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SECTION 21 OF * TEGUCIGALPA 12032

E.O. 12356: DECL: OADR TAGS: MASS, EAID, X., EO

SUBJECT: HONDURAN TERMS OF REFERENCE FOR NEGOTIATIONS ON

BILATERAL COOPERATION: AMBASSADOR'S SEPT. 25

CONVERSATION WITH FORMIN PAZ

REF: TEGUCIGALPA 11272

1. P - ENTIRE TEXT)

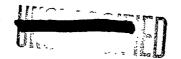
Dept of State, RPS/IPS, Margaret P. Grafeld, Dir.

(*) Release () Excise () Deny Declassify

Date 6 6 6 6 Exemption

HONDURAN FONMIN PAZ GAVE AMBASSADOR SUMMARY. NEW PROPOSED BILATERAL SECURITY AND ECONOMIC COOPERATION AGREEMENTS ON SEPTEMBER 25, AND TOLD AMBASSADOR THAT TWO CONDITIONS WOULD PREVAIL DURING FURTEER DISCUSSION OF PROPOSALS: NO MORE TRAINING OF SALVADORANS AT RMTC. AND NO FURTHER U.S. CONSTRUCTION ACTIVITIES OF THE NATURE PROPOSED BY U.S. FOR DATA RELAY FROM TIGER ISLAND AND CERRO LA MOLE. PAZ PROPOSED THAT HONDURAN COMMISSION MEET WITH SECRETARY SHULTZ AND NSC ADVISER MCFARLANE IN OCTOBER TO REACH A GENERAL UNDERSTANDING. AMBASSADOR ASKED PAZ TO RELAY HIS DEEP CONCERN TO PRESIDENT SUAZO ABOUT STATE OF PLAY, NOTING THAT BILATERAL COOPERATION ON SPECIFIC QUESTIONS SEEMS TO BE HOSTAGE TO RESOLUTION OF THESE BROADER, AND VAGUER, CONCERNS. IMMEDIATE PROBLEMS WOULD BE DEALING WITH PRESS ON HONDURAN VETO OF FURTHER SALVADORAN TRAINING AT RMTC AND PROBABLE WITEDRAWAL OF ALL OR SOME U.S. TRAINERS. HONDURAN MOTIVES FOR PURSUING BROAD AGREEMENTS TOGETHER WITH RMTC QUESTION ARE MIXED; BASIC QUESTION REMAINS WHETHER THEY WANT THE RMTC AT ALL, OR WOULD PREFER TO DISENGAGE, AND AT THE SAME TIME CURTAIL ANTI-SANDINISTA ACTIVITIES FURTHER. OUR STRATEGY SHOULD CONTINUE TO BE TO ISOLATE PMTC ISSUE AND LIMIT DAMAGE THEREFROM AS BEST WE CAN. MEANWHILE, IN LIGHT OF GOH INSISTENCE, WE WILL WANT TO CONSIDER DESIRABILITY OF RECEIVING GOH DELEGATION IN WASHINGTON AS PROPOSED BY PAZ. END SUMMARY.

3. AMBASSADOR CALLED ON HONDURAN FONMIN PAZ ON MORNING OF SEPT. 25 TO RECEIVE TEXT OF HONDURAN PROPOSALS FOR BILATERAL SECURITY AND ECONOMIC COOPERATION AGREEMENTS. MORNING NEWSPAPERS HAD ALREADY CARRIED THE NEWS THAT FONMIN WOULD DELIVER DOCUMENTS TO AMBASSADOR DURING THE COURSE OF THE DAY, AND PRESS WAS PRESENT AT THE FOREIGN MINISTRY TO ELICIT AMBASSADOR'S COMMENTS ON



ENTRY AND DEPARTURE.

- 4. PAZ BEGAN CONVERSATION BY SAYING THAT HE HAD BEEN INSTRUCTED TO PRESENT THREE DOCUMENTS: SOME INTRODUCTORY CONSIDERATIONS WITH REGARD TO THE PROPOSED AGREEMENTS; AND THE PROPOSED TEXTS OF THE TWO AGREEMENTS THEMSELVES (TEXTS SEPTELS). THE SUPERIOR DEFENSE COUNCIL HAD PREPARED THE PROPOSED BILATERAL SECURITY AGREEMENT. A CABINET COMMISION, INCLUDING MINISTER OF THE PRESIDENCY ARRIAGA, ECONOMIC ADVISER STARKMAN, AND PLANNING, ECONOMIC, AND FINANCE MINISTERS, HAD PREPARED THE PROPOSED AGREEMENT ON ECONOMIC COOPERATION. PAZ DID NOT ELABORATE ON THE CONTENTS OF THESE DOCUMENTS.
- WHILE NEGOTIATIONS WERE UNDERWAY ON THE FORMALIZATION" OF THE PROPOSED AGREEMENTS, PAZ SAID, THERE WERE TWO CONDITIONS THAT THE GOH WISHES TO MAINTAIN. FIRST, THERE WOULD BE NO FURTHER TRAINING OF SALVADORAN FORCES AT THE RMTC. SECOND, THERE SHOULD BE NO FURTHER U.S. PERMANENT CONSTRUCTION ACTIVITY IN HONDURAS, SUCH AS THE PROPOSED CONSTRUCTION AT THE CERRO LA MOLE RADAR SITE. AMBASSADOR ASKED FOR CLARIFICATION OF THIS SECOND CONDITION, AND PAZ PROCEEDED TO CALL ARMED FORCES CHIEF OF STAFF GONZALEZ. AFTER CONVERSATION, HE EXPLAINED TO AMBASSADOR THAT THE CONDITION REFERRED TO THE PROPOSED INSTALLATION OF DATA RELAY SYSTEMS AT CERRO LA_MOLE AND TIGER ISLAND. IT DID NOT REFER TO ONGOING WORK TO UPGRADE AIRFIELD FACILITIES. THE AMBASSADOR COMMENTED THAT INSTALLATION OF NEW FACILITIES LIKE THOSE CONTEMPLATED FOR CERRO LA MOLE AND TIGER ISLAND WOULD APPEAR TO BE OF HIGH MILITARY VALUE FOR HONDURAS AS WELL AS THE U.S., AND EXPRESSED HIS PERPLEXITY AT HONDURAS' RATIONALE FOR SUSPENDING THEM. IN THE CASE OF CERRO LA MOLE, HONDURANS HAD THEMSELVES ACTUALLY ASKED FOR THE RADAR INSTALLATION IN 1982.
- 6. PAZ THEN TURNED TO PROCEDURES FOR A CONTINUING DIALOGUE ON PROPOSED AGREEMENTS. THE U.S. SIDE, HE NOTED, HAD YET TO APPOINT A HIGH-LEVEL, COUNTERPART COMMISSION TO DEAL WITH HONDURANS ON PROPOSED AGREEMENTS. HE HAD BEEN ASKED TO SUGGEST THAT GOH COMMISSION GO



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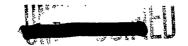


TO WASHINGTON SOME TIME IN OCTOBER TO OUTLINE ITS POSITION. COMMISSION WOULD LIKE TO CALL ON THE SECRETARY AND NSC ADVISER MCFARLANE. "IF WE COULD ONLY HAVE 40 MINUTES WITH SECRETARY SHULTZ, THEN PERHAPS THIS WOULD MAKE MATTERS EASIER," PAZ SAID. COMMISSION WOULD CONSIST OF MINISTER OF THE PRESIDENCY ARRIAGA, ARMED FORCES CHIEF LOPEZ, CHIEF OF STAFF GONZALEZ, AND HIMSELF. HOPEFULLY, SUCH A MEETING WOULD LEAD TO JENERAL UNDERSTANDING (ACERCAMIENTO).

- WHEN PAZ HAD FINISHED HIS PRESENTATION. AMBASSADOR ASKED HIM TO PASS ON HIS DEEP CONCERN TO PRESIDENT SUAZO ABOUT CURRENT STATE OF PLAY ON BILATERAL HE SAID THAT THE U.S. HAD HOPED TO DEAL NEGOTIATIONS. WITH THE RMTC ISSUE IN A MANAGEABLE WAY, BUT IT NOW APPEARS THAT THE HONDURAN GOVERNMENT WAS RAISING GENERAL QUESTIONS WHICH WOULD MAKE IT EXTREMELY DIFFICULT FOR US TO REACH ANY USEFUL AGREEMENT IN THE NEAR FUTURE. IT SEEMED THAT THERE HAD BEEN SOME BREAKDOWN IN COMMUNICATIONS. THE U.S. WAS NOW PROVIDING HONDURAS WITH FIVE TIMES THE BILATERAL AID THAT IT HAD IN 1981, BUT IT STILL SEEMED DIFFICULT TO DEAL WITH SPECIFIC QUESTIONS OF BILATERAL COOPERATION. FOR INSTANCE. THE AMBASSADOR SAID, HE HAD NOT YET EVEN RECEIVED AN ACANOWLEDGMENT OF HIS LETTER TO PRESIDENT SUAZO OF AUGUST 15 INFORMING HIM OF RECENT SIGNIFICANT INCREASES IN BILATERAL ASSISTANCE UNDER THE JACKSON PLAN. NATURALLY, AMBASSADOR SAID WE WOULD TRANSMIT NEW HONDURAN PROPOSALS TO WASHINGTON FOR COMMENT, BUT THERE WOULD BE SOME SHORT-TERM PROBLEMS TO WORK OUT WHILE CONVERSATIONS ONE WOULD BE DEALING WITH THE PRESS, WHO CONTINUE. WOULD BE LIKELY TO FOCUS ON THE HONDURAN VETO ON FURTHER SALVADORAN TRAINING AND LIKELY TO PLAY IT AS C A SETBACK TO U.S.-HONDURAN RELATIONS AND USG REGIONAL ·POLICIES. THE SECOND WOULD BE FURTHER ACTIVITIES AT THE RMTC ITSELF. THE U.S. WOULD PROBABLY HAVE TO REMOVE SOME IF NOT ALL OF THE INSTRUCTORS.
- 8. AMBASSADOR ALSO, POINTED OUT THAT REQUEST FOR BILATERAL SECURITY ARRANGEMENT OF THE KIND PROPOSED BY GOH WOULD REPRESENT MAJOR DEPARTURE FOR USG POLICY IN HEMISPHERE AND THUS SEEMED MOST UNLIKELY TO BE WELL RECEIVED IN WASHINGTON.
- 9. COMMENT. WE IDENTIFY SEVERAL REASONS FOR RECENT HONDURAN BEHAVIOR IN RMTC NEGOTIATIONS:
- -- AN ATTEMPT TO GET THE MOST POSSIBLE FOR HONDURAS

 AS A PRICE FOR COLLABORATION ON REGIONAL ISSUES. THIS
 IS TO BE EXPECTED, BUT AT THIS JUNCTURE, HONDURANS
 ARE CLEARLY RUNNING THE RISK OF LOSING MORE THAN
 THEY GAIN BY THIS EXERCISE, AND WE ARE NOT SURE THAT
 THEY ARE FULLY AWARE OF THIS.
 - -- DESIRE OF SUPERIOR.MILITARY COUNCIL TO ASSERT ITSELF, AND TO MAKE CLEAR THAT WE ARE DEALING WITH A NEW AND DIFFERENT, POST-ALVAREZ ARMED FORCES LEADERSHIP.



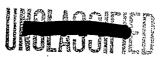


- -- POSTURING FOR DOMESTIC POLITICAL CONSUMPTION.
 PRESS HAS BEEN FOLLOWING SUPPOSED NEGOTIATIONS CLOSELY,
 AND FROM TIME TO TIME CRITICIZING THE GOVERNMENT FOR
 NOT DIVULGING MORE OF THEIR CONTENT. GOVERNMENT IS
 TRYING TO STAY AHEAD OF THIS SELF-INFLICTED CRITICISM.
- -- QUESTION REMAINS WHETHER GOH REALLY WANTS THE RMTC IN ANY FORM OR WHETHER CURRENT TACTICS ARE A SMOKESCREEN TO REMOVE RMTC ENTIRELY AND LAY THE GROUND FOR FURTHER RESTRICTIONS ON PROVIDING SANCTUARY FOR THE ANTI-SANDINISTAS. IN OTHER WORDS, THIS MAY BE PART OF AN ELABORATE JUSTIFICATION FOR GOH PULLING IN ITS HORNS INSOFAR AS COLLABORATING WITH US ON REGIONAL ISSUES. ALSO, ACCOMMODATIONIST TENDENCIES IN GOH MAY HAVE BEEN STRENGTHENED BY ALVAREZ REMOVAL, CUT-OFF IN CONTRAFUNDING, AND LATEST CONTADORA DEVELOPMENTS.

10. IN OUR OWN RESPONSE, WE NEED TO CONTINUE EFFORT TO SEPARATE RMTC AND OTHER PRACTICAL ISSUES FROM THE BROADER QUESTIONS RAISED IN NEW DOCUMENTS. ON THE OTHER HAND, GIVEN GOE PERSISTENCE IN PURSUING HIGH-LEVEL POLICY TALAS, WE SHOULD SERIOUSLY CONSIDER RECEIVING GOE DELEGATION IN WASHINGTON AT LEVEL REQUESTED. END COMMENT. NEGROPONTE BT

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