SECRET TEGUCIGALPA 5175

EXDIS (NOTAL)

REF: (A) MANAGUA 2146; (B) TEGUCIGALPA 5070 (NOTAL)

1. DECL - ENTIRE TEXT

2. We find Managua analysis contained refel persuasive and right on the mark. We would add that, from this vantage point, Honduran army incursions into Nicaragua would appear most unlikely; nor have we noted any signs of Honduran army joining insurgents in cross-border activities.
3. Having said that, we suspect that the greater the FDN/ARDE successes inside Nicaragua, the greater the Nicaraguan efforts will be to portray their country as a victim of external aggression. There will be an even further rise in level of rhetoric; renewed Security Council meetings; etc.

4. What some Hondurans fear, although admittedly not on the basis of any profound analysis of the Nicaraguan scene, is that if things start going really badly for the Nicaraguans internally, then they may launch a conventional attack on Honduras.