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Foreign and Commonwealth Office

London SW1A 2AH

1 April 1986

Prime Minister

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Dear Mark,

Nicaragua

Filed in Chile: FES.

Thank you for your letter of 18 March about Chile and Nicaragua.

Last October, following the suspension of various guarantees of civil liberties by the Nicaraguan Government, we did indeed propose action along these lines. But while there was widespread concern among our partners about developments in Nicaragua, it was not possible to reach agreement on an appropriate response by the Twelve. In the event, we and some other European Governments made our own statements critical of the Nicaraguan Government's action. The Foreign Secretary also made our concern clear to the Nicaraguan Foreign Minister at the meeting of EC, Central American and Contadora Group Ministers in Luxembourg in November.

Have we published any of this?

In general, there is little sympathy for the Sandinistas among our partners, including some who earlier were more inclined to give them the benefit of the doubt. But this more critical attitude is accompanied by growing concern about the direction in which US policy may be leading. As a consequence, there appears to be little immediate prospect of securing agreement to a satisfactory statement about Nicaragua by the Twelve. But this is clearly something to pursue and to have in mind during the UK Presidency.

The Prime Minister may wish to have our own assessment of the Nicaraguan situation, to set alongside that of the Economist of 15 March. The Sandinista leadership ranges from hard-line Marxist-Leninists to radical Catholic priests. It is strongly nationalistic and committed to the proposition that the Sandinista revolution (whatever its final form) is irreversible. Despite some internal ideological and personal strains, the leadership is held together by fear of the consequences of unbridled internal dissension. The structure

So are most-Communists

/of state power



of state power is centralised under the Sandinista Party (FSLN), which also controls the mass organisations which provide an additional instrument of popular control. Nicaraguan society has become increasingly militarised by the war effort against the Contras.

But the Sandinistas are still some way from exercising the monolithic control of power enjoyed by, say, the Cuban Communist Party. Opposition Parties hold 31 of the 92 seats in the National Assembly and continue to express their views there and in the media. An opposition newspaper continues to publish, albeit heavily censored. The regime is intolerant of dissent: harrassment of the private sector and of opposition activists has increased. But dissent is expressed and by Central American standards abuses of individual human rights are relatively mild. President Reagan's TV speech of 16 March appealing for funds for the Contras was broadcast in full in Nicaragua and debated by an all-party panel two days later. The Catholic Church, the sole remaining Nicaraguan institution which has not been taken over or cowed by the regime, is vigorous and politically involved and has grown in both popularity and stature. But the Church radio station and newspaper have been closed by the authorities; and the Church is itself divided between the conservative hierarchy and its supporters and a section of the priesthood inspired by the ideas of liberation theology.

In short, the overwhelming popular support originally enjoyed by the Sandinistas has diminished and given way to fairly widespread discontent at falling living standards, economic shortages and other effects of the war and of Sandinista mismanagement. But no credible political alternative has emerged within the country. Meanwhile the war enables the regime to portray opposition criticism as unpatriotic and to justify repressive measures.

Many of Nicaragua's economic and social ills can be ascribed to the Contra campaign and the Government's efforts to counter it. In 1985 the defence effort consumed half of the national budget. But the Contra's campaign has been brutal and largely destructive. Militarily they have been outfought by the better equipped Sandinista forces aided by Cuban and Soviet military advisers; and politically they have failed to establish any basis of popular support inside Nicaragua. The Contras have been for the most part incompetently led by a leadership which includes men identified with the Somoza dictatorship as well as others who fought against it; and while they have demonstrated their capacity to hurt the Sandinista regime they have not so far presented any serious threat to its survival.

/The Economist article



The Economist article argued that the Contras are the main reason why the Sandinistas are more restrained than they used to be. A case can indeed be made that at an earlier stage a combination of external political, economic and military pressures, mainly from the United States, induced the Sandinista leadership to adopt a more cautious and flexible position internally and externally than they might otherwise have done. But they now perceive themselves to be fighting for their survival and in consequence have become more intransigent both in their internal behaviour and in their approach to the Contadora negotiations. A senior US official has described American policy to us as being to force the Sandinistas either to come to terms with the Contras or to fall to them. Neither outcome appears probable. The latter would require a far greater degree of military effectiveness than the Contras have displayed hitherto: the former would require the Sandinistas to negotiate away the basic principles on which their revolution rests. What is perceived as open US sponsorship of externally-based insurgency against the Nicaraguan Government is provoking increasingly vocal opposition throughout Latin America, even from some of Nicaragua's neighbours and from other governments unsympathetic to the Sandinistas. Underlying this Latin American criticism of the doubtful legality of US policy is the fear that growing US commitment to the Contras could lead inexorably to direct US military intervention against Nicaragua.

The Foreign Secretary is concerned that present US policy could submit the political cohesion of the Western Alliance to greater strains than the Sandinista threat to Western interests warrants. The Prime Minister will recall that this was the effect of the US imposition of economic sanctions on Nicaragua, just before last year's Bonn Summit. The sanctions have, of course, had little real effect - save to strengthen the economic links between Nicaragua and the Soviet bloc.

We and our Community partners share the United States' aims of preventing the consolidation of a Communist regime in Nicaragua and of promoting security, political stability and economic and social development in Central America. But there is a risk that the means chosen by the US Administration to achieve these objectives could have the effect of forcing Nicaragua into still deeper and perhaps irreversible reliance on the Soviet Union and its allies, while undermining US and wider Western interests elsewhere in Latin America and the Caribbean.

/It is not easy



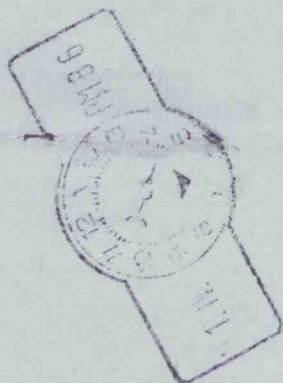
It is not easy to see a way out of this dilemma, in which US national interests are more immediately and directly engaged than are ours. Sir Geoffrey Howe believes that our aim should be to avoid disagreeing in public with the Americans over this issue, and to seek with our Community partners to promote the containment of the Sandinista regime. This second objective is to be pursued primarily by giving our support to regional efforts to reach a negotiated solution to the Central American crisis through the Contadora process, and by urging all concerned - including, of course, Nicaragua - to exercise the utmost restraint. An effective and enforceable Contadora treaty would be unlikely to put an end to all the Sandinistas' attempts at subversion of their neighbours: but it would probably provide the best defence against them.

Yours Sincerely,
Colin Budd

(C R Budd)

M Addison Esq
PS/10 Downing Street

N C Caragua





10 DOWNING STREET

From the Private Secretary

3 April 1986

Thank you for your letter of 1 April about Nicaragua. The Prime Minister was grateful for this comprehensive account. She very much agrees with the proposal in your letter that a statement about Nicaragua by the EC is something to pursue and to have in mind during the UK Presidency.

|| She has asked in particular whether, and in what way, our concern about developments in Nicaragua to which reference is made in the first substantive paragraph of your letter has been published?

(Timothy Flesher)

Colin Budd, Esq.,
Foreign and Commonwealth Office

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Foreign and Commonwealth Office

London SW1A 2AH

14 April 1986

Dear Tim

CDP
14/4

Nicaragua

Thank you for your letter of 3 April about Nicaragua. Our concern about the suspension of civil liberties last October was made public by the FCO spokesman on 18 October soon after the measures were announced and reiterated by Mr Eggar in Parliament on 18 December (Cols 281-282). The same points have been made in the only subsequent Ministerial speech on the area (by Lady Young on 24 January) and are included in a policy statement which has been made widely available to MPs and members of the public and organisations who have written to us about Nicaragua.

We shall of course continue to draw attention to our concern about developments in Nicaragua.

Yours ever

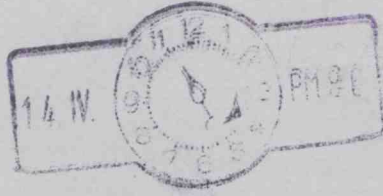
(R N Culshaw)
Private Secretary

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International Democrat Union

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18th February 1986

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NEWS

IDU SUPPORTS NEW PEACE INITIATIVE FOR NICARAGUA AND SEEKS ALL PARTY SUPPORT

Following a meeting with the leader of the Nicaraguan opposition " Coordinadora Democratica ", Mr. Mario Rappaccioli (leader of the Nicaraguan Conservative Party), Dr. Alois Mock, IDU Chairman, stated that he would support their peace initiative.

The central points of this are:

- # a ceasefire between government and guerillas;
- # the elimination of the state of emergency and the reinstatement of respect for human rights;
- # new general elections ;
- # the reinstatement of total democracy ;
- # an invitation to all political parties and their Internationals to help and support the peace initiative.

This declaration has been signed by the Social Christian Party, the Social Democrat Party, the Democratic Conservative Party and the Conservative Party of Nicaragua.

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IDU Information

The International Democrat Union (IDU) is the most broadly representative international political organisation of its kind. Founded in June 1983, the IDU unites 23 Christian-Democrat, Conservative, centre and like-minded political parties, which together have the support of more than 150 million voters.

The IDU is the umbrella organisation of the European Democrat Union (EDU) and the Pacific Democrat Union (PDU). These regional associations, founded in 1978 and 1982 respectively, provide their member-parties with fora for discussions on matters of primarily regional concern, while the IDU coordinates the worldwide efforts of the member-parties and maintains contacts with like-minded parties in other regions of the world.

The highest decision-making body of the IDU is the biennial Party Leaders' Conference (London, June 1983; Washington DC, July 1985). The Conference, which decides questions of IDU policy and membership, invests day-to-day authority in the IDU Chairman, the biannual Executive Committee and the London based IDU Executive Secretary and the Secretariat.

The Chairman of the IDU is Dr Alois Mock, Leader of the Österreichische Volkspartei and Chairman of the EDU. The PDU Chairman is the Hon Andrew Peacock MP of the Australian Liberal Party, former Foreign Minister and now Foreign Affairs spokesman.

The other officers are: Vice-Chairmen: Mr Ulf Adelsohn, Sweden; Hon Richard V Allen, USA; M Jacques Chirac, France; Mr Susumu Nikaido, Japan; Dr Misael Pastrana Borrero, Colombia; Hon Andrew

Peacock, Australia; Dr Francisco Lucas Pires, Portugal; and Dr Franz Josef Strauss, Germany; Treasurers: Sir Robert Crichton-Brown, Australia; and Hon Allan Lawrence, Canada; Executive Secretary: Mr Scott Hamilton, UK.

The IDU and its two regional organisations have established various committees to discuss and coordinate policy on subjects of special interest. The IDU Standing Committee on Foreign Affairs, chaired by Dr Volker Rühle, Deputy Chairman of the CDU/CSU Parliamentary Group, Germany, meets regularly to review international political developments. Other Committees include the EDU and PDU Steering Committees and EDU Committees on European Policy, High Technology, and Transboundary Environmental Problems.

The member-parties of the International Democrat Union are: The Liberal Party, Australia; Österreichische Volkspartei, Austria; United Democratic Party, Belize; Progressive Conservative Party, Canada; Conservative Party, Colombia; Democratic Rally, Cyprus; Det Konservative Folkeparti, Denmark; Kansallinen Kokoomus, Finland; CNIP, France; Rassemblement pour la République, France; Christlich Demokratische Union, Germany; Christlich Soziale Union, Germany; Nea Demokratia, Greece; Labour Party, Jamaica; Liberal Democratic Party, Japan; National Party, New Zealand; Høyres Hovedorganisasjon, Norway; Partido do Centro Democrático Social, Portugal; Alianza Popular, Spain; Partido Demócrata Popular, Spain; Moderata Samlingspartiet, Sweden; Conservative Party, United Kingdom; Republican Party, United States. Associate members of the IDU are: Partit Nazzjonalista, Malta; European Democrat Students; European Union of Women; European Medium and Small Business Union; International Young Democrat Union.

Meeting of the Party-Internationals in Managua

During the talks , constructive support for the democratic Opposition in Nicaragua was discussed. The following was agreed:

- # The IDU will contact the Socialist International and the Liberal International with a view to a meeting in Managua in early summer 1986, the theme of which would be the peaceful change to democracy in Nicaragua.
- # The newly founded Caribbean Democrat Union (CDU) will keep in close contact with the Coordinadora Democratica and support its peace initiative.
- # The EDU and the IDU will support the Human Rights Committee in Nicaragua in a material way , and draw worldwide attention to its findings.
- # The IDU will review the question of development aid to Nicaragua at its next Executive Committee meeting in London on 7th of March next (details of this meeting to follow later).

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