITH THE CIVIC OPPOSITION, BUT NOT THE ARMED RESISTANCE. I SAID THAT THIS WAS AN IMPORTANT POINT, AND I REMINDED HIM OF THE RECENT 6-PARTY PROPOSAL FOR A CEASE FIRE AND AMNESTY AND NOTED THAT CONTRAS WERE ALSO NICARAGUANS WHO WOULD NEED TO BE PART OF THE RECONCILIATION CALLED FOR IN CONTADORA.

13. IGLESIAS ASKED ABOUT THE LEADERSHIP AND SIZE OF THE ARMED RESISTANCE. I TOLD THEM THAT IT CONTAINED A MIXTURE OF EX-SANDINISTAS, EX-NATIONAL GUARDSMEN, AND MOSTLY PEOPLE WHO WERE NEITHER. MANY OF ITS POLITICAL LEADERS SUCH AS CRUZ AND ROBELO HAD BEEN LEADERS OF THE REVOLUTIONARY GOVERNMENT. DESPITE A CUT-OFF OF U.S. MILITARY AID SINCE 1984, IT HAD CONTINUED TO GROW. IT WOULD GROW MUCH MORE EFFECTIVE IF THE AID BILL WERE PASSED. WE LATER PROVIDED IGLESIAS SOME OF OUR WRITTEN MATERIAL ON THE RESISTANCE LEADERSHIP.

14. CONCERNING THE COSTA RICA-NICARAGUA BORDER COMMISSION, IGLESIAS SAID THAT COSTA RICA HAD ASKED FOR URUGUAY'S HELP, AND THE GOU FELT OBLIGED TO AGREE. THE PLAN CALLED FOR A 10-20 MEMBER CIVIL COMMISSION OF OBSERVERS. I WARNED THAT THIS WAS EXACTLY THE PIECE-MEAL APPROACH WE SHOULD AVOID. DUARTE AND AZCONA WERE AGAINST IT.

15. IGLESIAS ASKED ABOUT OUR CONTACTS WITH THE SOVIETS CONCERNING NICARAGUA. I SAID THAT THE SOVIETS WISHED TO WEAKEN US WHEREVER POSSIBLE, AND NICARAGUA HAD ALREADY BEEN A GAIN FOR THEM, SINCE IT WAS GIVING THEM A BEACHHEAD ON THE AMERICAN MAINLAND FOR STIRRING UP ANTI-ADMINISTRATION SENTIMENTS AND PROMOTING SUBVERSION. IGLESIAS AGREED THAT THERE WAS AN EAST-WEST DIMENSION TO THE NICARAGUAN PROBLEM.

16. LATER IN THE DAY, WE MET WITH PRESIDENT SANGUINETTI WHO WAS ACCOMPANIED BY IGLESIAS. MANY OF THE POINTS MADE IN THE EARLIER MEETING WERE AGAIN RAISED.

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SANGUINETTI SAID THAT RECENTLY HE HAD DISCUSSED THE NICARAGUAN PROBLEM WITH THE PRESIDENTS OF PERU, VENEZUELA, AND COSTA RICA, AND NO ONE HAD A FIRM ANSWER. URUGUAY HAD SENT A LETTER TO NICARAGUA ASKING IT TO INCREASE ITS COMMITMENT TO CONTADORA; THE RESPONSE HAD BEEN "MORE OR LESS SATISFACTORY" SO THE PROCESS WAS MOVING AHEAD. SANGUINETTI SAID THAT IF IT WERE NOT FOR CONTADORA, NICARAGUA WOULD HAVE DECLARED ITSELF COMMUNIST AND THE SOVIETS WOULD BE THERE IN FORCE. THEN, THE ONLY U.S. OPTIONS WOULD BE WAR OR ACCEPTING NICARAGUA.

17. SANGUINETTI SAID HE UNDERSTOOD THAT THE U.S. FELT THAT IT HAD SECURITY INTERESTS IN THE REGION, BUT HE COULD NOT CONDONE OUR SUPPORT FOR THE CONTRAS. HE BELIEVED IT WAS A TWO-EDGE SWORD: IT COMPLICATED SANDINISTA CONSOLIDATION; BUT IT ALSO MADE ORTEGA A NATIONAL HERO. HE FEARED THAT IF THE CONFLICT ESCALATED INTO A FULL WAR, IT COULD LAST FOR YEARS. I EXPLAINED THAT OUR POLICY WAS TO PRESSURE THE SANDINISTAS AND COMPEL THEM TO ACCEPT AN AGREEMENT THAT IS COMPREHENSIVE, SIMULTANEOUS, AND VERIFIABLE. THE SANDINISTAS ARE  
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FROM AMBASSADOR HABIB

E.O. 12356: DECL:OADR  
TAGS: UY, PREL, XK  
SUBJ: HABIB TRIP: MEETINGS WITH PRESIDENT

TRYING TO WAIT THE U.S. OUT, AND THE PANAMA DECISION TO SET A TIMETABLE AND RESUME NEGOTIATIONS WAS MOST HELPFUL. THE U.S. WAS DISAPPOINTED IN NICARAGUA'S RESPONSE. SANGUINETTI ADDED THAT HE WAS DISAPPOINTED IN NICARAGUA ALSO.

18. SANGUINETTI TOLD US THT THE NICARAGUAN DELEGATION TOTHE ARIAS INAUGURATION WOULD BE LED BY VICE PRESIDENT RAMIREZ. HE SAID THAT THE COSTA RICANS DID NOT WANT ORTEGA, AS HIS PRESENCE WOULD CAUSE A DISTURBANCE.

*Ramirez to  
Arias inaug.*

19. I SAID THAT NICARAGUA IS OUT OF STEP WITH ITS DEMOCRATIC NEIGHBORS, AND IT IS THE THREAT IN THE REGION. THE DEMOCRACIES ARE WORKING TOGETHER TO GET AN AGREEMENT. ALTHOUGH OF COURSE WE WOULD JUDGE FOR OURSELVES IF ANY AGREEMENT MET OUR CRITERIA, WE GENERALLY SHARED THE VIEWS OF THE CENTRAL AMERICANS. WE WOULD NOT SUPPORT AN AGREEMENT THAT THEY COULD NOT ACCEPT. THEY DOUBT THAT NICARAGUA WILL ACTUALLY SIGN AN AGREEMENT. SANGUINETTI COMMENTED THAT MANY IN LATIN AMERICA ARE SKEPTICAL ABOUT THIS ALSO. I CAUTIONED AGAIN ABOUT MAKING CONCESSIONS TO NICARAGUA JUST TO GET THE SANDINISTAS TO SIGN. HE SAID NOT TO WORRY. I ALSO SAID THAT NICARAGUA SHOULD NOT BE DEMANDING PRECONDITIONS FROM THE U.S. OUR POSITION IS ON THE RECORD AND RESTATED IN MY LETTER.

20. THE REMAINDER OF THE DISCUSSION CONCERNED THE SITUATION IN THE MIDDLE EAST, AS SANGUINETTA DEPARTS FOR THE REGION ON APRIL 25.

21. DURING DINNER AT AMBASSADOR WILKEY'S RESIDENCE, WE COVERED MUCH OF THE SAME GROUND WITH IGLESIAS AND MEMBERS OF THE COLORADO AND BLANCO PARTIES.

WATSON  
END OF MESSAGE

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